

CSA Handbook 2024

Corporate Sustainability Assessment



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01

Introduction

What is the purpose of this document?

We believe it is vital that we are transparent about our Corporate Sustainability Assessment (CSA) process, the methodology and rationale behind the questions we ask, our expectations in terms of information and data, and how the information you provide is used to calculate the S&P Global CSA Score, a key component of the S&P Global ESG Score.

To this end, this document provides companies filling in our CSA questionnaire with information on the general questions we ask of companies in all (or many) industries. Our aim is to clarify not just the **questions'** rationale and intent, but also to provide extra details on the structure of our questions, the definitions we use, and guidance on what types of answers are expected and acceptable for each question. We intend to update this document over time to reflect changes to the CSA and to cover more cross-industry questions (questions applicable to a majority but not all industries). We are also sharing the approach by which responses are assessed, what **we call the "Assessment Focus."**

We provide an overview of links between the CSA and the GRI (Global Reporting Initiative) Standards at the end of this document to help reduce the effort companies need to put in to fill in the questionnaire by better understanding where common metrics or definitions are used. Please refer to the

How should you use this document?

For each covered question, this document provides the assessment focus, the question rationale, details of the question layout and specific guidance on how to answer.

The question-specific guidance & definitions sections define the terms we use and provide details on how to interpret and **answer each question. They also specify the question's** alignment with the GRI or other standards and framework, and whether internal or public documents will be necessary to answer the question, in full or in part.

For the purpose of the CSA, the term "publicly available information" refers to documents, reports, websites, or other online content found in the public domain. This information must be available to all stakeholders and valid at the time of the review of the CSA by us. It has to be accessible via a weblink (URL). Weblinks on your own website have to be linked to/from a page on your website that is publicly accessible.

final section of this document to view the complete table. Please note we do not guarantee the accuracy of all references to GRI Standards, nor can we guarantee that all references in this document reflect ongoing changes to the GRI Standards framework.

It is important to note that this document provides supplementary guidance on how to answer the questions; it should not be used on its own to fill out the questionnaire. For presentation purposes, there may be some discrepancies between this document and the online CSA questionnaire, and the questionnaire visible via the portal should always be considered the master document in terms of the Question Layout, and data or information requested. This document should be used as a complement to the online questionnaire and is in no way intended to replace it.

The CSA Handbook serves as an additional source of information for companies participating in the CSA and for those that wish to understand the approach to completing the questionnaire. The CSA Handbook simply serves as additional information – the illustrative examples do not serve as guarantees for a higher S&P Global CSA Score.

The Question Layout sections contain key information about **each question's** structure but do not include standard responses such as "Not known" or "Not applicable," which are options for all questions.

- The radio button item in the Question Layout sections of this document indicate that a single answer can be selected. A single answer may be followed by a number of multiple-choice items.
- The checkbox item in the Question Layout sections of this document indicates that multiple answers can be selected.

IMPORTANT NOTE:

The CSA applies 62 industry specific questionnaires. Up to 50% of the CSA questions in an industry questionnaire apply only to a cross section of industries or are sometimes even specific to that single industry. These questions are likely not covered in this document.

As of 2021 we provide two CSA versions: a Full CSA containing on average 100 questions per industry and a Core CSA, targeted at medium-size companies, that covers on average 70 questions.

Whether a question that is contained in this document applies to your company is determined by your Industry and the applicable CSA (Full or Core). The full set of criteria and **questions applicable to a company is visible in the company's** questionnaire section of the CSA portal.

General Guidance

Criterion Weights

The Corporate Sustainability Assessment (CSA) is a holistic assessment, but the structure and weighting of each criterion depends on its financial materiality in a given industry. To aid **companies' preparation for the CSA, we share the weights for** the different aspects of the assessment on our website under [CSA Methodology](#). These weight schemes are also clearly visible on the Company Benchmarking Scorecard which are received by all companies following the release of the scores.

Answering Questions

This section provides general guidance on how to complete the Corporate Sustainability Assessment, our expectations and some general tips for a successful submission. Each question in the questionnaire consists of one or more sub-questions. You are given the possibility of selecting one or more answers to each question. Generally, the first option will enable you to answer the relevant question or sub-questions. Each question also contains a standard set of answer options that enable you to indicate if you do not have the information asked for or if the question is not applicable to you.

The standard answer options provided in each question are the following:

<i>Answer Option</i>	<i>Explanation</i>
<i>No, we do not.</i>	Should be used if the company does not have the requested information, policy or strategy.
<i>Not applicable. Please provide explanations in the comment box.</i>	Should only be used if the question is not applicable to the company's business model. Answers marked as such will be carefully reviewed and only accepted if the question is deemed irrelevant for the company's specific business model. If a question is marked as not applicable, the weight of the question will be redistributed amongst the remaining questions in the criterion.
<i>Not known.</i>	This answer should be marked if the company is unaware of whether or not the required information is available within their company or not.

Supporting Evidence

Supporting evidence is asked for in certain questions. If required, supporting evidence is used to verify the submitted answers. To support our analysts, please provide the **pdf page number, not the document's nominal page numbers**. In order to make sure that the references provided are considered by us as you intended, we suggest limiting the number of references you provide, and that you focus on providing references that are clearly relevant for the answers that request one. If you would like to add references for questions that do not require one, you may do so.

References can be either public or non-public, depending on the question. Where publicly available references are required, this is clearly stated, and the reference can be added by providing a URL.

As stated in the banners over "partially public" questions, where either public or non-public references can be provided, we prefer publicly available documents, as this demonstrates more transparency than information that is only internally available. All questions have a paperclip evidence icon regardless of whether the question explicitly requires supporting evidence. We have long required supporting evidence for a majority of the questions in the CSA and have been increasing the number of questions for which not only private, but also public references are needed. Growing scrutiny on the analytical process behind ESG scores requires enhanced auditing of the answers provided in the CSA: all questions, or, as applicable, single data points, include the option to attach supporting evidence.

Comments

The comment box found at the bottom of each question is a tool that can be used to provide additional information or explanations for the answers that you have provided, however, the provision of these explanatory comments should

be the exception and not the rule. For example, it can be used to explain underlying data collection methodologies, changes in approaches from one year to another, what parts of the company the data or answers refer to, or why a question is not applicable to **the company's business model**.

Media & Stakeholder Analysis

We perform a Media & Stakeholder Analysis (MSA) as part of our assessment methodology to check the consistency of a **company's** behaviour and management of crisis situations in line with its stated principles and policies. The MSA is based on an analysis of ongoing company-specific controversies related to sustainability topics. Results of the MSA range from no impact to high impact, with the latter reflecting serious reputational risks that could have consequences for **the company's bottom line (such as legal liabilities or a high probability of imminent legal liabilities)**. In addition, the **overall quality and effectiveness of the management's** response to a situation is assessed, evaluating whether or not a company has transparently and proactively managed the issue.

The MSA process is complemented by an additional examination of media coverage, stakeholder commentaries, and other publicly available sources which are provided by RepRisk ESG Business Intelligence.









On a daily basis, RepRisk screens, captures, filters and analyses environmental, social and governance (ESG) risks related to companies in 16 languages from a wide range of external stakeholders and third parties.

In the event that an MSA case is identified, companies will be contacted with a request for additional information surrounding the case in question. We offer all assessed companies the possibility to provide us with their feedback on the ongoing case, the impact on their business and their reaction to the situation.

For more information on the MSA process, please refer to our "[Measuring Sustainability Performance](#)" white paper available at our website as well as the "[MSA Methodology Guidebook](#)".

Assessment focus

In the spirit of transparency, we are sharing the assessment focus of the questions contained in the Handbook. In each question, we will include icons to give an indication of what we are looking for.

Assessment Focus	Icons	Description of Information Sought
Disclosure/Transparency		Disclosure of qualitative/quantitative information
Documents		Document supporting company's response
Public Documents		Publicly available document supporting company's response
Exposure/Coverage		Coverage of measures implemented or data reported
Trend		Trend of key indicators in the last three or four years
Performance		Performance of key indicators in comparison to our expected threshold
Awareness		Awareness of internal and external issues and measures taken
External Verification		Third party verification of data or processes

PLEASE NOTE: The question texts, methodology, and assessment schemes presented may be subject to change at any time at the discretion of S&P Global. In addition, questions might look different in the Online Assessment Tool in terms of Question Layout.

We also reserve the right to update the contents of the CSA Handbook and if such updates should take place, there will be an update of the date shown on the title page of the CSA Handbook.

02

Company Information

Denominator – Revenues

Question-Specific Guidance & Definitions

The information asked in this question is required by us to normalize quantitative data provided in other questions and criteria (e.g. Pollutants). Company data reported here may also be used to normalize other reported data in the questionnaire or may be used by us for research purposes.

- Revenues: Please provide the revenues in your reporting currency, and indicate which currency you have used in the comment box. Please provide constant currency (foreign exchange adjusted) revenues if possible, as they eliminate the effect of fluctuations in foreign exchange rates and are thus a better indicator of business performance. However, reported revenues are also accepted
- Revenues in US Dollars: Please convert the revenues reported in each year using the exchange rate at the end of that corresponding fiscal year. In other words, if your company has a fiscal year that ends on the 31st of December, the revenues provided for FY2019 should be converted using the exchange rate on 31.12.2019. The revenues provided for FY2020 should be converted using the exchange rate on 31.12.2020.
- Total Employees: the number of people employed on a full time and part-time basis by the company, calculated as: Total Employees = Full Time Employees + 0.5 * Part Time Employees. If you calculate your total number of employees differently, please describe your method in the comment box.

Data Requirements

- Please provide information for all parts of this question and ensure that the figures provided are consistent over four years as well as consistent with the figures (e.g. Pollutants) provided in the other questions.
- Reporting currency: currency selected will be used throughout the questionnaire for consistency purposes, and will automatically be selected for questions asking for monetary data.
- Unless otherwise specified, all monetary values should be reported in their absolute values.
- If available for your industry, please select the appropriate normalization factor to be used for normalizing data reported in the "Emissions"

Supporting evidence:

No document is required to support your response. You may still provide a reference using the reference clip. This could include examples of the underlying calculations or approaches to data aggregation used to compile the provided quantitative information.

Standards & frameworks

CSR - S1-6 50a AR 57, S1-6 50c AR 59, S1-6 50d i. AR 60
 GSD - Revenue and/or (net) value added
 GRI Disclosure - 2-7, 201-1
 IRIS+ - FP6510, OD5990, OI3160, OI8864, OI8869, PI1775
 WEF Metrics - Economic contribution

03

Economic Dimension

Transparency & Reporting

To confidently use sustainability-related data and reports produced by companies, stakeholders must be able to rely on accurate information that has been collected, elaborated and presented in a transparent manner. This criterion aims to assess how companies set and communicate the reporting boundaries associated to their sustainability-disclosure,

whether they certify the quality and accuracy of the disclosed data through third-party verification and assurance processes, and whether they define the eligibility and/or alignment of their business activities to relevant sustainable finance taxonomies.

Sustainability Reporting Boundaries

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Setting clear sustainability reporting boundaries is necessary for stakeholders and investors to understand how the sustainability disclosure of a company reflects its organizational and management reality. The greater the scope of the information is disclosed, the more it is representative of a company's business activities as a whole, providing a

more accurate picture of the environmental and social impacts of the company. Because of this, stakeholders and established standards and frameworks are expecting companies to increasingly align their sustainability disclosure with the boundaries set for financial disclosure.

Question Layout

Does your company publicly report on the scope or reporting boundaries of your sustainability disclosure?

- Yes, we publicly disclose the reporting boundaries or scope of reporting used for our sustainability disclosure. Please choose the option that best describes your reporting boundaries and provide public supporting evidence:
 - All activities fully consolidated for financial reporting purposes are covered
 - The following percentage of our revenues is covered by our sustainability disclosure:
 - 75-100%
 - 50-75%
 - 25-50%
 - 0-25%
 - All activities under operational control and/ or majority-owned are covered
 - None of the above applies, but we provide the criteria used for sustainability data disclosure (e.g. list of included or excluded entities, geographies or divisions)
- We don't have a dedicated section of our disclosure that describes our reporting boundaries, but we disclose the coverage of some specific environmental or social indicators. Please select the options that apply:

- Some environmental indicators have coverage details
- Some social indicators have coverage details

Question-Specific Guidance & Definitions

Financially consolidated activities: refer to all subordinate entities, subsidiaries, etc. that the company has consolidated in its financial statement. Financial accounting standards require reporting companies to consolidate all entities that they control.

Operational control: an organization has operational control over an operation if the former has the authority to introduce and implement its processes and operating policies.

Majority-owned activities: subordinate entities or subsidiaries in which the reporting company (e.g. parent company) owns more than 50% of outstanding shares.

Disclosure Requirements:

- This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g. annual report, sustainability report, integrated report, company publications, corporate citizenship/corporate social responsibility report, financial report) or corporate website.
- Please ensure that the information needed to mark any of the options is clearly disclosed in the attached documents

Specific requirements for the single-choice selection:

- If your company has disclosed the reporting boundaries or scope of reporting used for your sustainability disclosure, and more than one option can be selected among those in the single-choice

section, please consider that a high (75-100%) **revenue coverage of a company's sustainability disclosure** or an alignment between the financial consolidation and sustainability disclosure are considered best practices and should be used as options.

- If the majority of your revenue is derived from minority (non-consolidated) interests, please use the revenue field to indicate the coverage of your sustainability disclosure. Please also provide a brief description of your minority interests in the comment box of the question, explaining how they have been included in your sustainability disclosure and within the CSA.
- If you have used the revenue field, but the revenue coverage is not explicitly stated in the reporting boundaries section of your sustainability disclosure, please provide the necessary public documents to corroborate the coverage range provided and indicate the necessary calculations in the comment box. For groups and holding companies, this percentage coverage must be calculated against the total revenue reported in the consolidated financial statement.

Standards & Frameworks

AASB ASRS 1 - 20

CSRD - ESRS 2 BP-1 3, ESRS 2 BP-1 5a, ESRS 2 BP-1 5b i,

ESRS 2 BP-1 5b ii

GRI Disclosure - 2-2

IRIS+ - OI4732

Sustainability Reporting Assurance

Public: this question requires publicly available information

Assessment Focus



Question Rationale

As with financial data, assurance of environmental and social data ensures that it is more reliable and increases the likelihood that investors will use these data in their analysis and investment decisions. Transparency about the assurance

process and the data assured also increases stakeholders' trust in published information.

The purpose of this question is to assess the extent to which companies are disclosing the details related to their environmental and social assurance.

Question Layout

Does the company employ external assurance providers to conduct assurance for its sustainability reporting and is this information available publicly?

- Yes, the company's sustainability reporting is externally assured. Please indicate where this information is available in public reporting or corporate website.
 - The assurance statement is based on a recognized international or national standard (e.g. AA1000AS, ISAE 3000).
 - The assurance statement contains a "declaration of independence" which specifies that the assurance provider has no conflict of interest in relation to providing the assurance of environmental and / social data for the company which has been assured
 - The scope of the assurance statement clearly indicates that it covers environmental KPIs. If only some KPIs are assured, then it is clearly indicated which data/KPIs disclosed in the report have been assured.
 - The scope of the assurance statement clearly indicates that it covers social KPIs. If only some KPIs are assured, then it is clearly indicated which data/KPIs disclosed in the report have been assured.
 - The assurance statement contains a conclusion, i.e. either "reasonable assurance" or "limited assurance"**

Question-Specific Guidance & Definitions

Assurance specialists: Include accountants, certification bodies, and specialist consultancies. It does not include an independent advisory board, stakeholder panel, or high-level individual (e.g. Environmental Minister).

The declaration of independence: An explicit statement of independence from the auditor confirming that there is no **other commercial link to the company's operations or business** that could result in a conflict of interest.

Recognized international or national standard: refers to assurance standards and not reporting standards (such as GRI guidelines). Examples of these assurance standards are AA1000AS and ISAE 3000, but regional or local standards are also acceptable if they are clearly specified and are comparable to international standards.

Examples include:

- Standard DR03422 (Australia/New Zealand)
- Assurance Engagements of Sustainability Reports (Germany)
- Environmental Report Assurance Services Guidelines by the JICPA (Japan)
- FAR auditing standard RevR6 (Sweden)
- Standard 3810 Assurance Engagements related to Sustainability Reports (the Netherlands)
- AT-C Section 105 and 210 (United States/Canada)

Scope of assurance: If the scope of assurance covers some (but not all) environmental indicators, these need to be clearly marked in the relevant sections of the report. If the assurance statement covers all data items in the report, this also needs to be explicitly stated.

Conclusion/Level of assurance: This refers to the conclusion of the assurance process which is according to the level of assurance i.e. *limited/moderate or reasonable assurance*. The level of assurance indicates the extent and depth of the work the assurance provider undertakes in relation to sustainability disclosures. Most assurance providers offer **two levels: 'reasonable' assurance (i.e. high but still involving some risk of inappropriate conclusion) or 'limited' assurance (i.e. moderate) (GRI, 2013).**

Supporting evidence:

This question requires supporting evidence from the public domain. The information provided has to be included in your

public reporting (e.g. annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website.

Any response that cannot be verified in the attached public document(s) will not be accepted.

Standards & frameworks

CSRD - ESRS 2 BP-2 AR 2

GRI Disclosure - 2-5

UNGC Questionnaire - G13

Sustainability Taxonomies

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to identify companies that have business activities that can be considered eligible for or aligned to a designated sustainable finance taxonomy. In recent years, there has been a development of sustainable finance taxonomies which aim to categorize business activities as “green”. **The leading framework, the EU Taxonomy**, is now legally in force within the European Union; in the years to 2025, an increasing number of European companies will be within the scope of this legislation. There

are a range of other jurisdictions that are either developing or implemented a taxonomy for the classification of green activities. These may be legally or voluntarily applied.

The S&P Global Inc. Corporate Sustainability Assessment (CSA) aims to be standard agnostic and therefore the question allows participants to designate the taxonomy they have mapped their operations. It recognizes that companies may do this as they are legally obligated, or they have voluntarily mapped their operations to obtain a competitive advantage or attract investment.

Question Layout

Does your company report its revenues, capital expenditure and operating expenditure in line with a sustainable activity reporting framework? Please indicate where this information is available in your public reporting or corporate website.

- Yes, we have mapped our activities against a sustainability taxonomy or framework, and it is available in company reporting:

Geography of Framework

- Our company is within the legal scope of a sustainability taxonomy framework within the following geography:
 - European Union
 - China
 - ASEAN
 - South Africa
 - Colombia
 - Japan
 - Korea
 - Other taxonomy, please specify below:
- Our company is not within the scope of a sustainability taxonomy but we have voluntarily mapped alignment, please specify below:

Aggregate Mapping

- Yes, we have conducted an overall aggregate mapping of our eligibility and alignment to the above taxonomy, please submit details below:

Aggregate of Eligibility & Alignment	Revenue	Capital Expenditure	Operational Expenditure
Total figures for your company Please provide totals in monetary units	100.0%	100.0%	100.0%
Total of which is Taxonomy- Eligible Please provide percentage of the total figure for your company that is taxonomy eligible or meets requirements of the taxonomy chosen above.			
Total of which is Taxonomy- Aligned Please provide the percentage of the eligible figure that is taxonomy aligned or meets requirements of the taxonomy chosen above.			
Total of which is not Taxonomy Eligible Please review the calculated totals that are not taxonomy eligible			

- No, we have not conducted an overall aggregate mapping of our eligibility and alignment to the above taxonomy.

Activity-Level Breakdown of Mapping

- Yes, we have publicly mapped our eligibility and alignment at activity-level and it is available here:
- No, we have not publicly mapped our eligibility and alignment at an activity-level.

Question-Specific Guidance & Definitions

Sustainability Taxonomy: A framework that provides clear definitions of business activities that can be considered environmentally or socially beneficial. The framework may be legally enforced by relevant financial regulators within the jurisdiction in which the company operates, or a voluntary framework the company has decided to disclose towards.

Taxonomy-Eligible: A business activity that a sustainability taxonomy considers relevant to its framework.

Taxonomy-Aligned: A business activity that is taxonomy-eligible and passes relevant tests provided by the framework. An example within the EU Taxonomy is an eligible Substantial Contributions, Do No Significant Harm (DNSH), and Minimum Social Safeguards (MSS) to become an aligned activity.

Aggregate Mapping: A total of all the taxonomy-eligible and taxonomy-aligned activities combined.

Activity-Level Mapping: A breakdown of individual activities and their eligibility as well as alignment to the relevant sustainability taxonomy.

Data Requirements:

Geography of Framework: Please indicate the geography, economy, or trading bloc of which your company falls within the scope of its sustainable finance taxonomy. If the company disclosed towards a taxonomy not within the list, please **choose "Other taxonomy" and add it to the text field**. If the company voluntarily aligns to a taxonomy that it is not legal within the scope of, **please choose "Our company is not within the scope of a sustainability taxonomy but we have voluntarily mapped alignment, please specify below"**.

Non-EU Companies Guidance: Please note, the list is forward-looking and although your jurisdiction may be present, it does not mean your company is required to report against it unless legally obligated or voluntarily chosen to. If you are not legally required and have not reported against it, please choose "Not Applicable". Non-EU companies can also map their data to the EU taxonomy, **but choose "Our company**

is not within the legal scope of a sustainability taxonomy but we have voluntarily mapped alignment, please specify **below” and write “European Union”**. Finally, if reporting to other taxonomy, write or chose it and submit the percentage of your business meeting those requirements as both eligible and alignment. For instance, if 90% of your revenues meet the local taxonomy, write 90% in both eligible and alignment.

Aggregate mapping: For company revenue, capital expenditure, and operating expenses, please provide the following information within the green boxes:

Total figures: Totals within the designated currency unit

Total of which is taxonomy-eligible: Total percentage of activities that are eligible to the relevant taxonomy. This can **also be described as “proportion” of turnover, capital expenditure or operational expenditure** that is dedicated to that activity.

Total of which is taxonomy-aligned: Percentage of total figures that are aligned to the relevant taxonomy. Please note, this is percentage of total revenue, capital expenditure or operating expenses, not the percentage of the eligible figures. Please note that the aligned percentage-value cannot be higher than the eligible percentage-value for each item (revenue, capital expenditure or operating expenses).

There is a series of calculated data points that will return figures depending on what the participant company submits.

Activity-level breakdown: If the company has performed an activity-level breakdown of eligibility and alignment to the

relevant taxonomy, please indicate where this is in company reporting.

Supporting Evidence: The question is public and requires evidence to be identified within the company reporting or website.

References

- OECD (2020) Developing Sustainable Finance Definitions and Taxonomies
- OECD (2023) Annex A. Overview of transition finance approaches | OECD Guidance on Transition Finance : Ensuring Credibility of Corporate Climate Transition Plans | OECD iLibrary (oecd-ilibrary.org)
- Center for Clean Air Policy (2022) Towards a common pathway across sustainable finance taxonomies: Policy brief for decision-makers
- EU Taxonomy Compass (2023) Sustainable Finance Taxonomy
- South Africa Sustainable Finance Initiative (2023) South Africa Sustainable Finance Initiative
- Green Taxonomy of Columbia (2023) Columbia Taxonomy
- China Green Bond Endorsed Project Catalogue (2015) 中国金融学会绿色金融专业委员会 (greenfinance.org.cn)
- Association of South-East Asian Nations (ASEAN) (2021) ASEAN Sustainable Finance Taxonomy
- Japan (2021) Basic Guidelines on Climate Transition Finance

Standards & frameworks

- CSRD - E1-3 29(c)a, b AR 20, ESRS 2 MDR-A
- EU Taxonomy - Multiple Activities - Disclosures by Non-Financial Undertakings
- GISD - Net investment

Corporate Governance

Corporate governance systems ensure that a company is managed in the interests of shareholders (including minority shareholders). On the one hand this includes checks and balances that enable the Board of Directors to have appropriate control and oversight responsibilities. Empirical evidence suggests that over a period of 5 years, the difference in return on equity between well-governed and badly-governed companies can be as much as 56% (source: GMI

2007). On the other hand management incentives have to be set in such a way that management interests are aligned with shareholders' interests. Our questions focus on board structure, composition of the board and related committees, board effectiveness and measures to ensure alignment with shareholders' long-term interests, which include transparency and the structure of executive remuneration as well as share ownership requirements.

Board Independence

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

An independent director is a member of the company's board of directors that is brought in from outside the organization. Independent directors can bring new insights and balance that improve the performance of a company through their objective view of the company's health and operations. At

times, they can also bring specific expertise from their experience as well as provide additional accountability. We assess the extent to which companies have made explicit statements about their definitions of and requirements with respect to board members' independence.

Question Layout

Does your company have a publicly available independence statement for the board of directors?

- Yes, we have a publicly available independence statement. Please indicate below what the statement includes and provide a reference:

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- We comply with the following corporate governance code or stock exchange rules
- The stock exchange we follow is not on the list or we have our own stricter independence requirements. The requirements cover the following:
 - The director must not have been employed by the company in an executive capacity within the last year.
 - The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of \$60,000 during the current fiscal year", other than those permitted by SEC Rule 4200 Definitions, including i) payments arising solely from investments in the company's securities; or ii) payments under non-discretionary charitable contribution matching programs. Payments that do not meet these two criteria are disallowed.**
 - The director must not be a "Family Member of an individual who is [...] employed by the company or by any parent or subsidiary of the company as an executive officer."**
 - The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or **a member of the company's senior management.**
 - The director must not be affiliated with a significant customer or supplier of the company.
 - The director must have no personal services contract(s) with the company or a member of the company's senior management.**

- The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.
- The director must not have been a partner or employee of the company's outside auditor during the past year**
- The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent

Target Share

- We have a target share of independent directors on the board. Please specify:

Question-Specific Guidance & Definitions

Independent directors: are non-executive directors that are independent by meeting at least 4 of the 9 criteria (of which at least 2 of the 3 first criteria) listed below:

1. The director must not have been employed by the company in an executive capacity within the last year.
2. **The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of \$60,000 during the current fiscal year", other than those permitted by SEC Rule 4200 Definitions, including i) payments arising solely from investments in the company's securities; or ii) payments under non-discretionary charitable contribution matching programs. Payments that do not meet these two criteria are disallowed.**
3. **The director must not be a "Family Member of an individual who is [...] employed by the company or by any parent or subsidiary of the company as an executive officer."**
4. The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management.
5. The director must not be affiliated with a significant customer or supplier of the company.
6. The director must have no personal services contract(s) with the company or a member of the **company's senior management.**
7. The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.
8. The director must not have been a partner or **employee of the company's outside auditor during the past year.**
9. The director must not have any other conflict of interest that the board itself determines to not be considered independent.

Data Requirements:

- Please provide your publicly available independence statement, public reporting on the definition of

independence used (i.e., if it is in line with local or international standards corresponding to the definition used by us), and public reporting on the target share of independent directors on the board.

- Please select the stock exchange that you comply with. We do allow you to select an established national or stock exchange Corporate Governance Code as long as this also meets our definition of independence.
- If you are a member of a stock exchange that is not listed or you have stricter requirements, please select what parts of the Board Independence statement your company satisfies. We expect the statement to meet at least 4 out of 9 criteria of which at least 2 of the first 3. If this is not the case, please indicate so.

Specific data requirements for non-listed companies:

Family-owned companies

- All family members who are on the Board of Directors and employed by the company are to be considered as executive directors.
- Family members that are only on the board and that do not have any executive role can be considered as independent directors if they meet at least 4 out of 9 criteria of which at least 2 of the first 3 criteria for independence.

State-owned companies

- Government representatives can be considered as **"independent"** if they meet at least 4 out of 9 criteria of which at least 2 of the first 3 criteria for independence.

Disclosure Requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.

- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

Standards & frameworks

GRI Disclosure - 2-10

Board Type

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

An effective board of directors, properly constituted, is the linchpin of good corporate governance. Boards are responsible for managerial performance, meeting the corporation's stated objectives, complying with applicable laws and regulations, and protecting shareholder rights and

interests. To assess the quality of a board's structure, we focus on its composition, its proportion of independent members, and its overall size, as empirical studies show that oversized boards are counter-productive to performance.

Question Layout

Does your company publicly report on its board type? Please indicate the number of executive and non-executive directors on the board of directors/supervisory board of your company and specify where this information is available. Additional clarification on one-tier and two-tier systems is available in the information text.

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- Yes, we publicly report on our board type.

Please select whether your company has a one-tier or two-tier board and provide a reference:

- One-tier system (companies with a board of directors)

	Number of members
Executive directors	
Independent directors	
Other non-executive directors	
Total board size	

- Two-tier system (companies with a supervisory board)

	Number of members
Supervisory board	Independent directors
	Other non-executive directors
	Employee representatives (if not applicable, please leave the field empty)
Management board/executive management	Senior executives
	Total size of both boards

Question-Specific Guidance & Definitions

Types of Boards: Companies can choose between one- and two-tier systems when answering the question. The descriptions below will help you identify which of these structures your company has in place.

One-tier systems: have a single board consisting of executive, non-executive, and independent directors. It is possible that such boards only consist of independent directors or a combination of executive and independent directors. Most countries use a one-tier system.

Two-tier systems: have an executive board and a supervisory board, which is composed of non-executive or independent members and – in certain countries – employee representatives. Countries that commonly use two-tier systems include Austria, Denmark, Finland, France, Germany, Hungary, and The Netherlands. Sweden and Norway are exceptions and should be classified as one-tier despite the presence of employee representatives on the board.

For French companies that have a one-tier board system with employee representatives, in accordance with the French code of corporate governance, employee representatives should be considered non-executive directors and be included in the total board size.

Types of Directors: We outline definitions of possible types of directors below. These definitions should be used to classify board members. Please note we only consider board members that are CURRENTLY (at the time the assessment is performed) on the board, e.g., if a board member has resigned (for example in March 2020) and the assessment is performed in May 2020, that board member would not be considered.

Executive directors: are employees, and are usually senior managers of the company in an executive function (e.g., CEO, CFO, etc.).

Independent directors: are non-executive directors that are independent by meeting the requirements set out in the Board Independence question.

Other non-executive directors: are directors that are not executives but also do not qualify as independent as defined above. They are members of the board not already accounted for in the executive and independent categories. They might be employed by the organization at a non-executive level.

Data Requirements:

This question is automatically filled out with information from S&P Capital IQ. If any correction is required, please follow these requirements:

- Ensure that the type of board, the breakdown between the different types of directors, and the total board size are filled out.
- If the definition of independence at the company differs from our definition given in the Board Independence question, please adjust the number of independent directors in line with our definition and provide a comment in the comment box.

Specific data requirements for non-listed companies:

Family-owned companies

- All family members who are on the Board of Directors and employed by the company are to be considered as executive directors.
- Family members that are only on the board and that do not have any executive role can be considered as independent directors if they meet at least 4 out of 9 criteria of which at least 2 of the first 3 criteria for independence.

State-owned companies

- Government representatives can be considered as **“independent”** if they meet at least 4 out of 9 criteria of which at least 2 of the first 3 criteria for independence.

Disclosure Requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

Standards & frameworks

CSRD - ESRS 2 GOV-1 21a, ESRS 2 GOV-1 21b, ESRS 2 GOV-1 21e

EDCI - Total number of board members

GRI Disclosure - 2-9

IRIS+ - OI1075, OI4070

UNGC Questionnaire - G11

WEF Metrics - Governance body composition

Non-Executive Chairperson/Lead Director

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

International consensus favors the separation of the roles of chairperson and CEO. If the board of directors opts to appoint one person fulfilling both roles, it has to build in the

necessary checks and balances to avoid potential abuse of power. Companies headed by a joint chairperson/CEO are expected to explain their reasoning for this structure, have appointed a "lead independent director" and should provide a **statement about the lead director's responsibilities.**

Question Layout

Is the board of directors/supervisory board headed by a non-executive and independent chairperson and/or an independent lead director? Please indicate where this information is available.

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- Chairperson is non-executive and independent.
- Role of CEO and chairperson is split and former CEO/chairperson (presently in a non-executive position) is now chairperson
- Role of CEO and chairperson is split and chairperson is non-executive but not independent
- Role of CEO and chairperson is split and former CEO/chairperson is now chairperson, but independent lead director is appointed. Please indicate the name of the lead director:
- Role of chairperson and CEO is joint, but independent lead director is appointed. Please indicate the name of the lead director:
- Role of chairperson and CEO is joint or chairperson is an executive director.

Question-Specific Guidance & Definitions

Independent lead director: this role exists to provide leadership to the board in cases where the joint roles of Chairperson and CEO could potentially be in conflict. Fundamentally, the role exists to ensure that the board operates independently of management and that directors have independent leadership at the board level. If the company has chosen either of the two options indicating that it has an independent lead director, the name of this director should be provided in the comment box.

Independent directors: are non-executive directors that are independent by meeting at least 4 of the 9 criteria listed (of which at least 2 of the first 3 criteria) listed below:

1. The director must not have been employed by the company in an executive capacity within the last year.
2. **The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company**

in excess of \$60,000 during the current fiscal year", other than those permitted by SEC Rule 4200 Definitions, including i) payments arising solely from investments in the company's securities; or ii) payments under non-discretionary charitable contribution matching programs. Payments that do not meet these two criteria are disallowed.

3. **The director must not be a "Family Member of an individual who is [...] employed by the company or by any parent or subsidiary of the company as an executive officer."**
4. The director must not be (and must not be affiliated with a company that is) an adviser or consultant to **the company or a member of the company's senior management.**
5. The director must not be affiliated with a significant customer or supplier of the company.
6. The director must have no personal services contract(s) with the company or a member of the **company's senior management.**

7. The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.
8. The director must not have been a partner or **employee of the company's outside auditor during** the past year.
9. The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent.

Disclosure Requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

Standards & frameworks

ESG Disclosure Standards (China) - G.1.2.1 Composition and background of board members

GRI Disclosure - 2-11

Board Diversity Policy

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

Corporate boards are tasked with monitoring companies' management teams on behalf of those companies' shareholders and other stakeholders. Boards are the direct representatives of these stakeholders and form one of the most important components of corporate governance. It is therefore important that the board members selected have the right experience and skills, are sufficiently independent, and act in the best interests of all stakeholders.

Diversity adds value to the board through differences in perspectives and experience. Diverse boards will be able to assess problems from a broader point of view and are more likely to take into account the best interests of all stakeholders. Furthermore, studies have shown a positive correlation between gender diversity on boards and **companies' financial performance. It can also be important** for board members to have a broad and complementary range **of skills, although boards' needs can differ across individual** companies and industries depending on the existing and required skills of board members and the pool of qualified board members available when electing new board members.

Question Layout

Does the company have a formal policy on board diversity and is it available publicly?

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- Yes, the company has a policy on board diversity that clearly requires diversity factors such as gender, race, ethnicity, country of origin, nationality or cultural background in the board nomination process. Please indicate where this information is available in public reporting or corporate website.
 - Gender
 - Race or Ethnicity
 - Nationality, country of origin or cultural background

Question-Specific Guidance & Definitions

Local corporate governance codes: Certain local corporate governance codes include guidance on diversity criteria. This can be accepted in this question if both of the following criteria apply:

- The company states that it adheres to the local corporate governance code without exception OR clearly states what those exceptions are and that they do not include the diversity factors specifically ticked in the question, and
- The local corporate governance code clearly indicates that the specific criteria ticked in the

response are considered for the board nomination process.

Race: In the absence of any internationally agreed definition, race is most often statistically characterized in terms of phenotype and appearance (e.g., skin colors), or with regard to ancestry. This should not be understood as an attempt to trace the definition of race to biological, anthropological, or genetic factors but rather to (somewhat artificially) distinguish it from the concept of ethnicity. (OECD, 2018)

Ethnicity: Describes a shared culture: the practices, values, and beliefs that characterize those belonging to a community. This multidimensional concept acts as an umbrella term

encompassing language, religious traditions, and others (United Nations, 2017). A number of related concepts, including ancestry, citizenship, and nationality, may overlap with ethnicity. However, ethnicity is not the same as nationality or citizenship, nor it is a measure of biology or genes. (OECD, 2018)

Nationality: While geographic diversity has received less attention than gender or racial diversity on boards, it is clear that geographic diversity adjusts the lens through which risks and strategies are examined. In order to manage global risks and opportunities and improve board effectiveness, geographic diversity in the boardroom in a global marketplace needs to increase. Here, nationality captures a person's country of origin or citizenship

Data Requirements:

A board diversity policy needs to contain specific requirements for diversity factors being taken into account during the board nomination process. Statements related to non-discrimination between sexes, nationalities, etc. or statements confirming that a company complies with local laws around non-discrimination are not sufficient.

For two-tier board structures, the policy needs to apply to the supervisory board, not only the management board.

Disclosure Requirements

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

Standards & frameworks

CSRD - ESRS 2 MDR-P 65a

GRI Disclosure - 2-10

IRIS+ - 010667, 014221, 019485

Board Gender Diversity

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

We assess whether the board reflects the diversity of the workforce and marketplace, thereby ensuring that a variety of viewpoints are heard and factored into corporate decision-making. A commitment to diversity at all levels can help companies attract employees, create goodwill with consumers, and better compete in diverse markets globally,

which in turn benefits long-term shareholder value. Gender diversity has been an important topic of discussion in recent years, and various academic studies have shown a correlation between gender diversity and corporate performance, for example, in corporate governance (Adams and Ferreira, 2009) or company innovation (Deszö and Ross, 2012).

Question Layout

Please indicate the number of women on your company's board of directors/supervisory board and specify where this information is available. If your company has a one-tier board structure, this figure includes: female executive directors, non-executive directors and independent directors. If your company has a two-tier board structure, this figure ONLY includes female independent directors and non-executive directors (this means that senior executives and employee representatives should not be included).

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- Number of female directors:

Data Requirements

For two-tier boards: Employee representatives and senior executives should not be included in the total number of women for two-tier boards as they are not considered in the calculation of the total size of the supervisory board.

For one-tier boards: Employee representatives should not be included in the total number of women on the board for one-tier boards. If there are no women on the board of directors or supervisory board, please write 0 in the answer to this question.

For this question, we are looking for the number of women on your company's board of directors/supervisory board.

- If your company has a one-tier board structure, this figure includes female executive directors, non-executive directors and independent directors.
- If your company has a two-tier board structure, this figure ONLY includes female independent directors and non-executive directors (meaning

senior executives and employee representatives should not be included). Hence, the management board should not be considered in this question.

Disclosure Requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

References

The study "Corporate Governance, Board Diversity, and Firm Value" (October 2001) examined Fortune 1000 firms and

found a significant positive relationship between the fraction of women or minorities on the board and firm value.

Standards & frameworks

CSR - ESRS 2 GOV-1 21d

EDCI - Number of women board members

ESG Disclosure Standards (China) - G.1.2.1 Composition and background of board members

GISD - Number of female board members, Percentage of female board members

GRI Disclosure - 2-9, 405-1

IRIS+ - OI8118

UNGC Questionnaire - G11

WEF Metrics - Governance body composition

Board Effectiveness

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

An effective board of directors is vital for good corporate governance. Several studies have found that companies with specific procedures and practices designed to ensure the accountability of their board and a close alignment with **shareholders' interests perform better than those that do not.**

We use the parameters in this question as a proxy for the overall effectiveness of the board. In addition to meeting attendance, the number of external directorships board members hold, and performance assessment, we ask for

information on how board members are elected. The frequency of elections and structure of the process can affect the accountability of board members: when board members are elected individually and on an annual basis, shareholders are able to vote them off if they are concerned with their performance. If shareholders can frequently express their confidence in or concerns about board members, the board as a whole becomes more accountable.

Question Layout

How does your company ensure the effectiveness of your board of directors/supervisory board and the alignment with the (long-term) interests of shareholders?

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

	Indicators/measures
Board Meeting Attendance Number of meetings attended in percentage last business/fiscal year.	<input type="checkbox"/> Average board meeting attendance: ___% of meetings of board of directors/supervisory board <input type="checkbox"/> Minimum of attendance for all members required, at least (in %)
Board Mandates Number of other mandates of the board of directors/supervisory board members. This only applies to non-executive and independent directors, not executive directors or employee representatives.	<input type="checkbox"/> Number of non-executive/independent directors with 4 or less other mandates: ___ please provide the names of these directors <input type="checkbox"/> Number of other mandates for non-executive/independent directors restricted to:
Board Performance Review Performance assessment of board of directors/supervisory board members.	<input type="checkbox"/> Regular self-assessment of board performance. Please specify or provide documents: <input type="checkbox"/> Regular independent assessment of board performance. Please specify or provide supporting documents:
Board Election Process	<input type="checkbox"/> Board members are elected and re-elected on an annual basis. <input type="checkbox"/> Board members are elected individually (as opposed to elected by slate).

Question-Specific Guidance & Definitions

This question only applies to board members who represent shareholders (or multiple stakeholders including shareholders). For two-tier board structures, this question

should only include the supervisory board and not the management board.

Meeting attendance: this section refers to two measures: on one hand, the actual average attendance rate for the past year, and on the other hand, if there is any corporate guideline for meeting attendance, i.e., if there is a minimum proportion of board meetings that each board member is required to attend. Both rates should be calculated on the basis of the total number of board meetings held annually.

Other mandates: refers to the number of other external directorships in publicly listed companies held by members of the board of directors/supervisory board (examples include executive board positions such as CEO, or member of the board of directors at another company). Board memberships in private limited companies, educational institutes (schools, colleges, or universities), and non-profit organizations are not considered in our definition of other mandates. Only the number of mandates for independent and non-executive directors should be considered, not mandates for executive directors or employee representatives. In this section, the actual number of directors with four or fewer other mandates is considered together with any corporate guidelines on restrictions on the number of other mandates.

Board Performance Assessments: We consider two types of assessments: (1) self-assessments **of the board's performance**, meaning that the board members themselves are allowed to systematically evaluate their performance; (2) independent assessments **of the board's performance**, meaning that an independent third party evaluates the board's **performance**. Such assessments are considered "regular" if the company clearly shows that there are guidelines to perform them at specific intervals (such as annually or every second year). Assessments are also considered regular if the company is carrying them out for the first time but with the explicit intention of conducting them regularly. It is considered best practice to carry out both types of assessments on a regular basis, although not necessarily annually.

Annual election of board members: refers to a procedure whereby each board member has to be re-elected at each annual general meeting for shareholders (as opposed to electing a member for multiple years). Individual election of board members refers to a procedure whereby each member

is elected on an individual basis (as opposed to members being elected by slate).

Disclosure Requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

References

Corporate Accountability Report "Does Corporate Governance Matter to Investment Returns?" by Jay W. Eisenhofer, Gregg S. Leving, ISSN 1542-9563

McKinsey Strategy & Corporate Finance "[Toward a Value-Creating Board](#)" by Conor Kehoe, Frithjof Lund, and Nina Spielmann

Standards & frameworks

ESG Disclosure Standards (China) - G.1.2.2 Board of Directors operating procedures and conditions

GISD - Attendance rate of board meetings

GRI Disclosure - 2-10, 2-18, 2-9

IRIS+ - 0I3630

WEF Metrics - Governance body composition

Board Average Tenure

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

Corporate boards are tasked with monitoring companies' management teams on behalf of those companies' shareholders and other stakeholders. Boards are the direct representatives of these stakeholders and form one of the most important components of corporate governance. It is therefore important that the board members selected have the right experience and skills, are sufficiently independent, and act in the best interests of all stakeholders. Board tenure

reflects retention and continuity on one hand, and refreshment of skills and perspectives, and independence on the other.

Research strongly supports the assertion that optimal board tenure is in the 7 to 12-year range, and that firm value declines as average tenure deviates therefrom.

Question Layout

Please indicate the average tenure of board members on your company's board of directors/supervisory board in years. If your company has a one-tier board structure, this figure includes all members (executive directors, non-executive directors and independent directors). If your company has a two-tier board structure, this figure ONLY includes independent directors and non-executive directors (e.g. exclude employee representatives). Please indicate where this information is available.

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- Average tenure of board members in years:

Data Requirements

In this question, we expect disclosure on average board tenure and/or individual tenure of each member of the board of directors.

Tenure: the number of years a member has served on the board of directors. Please consider the calendar year as the base year. For example: if a director was appointed in March 2014, their tenure would be counted as 2022-2014 = 8 years.

Mergers and Acquisitions: If the company is a spin-off or merger, tenure from the previous company is counted.

If a company is less than 10 years old, the company should mark the question as "Not Applicable."

For two-tier boards: Employee representatives and senior executives should not be included in the calculation for two-tier boards, as they are not considered in the calculation of the total size of the supervisory board. The management board members should not be included when calculating the average tenure.

For one-tier boards: All board members should be reported, including executive, independent and non-executive members.

Disclosure requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

References

Sterling Huang. *Board Tenure and Firm Performance*. INSEAD Business School. May 2013.
Canavan, et al. *Board tenure: How long is too long?* Directors & Boards. 2004.

Standards & frameworks

ESG Disclosure Standards (China) - G.1.2.1 Composition and background of board members
GRI Disclosure - 2-9
WEF Metrics - Governance body composition

Board Industry Experience

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

Corporate boards are tasked with monitoring companies' management teams on behalf of those companies' shareholders and other stakeholders. Boards are the direct representatives of these stakeholders and form one of the most important components of corporate governance. It is therefore important that the board members selected have

the right experience and skills, are sufficiently independent, and act in the best interests of all stakeholders. This question focuses on industry and audit experience, two of the most important skill sets for setting strategies and effectively monitoring and evaluating management's performance.

Question Layout

Please indicate the number of board members with relevant work experience in your company's sector according to GICS Level 1 sector classification (excluding executive members and employee representatives) and list the directors' names.

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

Number of independent or non-executive members with industry experience (e.g. excludes executives):

Please list the independent or non-executive directors included in the above count:

Question Specific Guidance & Definitions

Board Industry Experience: The member must have practical work experience in the industry (based on GICS 1 classification below). This experience can be acquired either by way of functions in management, academia, consulting, or research. 'Practical work experience' in the industry refers to experience attained in employee or executive roles. Having been on another company's board in the same industry does not qualify as relevant experience.

GICS Level 1 sectors:

- Energy
- Materials
- Industrials
- Consumer Discretionary
- Consumer Staples
- Healthcare
- Financials
- Information Technology
- Communication Services
- Utilities
- Real Estate

Executives and Employee Representatives: Board members who are executives or elected as employee representatives are not included.

Data Requirements

In this question, we expect disclosure on the number of independent or non-executive members of the board of directors with industry experience and/or disclosure on the industry experience of each individual board member.

Two-tier board structures: this question should only include the supervisory board and not the management board.

Disclosure Requirements

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.

- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

For companies in the FBN, TCD and IDD industries: if your company has very diversified operations or significant investments into businesses in industries other than the one used for the purpose of this assessment, board experience from another relevant industry can be accepted if an

explanation is provided, clearly indicating the other GICS sector and how it relates to the company.

Standards & frameworks

CSRD – ESRS 2 GOV-1 21c AR 5
GRI Disclosure - 2-9

CEO Compensation – Success Metrics

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

The use of financial metrics to evaluate management performance has become ubiquitous as the benefits of aligning incentives with company performance have been established. Our research shows that the use of revenue, operating profit, and EPS are common practices. Differentiation is now only observed in a few aspects,

including the use of return metrics (capital efficiency) and relative metrics which compare the company to peers. In this question, we aim to find out which corporate performance indicators are used to determine CEO variable compensation. Please include only metrics applied to the CEO.

Question Layout

Does the company have predefined corporate performance indicators relevant for the Chief Executive Officer's variable compensation and is it available publicly?

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate website.

- Yes, the company has predefined corporate performance indicators relevant for the Chief Executive Officer's variable compensation.** Please indicate where this information is available in public reporting or corporate website.
- Financial Returns (e.g. return on assets, return on equity, return on invested capital, etc.). Please list all metrics used for this category:
- Relative Financial Metrics (e.g. comparison to peers using metrics such as total shareholder return, Tobin's Q, growth, etc.). Please list all metrics used for this category:

Question-Specific Guidance & Definitions

Success metrics for variable CEO compensation: As part of this question, any corporate performance indicator that is used to determine the CEO's variable compensation should be indicated. Please only include metrics that apply to the CEO's compensation, not metrics that are selectively used for other senior executives or specialist senior managers at a lower level (such as CFO or COO).

Financial metrics: Financial Returns refer to capital efficiency (capital is the source of funds, debt, equity, etc.). Therefore, Financial Returns always use an Income Statement profit metric (e.g., EBIT, income, operating income) divided by a Balance Sheet metric (e.g., Assets (entire balance sheet), Equity, Total Capital (debt plus equity), Invested Capital. We do not accept revenue growth, net profit after taxes, earnings per share, and dividends per share. Acceptable financial

metrics include Return on Assets, Return on Equity, Return on Invested Capital.

Data Requirements

Please only include metrics that apply to the CEO's compensation, not metrics that are selectively used for other senior executives or specialist senior managers at a lower level (such as CFO or COO).

Disclosure Requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

Standards & frameworks

GRI Disclosure - 2-19

WEF Metrics - Remuneration

CEO Compensation – Long-Term Performance Alignment

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

Both financial and non-financial metrics are becoming increasingly important in determining variable compensation for executive management and more specifically the CEO. In this question, we assess time vesting and performance **periods that are used for determining the CEO's variable compensation**. A longer vesting period ensures that the interests of management and the long-term interest of shareholders are better aligned. Additionally, we assess if the short-term bonus is deferred in shares or stock options.

The economic alignment of management with the long-term performance of the company is an essential component of executive compensation. This alignment can be achieved in

several ways, including deferral of short-term compensation, time vesting, and long-term performance periods. Alignment with long-term performance is particularly important during periods of short CEO tenure, as the risk of short-termism increases. For example, in 2009, CEOs of S&P 500 companies held their position for an average of just 7.2 yrs. This has subsequently increased to 10.8 years in 2015 as the economy recovered and turnover declined, but the risk of a reversion remains. (Matteo Tonello, The Conference Board, Inc., 2016). A longer vesting period ensures that the interests of management and the long-term interest of shareholders are better aligned.

Question Layout

Does your company have the following compensation structures in place to align with long-term performance? Please indicate where this information is available:

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- Yes, our company has guidelines on deferred bonus, time vesting, and performance period for the **CEO's variable compensation**.

Deferral of Bonus for Short-term CEO Compensation

Is a portion of the CEO's short-term incentive deferred in the form shares or stock options?

Please indicate the percentage of the short-term bonus deferred in in the form of shares or stock options:

Performance Period for Variable CEO Compensation

What is the longest performance period applied to evaluate variable compensation (based on predefined targets, either relative or absolute), covered in your executive compensation plan? Is there a clawback policy in place? Please note that compensation that only is time vested is not considered as performance-based compensation in this part of the question.

Please indicate the longest performance period covered by your executive compensation plan:

- We have a clawback provision in place. Please specify:

Time Vesting for Variable CEO Compensation

Please indicate the longest time vesting period for variable CEO compensation:

Question-Specific Guidance & Definitions

Deferred shares: refer to the percentage of the short-term bonus paid out in deferred shares instead of cash. The company can choose to pay out the annual short-term bonus in deferred shares to the CEO and other executive directors which is seen as a best practice.

Deferred bonus compensation is an arrangement in which a portion of an employee's income is paid out at a later date after which the income was earned during a set performance period.

Performance period: This refers to a performance-based pay-out structure of variable compensation for the current period x which is dependent on achieving targets in the following periods ($x+1$, $x+2$, $x+3$, etc.). Please note that option- and stock-based compensation for which the number of options or stocks rewarded is not dependent on future performance do not count as performance vesting but are considered as time vesting.

Example: "The actual number of shares that may become earned and payable under the awards will generally range from 0% to 200% of the target number of units based on achievement of the specified goals over a two-year period."

A clawback provision: a policy that allows a company to recover performance-based compensation for some period of time after compensation awards are granted. Clawback provisions may apply to short and/or long-term awards. The circumstances and conduct that would trigger clawback provisions include, but are not limited to, restatement of financial results, errors in financial information reported, misconduct by the employee directly, or misconduct by any other employee that results in incorrect financial reporting.

Time vesting: refers to time-based pay-out structures of variable compensation for the current period x over the coming years ($x+1$, $x+2$, $x+3$, etc.). The amount of future payout is independent of the coming year's performance. If all long-term incentives are based on future performance, the same figure should be given for the longest performance period and the longest time vesting period.

We accept the total number: the sum of the vesting period and the required holding period.

Exceptions to the Standard Methodology for Non-Listed companies:

The definition of shares includes non-tradable stock and phantom/synthetic shares that replicate the company's share practice performance.

Phantom / synthetic shares: A phantom stock is an employee benefit plan that gives selected employees (senior management) many of the benefits of stock ownership without actually giving them any company stock. This is sometimes referred to as shadow stock. Phantom stock, also known as synthetic equity, has no inherent requirements or restrictions regarding its use, allowing the organization to use it however it chooses.

Data Requirements

In this question, we assess the time vesting and performance periods as well as whether the company has a clawback provision in place. In addition, we assess if the short-term bonus is deferred in shares or stock options.

The question applies to CEO compensation only.

Disclosure Requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

Standards & frameworks

GRI Disclosure - 2-19

WEF Metrics - Remuneration

Management Ownership

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

As corporate governance systems aim to ensure that a company is managed in the interests of its shareholders, in **this question we assess whether the company's CEO and other executive officers have stock ownership.** Academic

research suggests that stock ownership by senior management is positively correlated to financial performance.

Question Layout

Do your company's CEO and other executive committee members hold company shares? Please note that the shares included in the calculation should not be hedged or the personal financial risk of holding the shares otherwise removed.

- Yes, company CEO and other executive officers hold company shares:

Position	Name(s)	Multiple of base salary
Chief Executive Officer		
<p>For Listed companies: The information is publicly available. Please provide link to public reports or corporate website. For Non-Listed companies: The information is available in internal documents, public reports or corporate website.</p>		
Average across other executive committee members owning shares		
<p>For Listed companies: The information is publicly available. Please provide link to public reports or corporate website. For Non-Listed companies: The information is available in internal documents, public reports or corporate website.</p>		

Question-Specific Guidance & Definitions

Shares: Shares are units of equity ownership in a corporation. **In this question, we don't only accept publicly traded shares but also other forms of participation in equity ownership.**

Economic interest in shares held: the shares included in the calculation should not be hedged or the personal financial risk of holding the shares otherwise removed.

Data Requirements

The question assesses the stock ownership level of the CEO and of the other member of the executive committee compared to their respective base salary.

Chief Executive Officer: Base salary and shareholdings of the Chief Executive Officer or shareholding expressed multiple of the CEO base salary.

Other Executive committee members: Base salary and shareholdings of at least two members of the executive committee or average shareholdings of the executive committee expressed as multiple of base salary. Please note that the metrics need to be reported for each named executive individually (a consolidated figure is not sufficient).

Additional credit will be granted for public reporting of the following parts of the question:

- CEO's shares as a multiple of base salary

- Average across other executive committee members owning shares as a multiple of base salary

Disclosure requirements for partially public question:

For Listed companies, if no public documentation is provided, internal documentation should be provided that includes the base salary and shareholdings reported as well as the calculations.

For non-listed companies, internal documents are generally accepted.

Calculations:

CEO multiple calculation: $\text{Share price at the end of the FY} * \text{number of shares held by the CEO} / \text{base salary of CEO}$

Other executives' multiple calculation: $(\text{share price at the end of the FY} * \text{number of shares held by the executive 1} / \text{base salary of executive}) + (\text{share price at the end of the FY} * \text{number of shares held by the executive 2} / \text{base salary of executive}) + \dots / \text{number of executives with shareholdings reported}$

For US-based companies, please use the share price at the time of the shareholder meeting, and the salary and number of shares held at that time for the purpose of calculations.

References

Academic research (e.g. Bhagat and Bolton 2008) shows that stock ownership of senior management is positively related to future operating profit.

Other research includes:

- Core & Larcker (2000). Performances consequences of mandatory increases in executive stock ownership.
- Gugler, Mueller, & Yurtoglu (2008). The Effects of Ownership Concentration and Identity on Investment Performance: An International Comparison

Management Ownership Requirements

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

As corporate governance systems aim to ensure that a company is managed in the interests of its shareholders, in this question we assess whether there are stock ownership guidelines in place for the company's CEO and other

executives. Academic research (e.g. Bhagat and Bolton 2008) suggests that stock ownership by senior management is positively correlated to future operating profit.

Question Layout

Does your company have specific stock ownership requirements for the CEO and other members of your executive committee? Please indicate where this information is available:

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- Yes, there are specific requirements in place. Please indicate at which levels this exist and indicate the share ownership requirements as a multiple of the annual base salary.
- The CEO has to build up a share ownership of _____ times the annual base salary.
- Other members of the executive committee besides the CEO have to build up a share ownership of _____ times the annual base salary.

Data Requirements

The question assesses if there are explicit requirements indicating that the CEO and/or other executive managers are required to build up share ownership equivalent to a specific multiple of their annual base salary.

Exceptions to the Standard Methodology for Non-Listed companies:

The definition of shares includes non-tradable stock and **phantom/synthetic shares that replicate the company's share practice performance.**

Disclosure requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

Phantom / synthetic shares: A phantom stock is an employee benefit plan that gives selected employees (senior management) many of the benefits of stock ownership without actually giving them any company stock. This is sometimes referred to as shadow stock. Phantom stock, also known as synthetic equity, has no inherent requirements or restrictions regarding its use, allowing the organization to use is however it chooses.

References

Academic research (e.g., Bhagat and Bolton 2008) shows that stock ownership of senior management is positively related to future operating profit. Others:

- Core & Larcker (2000), Performances consequences of mandatory increases in executive stock ownership.
- Gugler, Mueller, & Yurtoglu (2008), The Effects of Ownership Concentration and Identity on Investment Performance: An International Comparison

Standards & frameworks

IRIS+ - 015660

Government Ownership

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

As corporate governance systems aim to ensure that a company is managed in the interests of its shareholders, in this question we assess if a government has voting rights of more than 5% and has golden shares in the company.

Academic research (e.g., Goldeng et. al., 2008 or Chen et. al., 2017) suggests that companies without government ownership perform better than companies with government ownership.

Question Layout

Please indicate whether individual governmental institutions own more than 5% of the total voting rights of your company and if yes, whether golden shares exist for them. Government ownership of 5% or less of the voting rights need not be reported. Please also indicate where this information is available. For additional information, please see the information button.

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- Yes, individual governmental institutions have more than 5% of the voting rights.

Please provide the total percentage of government ownership (sum of % of individual governmental institutions owning more than 5% of voting rights):

Please provide details for the government ownership (e.g., calculation, members, organizations, etc. if available):

Golden Shares for Governmental Institutions

Does your company have golden shares for governmental institutions?

- Yes, our company has golden shares for governmental institutions.
- No, our company doesn't have any golden shares for governmental institutions.**
 - No governmental institutions own more than 5% of the total voting rights. Please provide available evidence of the company share ownership structure.

Question-Specific Guidance & Definitions

Government Ownership: For the definition of government institutions and ownership, we adopt the Organization for Economic Co-operation and Development (OECD) definition (2005): **“Enterprises where the state has significant control through full, majority, or significant minority ownership. In this definition, we include state-owned enterprises (SOEs) which are owned by the central or federal government, as well as SOEs owned by regional and local governments.”**

This definition includes Government pension funds, state asset management funds, development banks (federal and local), and sovereign wealth funds.

Golden Shares for Governments: A type of share that gives its shareholder veto power over changes to the company's charter. A golden share holds special voting rights, giving its holder the ability to block another shareholder from taking more than a ratio of ordinary shares.

Data Requirements

Government ownership requirements:

Holding companies that own stakes higher than 5% in other companies, and in turn are majority owned by a government or governmental institutions should be reported in this question. For example, a holding company (Company A) is 70% government owned. Company A owns 40% of the voting

rights in Company B. Company B should report 40% government ownership in this question.

In this question, we expect information on:

- Total percentage of government ownership (sum of % of individual governmental institutions owning more than 5% of voting rights) or disclosure of all individual governmental institutions owning more than 5% of voting rights
- Golden shares for governmental institutions (only if the corresponding option is marked).

Disclosure requirements

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

References

- Goldeng, Grünfeld, & Benito (2008), The Performance Differential between Private and State Owned Enterprises: The Roles of Ownership, Management and Market Structure.
- Chen, Ghoul, Guedhami, & Wang (2017), Do state and foreign ownership affect investment efficiency? Evidence from privatizations.

Standards & frameworks

GRI Disclosure – 2-15, 201-4

Family Ownership

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

As corporate governance systems aim to ensure that a company is managed in the interests of its shareholders, in this question we assess if one or several individuals of the founding family are ultimate owners and have more than 5%

of the voting rights. Academic research (e.g. Eugster & Isakov, 2016 or Corstjens, Peyer & Van der Heyden, 2006) suggests that family ownership is positively correlated to future operating profit.

Question Layout

Please indicate whether one or several founding individuals or family members, personally or through other companies or organizations, individually have more than 5% of the voting rights of your company. Please also indicate where this information is available. For additional information, please see the information button.

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

- o Yes, founding individuals or family members individually own more than 5% of the voting rights.

Total % of voting rights of the company:

Please provide details for the individual/family ownership (e.g., calculation, members, organizations, etc. If available):

- o No, founding individuals or family members individually do not have more than 5% of the voting rights.

Question-Specific Guidance & Definitions

Significant family ownership: At least one of the founding individuals/family members, personally or through other companies or organizations, must own more than 5% of the voting rights of your company. If no individual owns more than 5%, we do not consider it significant family ownership.

Founding family: The founding family can be one or several individuals or family members. They might have not necessarily set up the company independently. In case a family acquires an existing company and transforms it into a new company, this second family can be considered the 'founding family' (e.g., if a company has been acquired, re-named, and re-branded).

Data Requirements

We are looking for founding family ownership, in order to assess whether descendants of the founding families are current owners with significant voting rights.

Total % of voting rights of founding family members, personally or through companies/organizations to be reported:

- if one of the family members owns more than 5%, the **respondent shall report the total of all family members' holdings**, e.g., add the person(s) with individual ownership of over 5% of the voting rights plus those who individually own less than 5% of voting rights. Please report the total even if there is no pooling agreement in place.
- if the family owns more than 5% of the company through a holding company, the family must own at least 50% of the holding company that in turn holds shares of the company.
- if none of the family members individually own more than 5% of the company's voting rights, please mark "No, (founding) family members individually do not have more than 5% of the voting rights."
- If any of the founding members or their families still hold more than 5%, this should be reported.
- if the company was not founded by a family, please mark 'Not Applicable'

Specific data requirements for non-listed companies

- For family-owned companies, the distribution of voting rights can also be evaluated if there are no publicly traded shares, as there exist other types of shares/instruments that correspond to voting rights.

Disclosure requirements:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.

- State-owned companies are required to report on their corporate governance in the public domain as their key stakeholder is the general public.

References

- Credit Suisse (2017), The CS Family 1000
- Eugster & Isakov (2016), Founding family ownership, stock market performance and agency problems.
- Corstjens, Peyer & Van der Heyden (2006), Performance of Family Firms: Evidence from US and European firms and investors.

Standards & frameworks

GRI Disclosure – 2-15

CEO-to-Employee Pay Ratio

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

In the aftermath of the global financial crisis, many countries have implemented or are planning to implement reforms regarding the transparency of executive compensation. Transparency is vital to restore trust among shareholders, employees, customers and other stakeholders, and hence to improve corporate reputation. Companies that are taking a proactive approach to align their reporting with this global trend and improve disclosure about executive compensation will be in a better position to fend off criticisms than those that are not.

In addition to complying with new regulations, transparent reporting on CEO compensation and the mean or median compensation of other employees provides a basis for understanding the "pay gap" and addresses concerns from

investors and stakeholders whether executive compensation is justified.

In this question, we assess whether companies (including non-US-based companies) are able to disclose this information. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173) is a federal statute in the United States that was signed into law by President Barack Obama on July 21, 2010. The Dodd-Frank Act clearly states that, in terms of CEO compensation disclosure, a company will be obliged to disclose to the shareholders: the median of the annual total compensation of all employees of the issuer, except the chief executive officer (or any equivalent position), the annual total compensation of the chief executive officer, or any equivalent position, and the ratio of the amount of the median of the annual total with the total CEO compensation.

Question Layout

Please provide the annual compensation for the Chief Executive Officer and the median of the annual compensation of all other employees as well as the ratio between the two. If you are unable to provide the median, please provide figures for total mean compensation and the ratio using the mean. The currency provided should remain consistent for all figures.

CEO Compensation	Total CEO Compensation	
Please indicate the total annual compensation of the Chief Executive Officer (or any equivalent position):		
Total compensation includes fixed and variable compensation as well as all other parts of compensation which are required to be included in total remuneration reporting according to national accounting standards		
Employee Compensation	Median Employee Compensation	Mean Employee Compensation
Please indicate either median or mean annual compensation of all employees, except the Chief Executive Officer (or any equivalent position):		
The ratio between the total annual compensation of the Chief Executive Officer and the mean or median employee compensation:		
CEO compensation divided by the mean or median employee compensation		
The currency used in the table:		

Public Reporting

§ For Listed companies: The information is publicly available. Please provide link to public reports or corporate website.
For Non-Listed companies: The information is available in internal documents, public reports or corporate website.

Question-Specific Guidance & Definitions

Salary: It is defined here as the total annual compensation including all bonuses but excluding pension benefits and fringe benefits.

Total annual compensation: It is defined here as the total compensation including all bonuses but excluding pension benefits and fringe benefits

Median of the total annual compensation of all employees: It is defined according to the general mathematical definition of median: the median of a sequence is the middle number when sorting all numbers from low to high. This is different from the mean of the total annual compensation of all employees since the mean of a sequence of numbers is calculated by adding up all the numbers in a sequence and dividing this total by the number of entries in the sequence. In this question, either the median or the mean may be provided; it is not necessary to provide both.

The ratio should be calculated as the Total CEO Compensation divided by the Median OR Mean employee compensation (i.e., the reported figure should be the multiple of the employee compensation).

Data Requirements

While we expect the figure to cover the entirety of a **company's global operations, for this question, companies** may make cost-of-living adjustments to the compensation of employees residing in a jurisdiction different from that of the CEO, provided that these adjustments are applied to all such employees included in the calculation, and that these adjustments are explained in the company comment section,

and the raw, unadjusted data is also provided in the company comment section.

Disclosure requirements for partially public question:

For Listed companies: Additional credit will be granted for relevant publicly available evidence covering one of the following aspects of this question:

- Annual compensation of Chief Executive Officer and median (mean) annual compensation of all employees except the Chief Executive Officer (or any equivalent position)
- Ratio between the total annual compensation of the Chief Executive Officer and the median (mean) employee compensation

For Non-Listed companies: internal documents covering the above mentioned information are generally accepted.

References

The Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173), www.gpo.gov/fdsys/pkg/BILLS-111hr4173enr/pdf/BILLS-111hr4173enr.pdf (p. 529)

Standards & frameworks

CSRD - S1-16 97b AR 101

GISD - Wage level (%)

GRI Disclosure - 2-21

IRIS+ - OD3292

WEF Metrics - Wage level (%)

Materiality

This criterion aims to assess the company's ability to identify sustainability factors that are relevant for long-term value creation, considering the interrelation between external impact on society or the environment on the one hand and internal impact on enterprise value on the other hand. It therefore considers the dual nature of materiality, also referred to as double materiality. Investors are increasingly interested in both sides of this equation. The same holds for regulations across the world, who are requiring reporting on this broader and integrated understanding of materiality.

A sustainability issue is seen as material if it presents a significant impact on society or the environment and might have a significant impact on a **company's value drivers**, competitive position, and long-term shareholder value creation. Material ESG issues can significantly affect an entity's business operations, cash flows, legal or regulatory liabilities, and access to capital. They can also significantly **improve or undermine an entity's reputation and relationships** with key stakeholders, society and the environment. Over time external impacts on society and environment translate into internal impact on a company itself, including its financial value drivers.

Materiality Analysis

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to assess the extent to which companies are disclosing the details related to their materiality process. We are looking for the following evidence in the public domain:

1. Frequency of conducting or reviewing materiality analysis
2. Involvement of external stakeholders in identifying the material issues
3. Prioritization of material issues in a materiality matrix or any other form
4. Integration of materiality assessment in the **company's enterprise risk management**
5. Assessment conducted is based on the principle of double materiality i.e., considers internal impact on the business as well as external impact on society and the environment
6. Materiality assessment process is verified by third-party assurance provider
7. Materiality assessment results are signed off by either board of directors or senior management

Question Layout

Does the company disclose details of its materiality determination process and how the materiality analysis is conducted, and is this information available publicly?

- Yes, the company has disclosed its materiality analysis process. Please indicate where this information is available in public reporting or corporate website.
 - Materiality analysis conducted/reviewed:
 - At-least annually
 - Once every 2 or more years
 - Not known
 - Involvement of external stakeholders in identifying the material issues
 - Material Issues are prioritized in a materiality matrix or any other form
 - Materiality assessment integrated in company's ERM process
 - Assessment conducted is based on the principle of double materiality i.e., considers internal impact on the business as well as external impact on society and the environment
 - Materiality assessment process verified by a third-party assurance provider

- Materiality assessment results signed off by:
 - Board of Directors
 - Senior Management

Question-Specific Guidance & Definitions

Materiality: Any factor that can have a present or future impact on value creation and therefore the financial performance of the company over time. These could be economic, environmental, or social in nature.

Internal Impact: **impact on the entity's business operations**, cash flows, legal or regulatory liabilities, and access to capital. It can also be perceived as an improvement or **undermaintain of an entity's reputation and relationships** with key stakeholders, society, and the environment.

External Impact: direct and indirect damage or benefits to **societal stakeholders and the environment by the company's** business activities, business model, products, and services, both in the short and longer term.

Materiality Assessment: A materiality assessment is an approach to identify critical economic, environmental and social issues which have a significant impact on the company's business performance.

Materiality Assessment Frequency: We expect companies to conduct/ review materiality assessment and to report the results in at least one of the two most recent Annual or Sustainability reports.

Data requirements

Copy of or link to the Company website, annual report, sustainability report, or other public communication

1. Materiality analysis conducted/reviewed:

Our expectations

- Public disclosure on the frequency of materiality analysis conducted or reviewed. The information should be available in at least one of the two most recent Annual or Sustainability reports

Not acceptable:

- Reference to previous public reports for materiality analysis which are more than 2 years old

2. Involvement of external stakeholders:

Our expectations

- Whether external stakeholders are involved in the materiality analysis process should be clearly available in the **company's public** documents/website.
- Information should be available in the section where materiality analysis has been discussed

Not acceptable:

- Only stating that stakeholders are involved without any reference to the type i.e., external or internal stakeholders
- General stakeholder engagement information without any reference to how it is integrated with the materiality assessment process is not acceptable

3. Prioritization of material issues:

Our expectations

- Material issues should be publicly disclosed and prioritized either in a matrix format or any other priority listed format

Not acceptable:

- Only stating that a materiality determination/prioritization process has been done without disclosing the top material issues.

4. Integration of materiality assessment results in enterprise risk management (ERM):

Our expectations:

- Public disclosure on the integration of materiality assessment results within the overall risk management process
- Description of how identified material issues are linked with the company's significant risks

Not acceptable:

- General disclosure on ESG-related risks without specifying the linkage with materiality assessment results
- ERM results used as inputs to materiality process

5. Assessment conducted is based on the principle of double materiality i.e., considers internal impact on the business as well as external impact on society and the environment

Our expectations:

- Indication of considering external and internal impacts on the materiality assessment in company public reports/website
- A materiality matrix depicting both: the impact of **the company's business activity on society**, the environment and people and the internal impact on the business.

Not acceptable:

- General disclosure on impact valuation analysis without reference to its link with identified material issues

6. Materiality assessment process verified by third-party assurance provider:

Our expectations:

- Public disclosure on assurance report clearly specifying audit of materiality assessment covered in its scope
- A statement specifying external assurance of the materiality assessment process

Not acceptable:

- Disclosure of the involvement of external consultant in materiality assessment process
- Assurance statement without clear indication of materiality assessment under its scope

7. Materiality assessment metrics signed off by the Board of directors or Senior Management:

Our expectations:

Review, sign-off, approved, oversight of materiality assessment process by:

- the board of directors, a sub-committee of the board of directors, or a single named director OR
- an executive manager/executive committee
- The materiality assessment results are signed by the respective board/executive representative(s)/
- A general statement specifying sign-off/approval of materiality assessment result is also sufficient

Not acceptable:

- Executive manager/sustainability manager involved in the materiality assessment process

Disclosure Requirements

- The document(s) you attached will be used to verify your response.
- The supporting documents need to be available in the public domain.
- Any response that cannot be verified in the attached public document(s) or web link will not be accepted.

References

[The double-materiality concept Application and Issues - GRI EU Guidelines on non-financial Reporting directive – 2.2 \(2019\)](#)
[Corporate Sustainability Reporting Directive \(CDRD\) Double Materiality Guidelines - EFRAG](#)
[The Two Dimensions of ESG Materiality - S&P Statement-of-Intent-to-Work-Together-Towards-](#)

Standards & Frameworks

CSRD - ESRS 2 IRO-1 53b iii., ESRS 2 IRO-1 53e, ESRS 2 SBM-2 45b AR 16
GRI Disclosure - 2-14, 3-1
IRIS+ - PD2756
WEF Metrics - Material issues impacting stakeholders

Material Issues for Enterprise Value Creation

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Leading companies are increasingly focusing on the most material topics that drive their long-term value creation. These issues can cover economic, environmental, and social issues, and they are key drivers for a company's long-term business performance. The question assesses whether companies have conducted a materiality analysis of the most important issues driving long-term value creation and whether they are able to convincingly link these issues to their business performance.

Companies are asked to make a business case and therefore should focus on those economic, environmental, or social issues that are most important or impactful for the business performance of the company. Companies should indicate which of the three value drivers are impacted by these issues (revenues, costs, or risk), and what strategies, products, or initiatives the company has that are linked to these issues.

Question Layout

Does the company conduct materiality analysis to identify the three most important material issues (economic, environmental, or social) that have the greatest impact on the business, report on how these issues impact the business and serve as significant determinants of long-term value creation, and are these information available publicly?

- Yes, the company materiality analysis to identify key issues for long-term value creation. Please indicate where this information is available in public reporting or corporate website.

	Material Issue 1	Material Issue 2	Material Issue 3
Material Risk or Opportunity Please specify the material risk or opportunity impacting your business:			
Business Case Please provide a brief rationale for why this issue is material to your business:			
Business Impact Please select the type of impact this material issue has on your business (cost/revenue/risk):			
Business Strategies Please specify your primary business strategies, initiatives or products that address this issue.			

Question-Specific Guidance & Definitions

Material Issue: A material issue is a sustainability factor that can have a present or future impact on the company's value drivers, competitive position, and therefore on long-term shareholder value creation.

Materiality Assessment: A materiality assessment is an approach to identify critical economic, environmental, and

social issues which have a significant impact on the company's business performance.

Materiality Assessment Frequency: We expect companies to conduct a materiality assessment and to report the results in at least one of the two most recent Annual or Sustainability reports.

Data Requirements

1. Material Issue

Our expectations:

- Companies have conducted a materiality analysis and identified the most important issues driving long-term performance.
- Companies clearly define the three most material economic, environmental or social issues driving long-term value creation.

Not acceptable:

- Purely financial metrics/issues (net profit, cash flow, earnings per share, product sales).
- Operational business metrics/issues (e.g. market expansion, efficient use of capital, operational excellence).
- General issues without a description of the specific sub-issues that **might impact the company's** performance (e.g. macroeconomic conditions, long-term shareholder value).

Please note that companies that do not provide an acceptable material issue do not receive points for any of the sub-questions related to that material issue.

2. Business Case

Our expectations:

The business case should contain the following information:

- A clear link between the material issue and the business case.
- Clear explanation of why the issue is material to the **company's performance in terms of** cost/revenue/risk (e.g., cost savings, revenue generation, operational risks with direct impact on financial performance).

Not acceptable:

- The business case is not linked to the material issue.
- The Business case does not link the material issue to the **company's performance in terms of costs, revenues, or risks.**
- The business case is describing the material issue and its importance for the society/environment but does not provide information on why the issue is **relevant to the company's performance (e.g., impact of global warming on society).**

3. Business Strategies

Our expectations:

- The company provides a clear explanation of the strategies, initiatives, or products or services through which it addresses the material issue.

Not acceptable:

- Strategies, initiatives, or products or services that do not directly address the material issue.
- Strategies that are not clearly described (e.g., human resources-oriented management).
- Description of the current situation without providing the strategies or products to address this situation.
- Provision of a target instead of a strategy, initiative, or product (e.g., zero fatalities or injuries).

Disclosure Requirements

- The document(s) you attached will be used to verify your response.
- The supporting documents need to be available in the public domain.
- Any response that cannot be verified in the attached public document(s) or weblink will not be accepted

Standards & frameworks

CSRD - ESRS 2 BP-2 17a, ESRS 2 BP-2 17c, ESRS 2 BP-2 17d, ESRS 2 SBM-3 48b

GRI Disclosure - 3-2

WEF Metrics - Material issues impacting stakeholders

Materiality Metrics for Enterprise Value Creation

Public: this question requires publicly available information

Assessment focus



Question Rationale

The purpose of this question is to assess the extent to which companies are disclosing their progress toward established targets or metrics linked to material issues. In order to ensure that the company is managing its performance in relation to

the top material issues identified over the long term, the question asks which targets/metrics the company uses to measure its performance over time and whether the company has linked its executive compensation to these issues.

Question Layout

Do you have targets or metrics linked to the top three material issues and disclose progress towards these? Do you link executive compensation with the targets or metrics involved? Please specify where the information is available in public reporting.

- Yes, we do have targets or metrics linked to the top three material issues and report them publicly

	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue			
Please specify your material issue: (The issues should be same as marked in the question Material Issues)			
Target/Metric			
Do you have a target or metric to measure your progress on this issue in a systemic way? Please specify where this target or metric is available in public reporting:			
Target Year			
Please specify the year for the target:			
Progress			
Do you disclose the progress on targets/metrics. Please specify where this target or metric is available in public reporting:			
Executive Compensation			
Is this metric or target used to determine the compensation of executive committee member(s)? If yes, please specify how this metric is used and provide a relevant public reference showing how these metrics are applied to executive compensation.			

Data Requirements

1. Material Issues

Our expectations:

- Companies have conducted a materiality analysis and identified the most important issues driving long-term performance.
- Companies clearly define the three most material economic, environmental or social issues driving long-term value creation.

- The material issues should be the same as identified in question 1.3.2

Not acceptable:

- Purely financial metrics/issues (net profit, cash flow, earnings per share, product sales).
- Operational business metrics/issues (e.g., market expansion, efficient use of capital, operational excellence).

- General issues without a description of the specific sub-issues that might impact the company's performance (e.g., macroeconomic conditions, long-term shareholder value).

Please note that companies that do not provide an acceptable material issue do not receive points for any of the sub-questions related to that material issue.

2. Target/ Metric:

Our expectations:

- The metric or target is linked to the material issue and should be available publicly
- Both long-term (at-least 3 or more years) or short-term targets are acceptable
- The metric or target and how it is being used are clearly described.
- Target set in the past year is acceptable if:
 - **If the company's target is by necessity**, ongoing, (such as zero fatalities) please indicate the current year as the target year and explain in the company comment section.
 - The current reporting year (e.g., 2021) **corresponds to the target's finishing year.**
 - If the company publish its report biannually or **company's reporting does not match with CSA** assessment cycle

Not acceptable:

- Targets/metrics are not linked to the material issue.
- Vague targets or targets whose progress cannot be measured (e.g., ensure a good working environment, reduce workplace accidents).
- Targets set in the past year and are not valid anymore

3. Target Year:

Our expectations:

- The target year should be available in public domain

Indicating the current reporting year as the target year is acceptable if:

- **If the company's target is by necessity, ongoing**, (such as zero fatalities) please indicate the current year as the target year and explain in the company comment section.

Indicating past reporting years as target year is acceptable if:

- **If the company's target is by necessity**, ongoing, (such as zero fatalities) please indicate the current year as the target year and explain in the company comment section.
- The current reporting year (e.g., 2021) **corresponds to the target's finishing year.**
- If the company publish its report biannually or **company's reporting does not match with CSA** assessment cycle

4. Executive Compensation:

Our expectations:

- The metric or target used for determining executive compensation is clearly defined and linked to the material issue. It should also be available publicly.
- Executive compensation is linked to the performance on the material issue, metric or target (e.g., as part of an executive scorecard).
- There is a clear indication that the performance on the provided material issue, target, or metric is linked to the compensation of the executive management, not only of the respective line managers.

Not acceptable:

- The executive compensation is linked to the **company's general CSR policy or the company's** environmental performance.
- The metric/target is used for determining management performance but there is no explanation of how performance is linked to executive compensation.
- The metric/target indirectly contributes to the **company's general financial performance metrics** (e.g., executive compensation is linked to EBIT, as improved operational eco-efficiency reduces operational costs and therefore increases EBIT).
- For additional information, please check our webcast on this topic.

Disclosure Requirements

- The document(s) you attached will be used to verify your response.
- The supporting documents need to be available in the public domain.
- Any response that cannot be verified in the attached document(s) or weblink will not be accepted.

Standards & frameworks

CSRD - ESRS 2 BP-2 17b, ESRS 2 GOV-3 29b AR 7, ESRS 2 MDR-M 77c, ESRS 2 MDR-T 80e AR 24 - AR 26, ESRS 2 MDR-T 80j AR 24 - AR 26

GRI Disclosure - 3-3

WEF Metrics - Progress against strategic milestones, Remuneration

Material Issues for External Stakeholders

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The purpose of this question is to recognize companies that identify and value the externalized impact generated on societal stakeholder groups and/or the environment as a result of their main business activities. The impact evaluated usually relates to environmental and/or social externalities that can be either positive (external benefits) or negative (external costs), intended or unintended. The impacts generated can be direct or indirect and are usually not internalized as part of the costs associated with the business activity.

While companies have made significant progress in tracking and reporting input and output measures (such as water use and CO2 emissions), the external social and environmental

impacts resulting from business operations, products, services or supply chain operations are significantly under-reported. Impact valuation helps companies to increase awareness of externalities associated with their business and represents a management tool to orient the company strategy towards sustainable activities, solutions, and sourcing. Investors are also interested in how companies measure and understand their own impacts, and how those companies use that information in their internal decision-making so that it leads to long-term value creation. Over time, external impact on society and the environment also translates into internal impact on a company itself, including its financial value drivers. In a broader understanding of enterprise value today, including stakeholder perspectives, the interrelation between external and internal impact is a core part of determining materiality.

Question Layout

Has your company conducted a materiality analysis to identify and value the positive/negative impact on external stakeholders associated with your **company's business operations, products/services and/or its supply chain**? Please indicate two material issues that illustrate the most significant social or, environmental impact on external stakeholder groups (e.g. environment, society, customers, etc.). Note that philanthropic initiatives or project-based Environmental and Social Impact Assessments (ESIA, EIA) are not accepted in this question.

- Yes, our company conducted an assessment of positive and/or negative impacts on external stakeholders resulting from our business operations, products & services and/or supply chain.

Please provide supporting evidence:

	Impact 1	Impact 2
Material Issue for External Stakeholders Please specify the material issue that generates a positive/negative impact on external stakeholders.	Please select the category your external impact belongs to: [Dropdown: 25 options]	Please select the category your external impact belongs to: [Dropdown: 25 options]
Cause of the Impact Please specify which part of your business is responsible for the external impact and the coverage of the business activity that has been considered in the assessment.	Business value chain: <input type="checkbox"/> Operations <input type="checkbox"/> Products/Services <input type="checkbox"/> Supply chain	Business value chain: <input type="checkbox"/> Operations <input type="checkbox"/> Products/Services <input type="checkbox"/> Supply chain
External stakeholder(s)/ impact area(s) evaluated	Business activity coverage: <input type="checkbox"/> Environment <input type="checkbox"/> Society	Business activity coverage: <input type="checkbox"/> Environment <input type="checkbox"/> Society

Please select the stakeholder(s) group or impact areas evaluated.	<input type="checkbox"/> Consumers/end-users	<input type="checkbox"/> Consumers/end-users
	<input type="checkbox"/> External employees (e.g. supply chain, contractors)	<input type="checkbox"/> External employees (e.g. supply chain, contractors)
Topic relevance on external stakeholders Please provide a brief rationale why the external impact assessed is material to external societal stakeholders or the environment. Also indicate the type of impact assessed along with public disclosure, if available.	<input type="checkbox"/> Materiality of externalized impact on stakeholders assessed.	<input type="checkbox"/> Materiality of externalized impact on stakeholders assessed.
	Type of impact: <input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> Both combined	Type of impact: <input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> Both combined
	<input type="checkbox"/> Information is publicly available	<input type="checkbox"/> Information is publicly available

Question-Specific Guidance & Definitions

Material issue for external stakeholders: The material significance of an ESG subject in terms of external impact is **defined through an analysis of a company's business** activities, business model, products, and services. Impacts are evaluated considering the direct and indirect impacts on societal stakeholders and/or the environment, both in the short and longer term. The material issues for external stakeholders and associated impact are usually identified by evaluating the breadth of the impact, looking at the size of the effect on societal stakeholders and the environment, as well as the depth of the impact, looking at the severity and extent of the damage or benefits it causes to societal stakeholders and the environment.

Cause of the impact: **This refers to the company's business** activity in terms of operations, products/services, or supply chain activities which are responsible for causing the external impact. The coverage associated with the business activity refers to the share of company operations, products/ services, or supply chain considered as part of the impact evaluations.

External stakeholders/ impact areas evaluated: This refers to the type of external stakeholder group or an external area experiencing the impact caused by the company through its business activities. External groups or areas include the environment, society, consumers/end-users, and external employees (supply chain, contractors). It is possible to consider the impact on several areas or groups, e.g., environment and society or, environment, consumers and society, etc. As the question is assessing material issues for external stakeholders, internal stakeholders, such as employees or shareholders, are not acceptable.

Topic relevance on external stakeholders: This explains why the external impact assessed is material for the external

stakeholder(s) evaluated, and requires a clear link between the material issue and the relevance to external stakeholders. The description may also refer to the direct or indirect consequences of the impact generated on societal or environmental stakeholders in terms of size, severity, and/or extent of the damage or benefits caused to societal stakeholders and the environment. The type of impact assessed can be positive, negative, or both. The two impacts reported can be both positive or negative but companies are encouraged to assess their external impacts in a combined way in order to measure together the positive and negative impacts.

Data Requirements

Acceptable forms of reporting (non-exhaustive) on material issues with externalized impact include

- Materiality analysis/metrics with the integration of external impact aspects.
- Strategic section of a report or website: Reporting on key strategic areas as part of a Sustainability Report or the website, will only be accepted as long as there is a clear reference to the external impact dimension, meaning a detailed explanation of why the issue and associated impact assessed is material to external societal stakeholders or the environment.
- Impact valuation section of a report, website, or a single specific document.

Not acceptable material issues: Please note that companies that do not provide an acceptable material issue for external stakeholders will not receive points on any subsequent aspects of the question. Not acceptable examples include the following:

- Purely economic or financial issues: Tax payments, net income, amortization & depreciation, interests, dividend payments, salaries, own employment, macroeconomic conditions, etc.
- Operational business issues: Market expansion, efficient use of capital, operational excellence, etc.
- Material business issues without providing information on why the issue is relevant to external stakeholders
- Impacts from philanthropic activities or project-based mandatory environmental and social impact assessments.

Disclosure requirements for partially public question:

All qualitative information required in this question needs to be supported by attached private or public documents(s) or a comprehensive company comment. Options that cannot be verified in supporting documents will be unticked.

Additional credit will be granted for relevant publicly available evidence covering the following aspect of the question:

- Topic relevance on external stakeholders

References

Natural Capital Protocol
<https://naturalcapitalcoalition.org/protocol/>
https://naturalcapitalcoalition.org/wp-content/uploads/2016/07/Framework_Book_2016-07-01-2.pdf

Social & Human Capital Protocol
<https://capitalscoalition.org/capitals-approach/social-human-capital-protocol/>

Social Value UK
<https://www.socialvalueuk.org/>
<https://www.socialvalueuk.org/resource/discussion-document-valuation-social-outcomes/>
https://www.socialvalueuk.org/app/uploads/2017/11/Discussion_Paper_on_SVP_NCP-FINAL-VERSION-2-1.pdf

World Business Council For Sustainable Development (WBCSD):
<https://www.wbcsd.org/Programs/People-and-Society/Tackling-Inequality/Resources/WBCSD-Measuring-Impact>
https://docs.wbcsd.org/2017/05/IVR_Impact_Valuation_White_Paper.pdf

Business for Societal Impact B4SI, (formerly London Benchmarking Group LBG):
<https://b4si.net/framework/>

Social Return on Investment (SROI)
<https://www.socialvaluelab.org.uk/wp-content/uploads/2016/09/SROI-a-guide-to-social-return-on-investment.pdf>

Impact Reporting & Investment Standards (IRIS)
<https://iris.thegiin.org/>

Impact Management Project
<https://impactmanagementproject.com/>

Standards & frameworks

CSRD - ESRS 2 GOV-2 26c, ESRS 2 IRO-1 53b ii., ESRS 2 SBM-3 48a

WEF Metrics - Material issues impacting stakeholders

Materiality Metrics for External Stakeholders

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The purpose of this question is to assess the extent to which companies are evaluating the positive and/or negative impacts they are causing on external stakeholders using quantitative metrics linked to the material issues identified in the materiality assessment. To ensure that the company is assessing those impacts, the question asks which quantitative metrics are being used to measure the output of its business activity, the impact that activity has on the

external society and/or environment, and also which valuation technique is used to assess the impacts identified.

Companies can use impact valuation techniques to assess and compare the potential impacts that their products, services, or operations have had (or may have) on people and the environment. Investors can use impact valuation techniques to assess and compare the potential impacts that companies they are financing or considering financing may have on people and the planet, as well as their own investor contribution to those impacts.

Question Layout

Have you evaluated the positive/negative impacts on external stakeholders using quantitative output and impact metrics? Please note that philanthropic initiatives or project-based impact assessments are not accepted in this question.

- Yes, we have quantitative metrics used to value the external impact caused on society and/or the environment.

Please provide supporting evidence:

	Impact 1	Impact 2
Material Issue for External Stakeholders Please specify the material issue that generates a positive/negative impact on external stakeholders.		
Output Metric Please specify the quantitative metric/s used to measure the output of the direct environmental and/or social results of the business activity.	<input type="checkbox"/> Quantitative output metric/s linked to material issue	<input type="checkbox"/> Quantitative output metric/s linked to material issue
Impact Valuation Please specify whether you have conducted an impact valuation converting the output metrics to an impact metric to measure the societal or environmental external impact. Please choose the quantitative metric used in the valuation from the list and provide a description of the impact assessed.	<input type="checkbox"/> Impact valuation conducted Description of the impact assessed	<input type="checkbox"/> Impact valuation conducted Description of the impact assessed
Impact Metric Please specify the quantitative metric used to measure your external impact.	<input type="checkbox"/> Quantitative impact metric linked to material issue <input type="checkbox"/> Information is publicly available	<input type="checkbox"/> Quantitative impact metric linked to material issue <input type="checkbox"/> Information is publicly available

Question-Specific Guidance & Definitions

Output Metric: This refers to the environmental or social **direct results caused by a company's business activities** in terms of operations, products/ services and/or supply chain.

The metrics must be directly linked to the material issue.

Performance metrics included in the IRIS (Impact Reporting & Investment Standards) catalog are accepted as good practice to define output targets to measure social and environmental success:

Examples of environmental outputs that could be used to set a specific quantitative metric:

- Air pollution reduction (in % or CO2 emissions, NOx Emissions, SOx emissions).
- Avoided CO2 emission in % or tons, avoided NOx emissions, avoided SOx emissions.
- Water pollution reduction (% of contaminated potable water).
- Ground pollution reduction (in % or tons of waste disposed to landfill, incinerator).
- Waste diverted from landfill (in ton or %).
- Percentage of energy recovered.

Examples of social outputs that could be used to set a specific quantitative metric:

- Number of entrepreneurs that received a microfinance loan.
- Number of fatalities.
- Number of permanent illnesses.
- Sales of products protected by intellectual property rights.

Impact Valuation: This refers to the process of valuing and quantifying the external damages and/or benefits (positive/negative externalities) to the society and the environment that are caused as a result of the direct environmental and/or **social outputs generated by a company's business activities**.

The valuation usually involves quantitative or monetary approaches or a combination of these. Quantitative valuation measures the impact of the negative/positive externalities on societal stakeholders (e.g., society at large, local communities, end users/consumers) and/or the environment (e.g., natural capital) in quantitative, non-monetary terms. Monetary valuations measure the impact of the negative/positive externality caused in monetary terms (e.g., social costs of environmental damages caused).

Examples of environmental impacts

- A change in **people's environment**:
 - Improved/decreased quality of the air and water and associated health impact,
 - Increased/ decreased availability and quality of food,
 - Improved adequacy of sanitation and associated social benefits,
 - Increased physical safety,
- A change in the natural earth system:

- disruption of the rain cycle,
- increase in land temperature,
- **acidification of the oceans...**
- A change in the quality or availability of natural resources:
 - destruction of ecosystems, fauna, and flora,
 - Decreased/Increased access to natural resources
 - Damage/Improvement to/of heritage, spiritual or cultural resources
 - Decreased/Improvement of quality or availability of natural resources

Examples of social impacts

- **A change in people's quality of life: How they live and interact with one another.**
 - A change in the community: its cohesion, stability and character.
 - Capacity and Quality of Infrastructure, services, and **facilities: associated impact on people's quality of life and/or health.**
- A change in health status and wellbeing (physical, mental, social, and spiritual wellbeing):
 - Improved health awareness.
 - Deterioration in health status.
 - Capacity and cost of Local Health Providers.
- A change in personal and property rights, such as violation of their civil liberties.
- Other changes:
 - Increase/ decrease in local economic development (note that employment is an output metric).
 - Reduced/increased inequality: distributional impact e.g., on vulnerable households.
 - Enhanced local work experience, skills, and employability.

To evaluate the external impacts, companies could use different methodologies or standards that can range from standard methodologies from third parties to the company's internal processes. Even this question is not requesting to report the methodology that has been used, a list of the most well-known methodologies and standards that companies use for external impact measurement, management, and disclosure can be found here as a reference:

- Social & Human Capital Protocol.
- Business for Social Impact (B4SI).
- Socio-Economic Assessment Toolbox (SEAT).
- Social Return on Investment.
- Impact Reporting & Investment Standards (IRIS).
- Other third party-methodology.
- Company internal methodology.

Impact Metric: This is the quantitative (monetary or non-monetary) metric used to measure the impact caused on external societal stakeholders or the environment. It converts the output metric into a quantitative impact metric by

evaluating the impact of the external damage or benefits (negative/positive externalities) for societal stakeholders or the environment. Note that the output and impact metrics are directly linked with each other, and with the material issue assessed, but the metric/unit used cannot be the same.

Example of quantitative metrics:

- Quality of life improvement: % increase in self-confidence
- Quality life years gained from a new medical treatment vs. the standard of care
- % reduction in chronic illnesses due to the **company's program**
- % Loss of productive and habitable land
- % Loss of production in fisheries due to the spill of pollutants in rivers
- % Health-Adjusted Life Years (HALYs)

Example of monetary metrics:

- Social cost of carbon
- Social cost of water
- Social cost of waste
- Social cost of alcohol
- Cost of quality life year gained from a new medical treatment vs. standard of care
- Cost of work-related stress to society

Data requirements

Output Metric

- Companies clearly specify at least one quantitative environmental or social output metric directly linked to the material issue identified, associated external stakeholder group impacted and the **company's business activity in line with the question 'Material Issues for External Stakeholder'**.
- Supporting evidence is required linking the output metric to the material issue for external stakeholders. As an example: if the company is tracking its waste diverted from landfill (as a percentage or in metric tons), this is not sufficient unless a link to its external impact on the environment or societal stakeholders is clearly established in the supporting evidence (i.e. private or public documents or comprehensive comment).
- If one or both Material Issues in the question **'Material Issues for External Stakeholders' are not acceptable**, the output metric associated with the material issue identified by the company is also not acceptable due to the missing link between the material issue and its external impact aspects.
- For acceptable output metrics, the check box should be marked, and the specific value and unit of the output metrics provided in the text box. Companies may choose to provide additional supporting evidence in the form of an explanation.

- In case the specific impact is caused by more than one output, companies should specify all the relevant metrics.
- Metrics already reported in other CSA questions (e.g., emissions, waste, biodiversity, community impact), will only be accepted as long as there is a clear reference to the external impact dimension in previous question (e.g., importance of the topic to society, preservation of natural capital, contribution to SDGs, impact on climate change, etc.) and an impact metric linked.

Impact Valuation

- Supporting evidence to validate that an impact valuation has been conducted is required in the form of private or public document(s) or a comprehensive company comment.
- The supporting evidence is expected to provide an explanation of how the output generated by the company due to its business activities translates into externalized societal or environmental impact.

Impact metric

- In case the company has quantified (in monetary or non-monetary terms) the external impact generated on societal stakeholders or the environment, this option can be ticked. In the comment box, the quantitative impact value and unit of measurement are expected to be provided.
- The impact metric is required to be directly linked to the output metric and the impact valuation conducted.

Not acceptable Impact metrics:

- Pure economic and financial metrics: GDP growth, Tax payments, Net income, Amortization & depreciation, Interest, Salaries, Own employment, Taxes (direct income tax, indirect taxes & duties), Economic Value Add or Gross Value Add.
- Impacts due to philanthropic activities.
- **Metrics regarding the company's own employees** (including occupational health and safety metrics, employee training, employee benefits and salaries, etc.).
- Metrics on resource usage reductions or avoided emissions, as these are output metrics.
- Social and Environmental Impact Assessments conducted for specific projects only.
- Metrics that are not linked to the output metric and the material issue.

Disclosure requirements for partially public question:

All qualitative information required in this question needs to be supported by attached private or public document(s) or a comprehensive company comment. Options that cannot be verified in supporting documents will be unticked.

Additional credit will be granted for relevant publicly available evidence covering the following aspect of the question:

- Quantitative impact metric linked to the material issue for external stakeholders

References

Natural Capital Protocol

<https://naturalcapitalcoalition.org/protocol/>

https://naturalcapitalcoalition.org/wp-content/uploads/2016/07/Framework_Book_2016-07-01-2.pdf

Social & Human Capital Protocol

<https://capitalscoalition.org/capitals-approach/social-human-capital-protocol/>

Social Value UK

<https://www.socialvalueuk.org/>

<https://www.socialvalueuk.org/resource/discussion-document-valuation-social-outcomes/>

https://www.socialvalueuk.org/app/uploads/2017/11/Discussion_Paper_on_SVP_NCP-FINAL-VERSION-2-1.pdf

World Business Council For Sustainable Development (WBCSD):

<https://www.wbcsd.org/Programs/People-and-Society/Tackling-Inequality/Resources/WBCSD-Measuring-Impact>

https://docs.wbcsd.org/2017/05/IVR_Impact_Valuation_White_Paper.pdf

Business for Societal Impact B4SI, (formerly London Benchmarking Group LBG):

<https://b4si.net/framework/>

Social Return on Investment (SROI)

<https://www.socialvaluelab.org.uk/wp-content/uploads/2016/09/SROI-a-guide-to-social-return-on-investment.pdf>

Impact Reporting & Investment Standards (IRIS)

<https://iris.thegiin.org/>

Impact Management Project

<https://impactmanagementproject.com/>

Standards & Frameworks

CSRD - ESRS 2 MDR-M 77c, ESRS 2 SBM-3 48a

WEF Metrics - Total social investment (\$)

Risk & Crisis Management

Effective risk and crisis management is vital for long-term financial planning and organizational flexibility. Since the financial crisis, it has become particularly important. Companies need to implement internal control processes to comply with existing regulations and proactively develop control mechanisms. These questions focus on risk governance, the frequency of risk reviews, emerging risks,

and incentivizing, training and empowering employees to develop an effective risk culture. Additionally, we perform a real-time check to assess the system with our internal MSA (Media and Stakeholder Analysis). The scope of the criterion **may vary depending on a company's size and ownership structure.**

Risk Governance

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to assess the effectiveness of a company's risk governance framework. For this, it is important that the company's senior management and board of directors are not just aware of risks but also actively involved in managing them. While the board of directors is ultimately responsible for risk management, it is up to the senior management to take the board's strategic direction and turn it into appropriate policies and procedures, and to effectively implement, execute, and monitor these policies.

The three lines of defense model is a recognized governance framework for managing risks. It lays out clear risk management responsibilities and accountabilities to ensure that a company's risk-related objectives are achieved. In this model, the first and second lines are responsible for executing and monitoring risk management activities. The third line operates independently to check how well the risk management processes are working.

Question Layout

Does the company have a risk governance framework in place and is it available publicly?

- Yes, the company has a risk governance framework. Please indicate where this information is available in public reporting or corporate website.

The company has a risk governance framework with board level risk oversight:

- Dedicated role or committee at board level for risk oversight (Independent and/or non-executive Board member(s))

The company has a risk governance framework with dedicated operational risk management functions in place:

- Operational Risk ownership (first line): Front-line employees or dedicated operational roles (e.g., risk managers, business unit heads) own and manage risks.
- Risk Management and Compliance Oversight (second line): dedicated role(s) or committee(s) exist(s) at the senior management or executive level, which is responsible for setting control standards and oversees compliance with them (does not include the CEO).
- Independent Audit Unit (third line): An internal audit function that provides independent assurance on the effectiveness of risk management and compliance processes.

Question-Specific Guidance & Definitions

Board Level responsibility: A dedicated role or committee at the highest governing body consisting of independent and/or non-executive Board member(s). This could be a Risk Committee or an Audit Committee

tasked with explicit responsibility for risk management overview. For two-tier boards, the board-level committee must be formed of members of the supervisory board.

Operational Management Functions (Three Lines of Defense Model)

Operational Risk Ownership (first line): The employees or teams directly involved in producing and/or delivering products and services to clients. They are responsible for owning and managing risks in the day-to-day operations. The first line is responsible for the execution of controls set by the second line. We expect clear assignment of risk management responsibilities at the business unit level, which could include roles such as Risk Owners, Risk Managers and Business Unit Heads.

Risk Management and Compliance Oversight (second line): The individual, committee(s) or body(ies) in the organization charged with monitoring and supporting risk management processes, ensuring that risk management objectives are achieved. This oversight typically falls under senior management or the executive level, responsible for setting control standards and overseeing compliance. The second line responsibility may be split into several sub-functions, related to risk type for example, from a main/group function in charge of monitoring risk. However, we expect that specific sub-functions report into an overarching role or main function as defined by the company. For two-tier boards, risk management responsibility as the second line of defense can be at the management board level. Examples of responsible people or committees include the Chief Risk Officer, Risk Management Committee and Chief Compliance Officer. Note: Given that the CEO has ultimate responsibility for all aspects of a company's operations, the CEO is not accepted here, but rather the expected function would report to senior management or the CEO.

Independent Audit Unit (third line): The unit tasked with advising and auditing to ensure policies are followed and processes are executed in line with management's selected performance goals and risk tolerances. This could be an

internal audit or a comparable external function, providing an independent assurance that organizational practices are **aligned with the company's risk strategy and policies, as implemented by the first and second lines**. The independence of this unit ensures objective monitoring and control of various risks, safeguarding the organization's interests without conflicts of interest arising from other business priorities. This function typically reports directly to the board of directors on top of senior/executive management and remains separate from the implementation of processes or risk management to preserve its objectivity.

Note: The responsibilities of internal audit as part of the third line of defense extend beyond financial reporting compliance audits.

Data Requirements

To answer this question, it's important to focus on the **organization's general risk management governance** framework, rather than responsibilities defined in specific sections of the report such as Occupational Health & Safety, Human Rights or Climate Change.

Disclosure Requirements

- The document(s) you attached will be used to verify your response. The supporting documents need to be available in the public domain (e.g., annual report, sustainability report, integrated report, company publications) or corporate website.
- Any response that cannot be verified in the attached document(s) will not be accepted.

References

COSO Framework
The Institute of Internal Auditors

Risk Management Processes

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to **assess a company's risk management practices and strategies**, essential for fostering an effective risk culture. Effective risk and crisis management are vital for long-term financial stability and adaptability. Implementing internal control processes ensures compliance with current regulations and positions a company to proactively refine these controls.

Conducting robust risk assessments including evaluating risk exposure and determining risk appetite allows companies to respond strategically to events that may have a material impact. Moreover, regular and frequent risk reviews and audits can enhance the effectiveness of risk management processes. To embed these practices into the wider organization, measures should be taken to educate and incentivize employees at all levels of the business, thereby nurturing a strong and effective risk culture. Such an approach ensures that risk management is not just a compliance exercise but a fundamental part of the company's operational mindset.

Question Layout

Does the company have risk management processes and strategies to promote an effective risk culture and is it available publicly?

- Yes, the company has risk management processes and strategies to promote an effective risk culture. Please indicate where this information is available in public reporting or corporate website.

Risk Review

Aspects of our risk review process include the following:

- Description of the company-specific risk exposure (considering likelihood and magnitude) of at least two identified risks
- Description of process or framework to determine the risk appetite for identified risks
- Description of mitigating actions for at least two identified risks

Risk Exposure

We review our company's risk exposure on a regular basis. Please attach evidence of the frequency of the assessments:

- At least twice a year or more frequently
- At least yearly
- Less frequently than yearly
- Not specified

Risk Management Process Audit

We have conducted an audit of the risk management process. Please specify if an internal audit and/or an external audit have been performed:

- Yes, we have conducted an internal audit in the last two years
- Yes, we have conducted an external audit in the last two years

Risk Culture

We have strategies in place to promote an effective risk culture throughout the organisation:

- Regular risk management education for all non-executive directors
- Focused training throughout the organization on risk management principles
- Incorporation of risk criteria in the development of products and services
- Financial incentives which incorporate risk management metrics

Question-Specific Guidance & Definitions

Risk Review: A risk review is a process that involves identifying risks and assessing or reassessing their impact and likelihood. This process includes updating the status of various risks and implementing procedures to identify hazards, determine potential negative effects. This may include stress testing, sensitivity scenario analyses. We expect risk exposure to be reported for at least two of the identified risks.

The elements that define a risk review and are considered best practice include:

1. Description of the company-specific risks exposure: This should at least evaluate the potential magnitude and likelihood of materialization of the risk, considering the factors unique to the business or industry in order to define the impact of the risk on the company, e.g., stress testing, scenario analysis and sensitivity analysis are measures to assess the magnitude of impact when risks materialize but do not necessarily give an indication of likelihood of materialization.

2. Process or framework to determine risk appetite: There should be a clearly defined process or framework outlining the **company's** risk appetite (the level of risk it is willing to accept) for the identified risks including who within the organization is responsible for this.

3. Description of mitigating actions: Actions taken to reduce the severity of the risk and the likelihood of potential negative impacts should be described. We expect mitigating actions to be reported alongside at least two of the identified risks for which the company has described specific risk exposure for.

Review of risk exposure: Regular reviews are essential to keep up with changes in the risk landscape that could affect the company's risk exposure. These reviews help the organization stay resilient against potential risks. They ensure that the designated risk appetite and mitigating actions stay up-to-date and relevant. The mere reporting of risk exposure indicators, e.g., in the annual report is not considered sufficient evidence of an active risk exposure review process.

Audit of risk management processes in the last two years: This involves a systematic assessment of the methods, tools, and processes used in identifying, evaluating, controlling, monitoring, and reporting risks. Per best practice, audits can be conducted by qualified, internal auditors and by qualified, independent third-party auditors. These audits should follow

guidelines on management systems audits or risk management standards such as ISO 31000 and should be conducted at least every two years. Audits related to internal controls of financial reporting and statements of commitment are not considered sufficient here. The frequency of audits should be clearly reported.

Promotion of an effective risk culture: Creating a strong risk culture is important for integrating risk processes, procedures and employee awareness throughout the organization. This can be achieved by:

- Regular risk management education for non-executive directors: Education of board members should be recurring and specific to risk management. This is different from regular risk reporting to the board.
- Providing training to all employees: Training must cover risk management and be provided at a group level.
- Considering risk factors when developing new products or services: Risk criteria can be linked to financial risks, regulatory risks, operational risks, etc.
- Offering financial incentives tied to meeting risk-related goals: Incentives should be related to specific risks the company has identified as key concerns. For instance, if health and safety or governance are noted as primary risks, incentives could be connected to these areas.

Data Requirements

To answer this question, it's important to focus on the **organization's general approach to risk identification and risk review**, rather than specific areas such as: Occupational Health & Safety, Human Rights or, Climate Change. Reports such as those from the Task Force on Climate-related Financial Disclosures (TCFD) or the Carbon Disclosure Project (CDP) are not considered suitable evidence in this context. However, if climate change is identified as a significant material risk, we would expect it to be reported in the overarching risk section.

Disclosure Requirements

- The document(s) you have attached will be used to verify your response. The supporting documents need to be available in the public domain (e.g.,

annual report, sustainability report, integrated report, company publications) or corporate website.

- Any response that cannot be verified in the attached document(s) will not be accepted.

References

COSO Framework

ISO 31000:2018 Risk Management

Standards & Frameworks

CSRD - ESRS 2 GOV-1 23a AR 5, ESRS 2 GOV-2 26b, ESRS 2 IRO-1 53c i.

ESG Disclosure Standards (China) - G.2.1.1 Compliance management system, G.2.2.1 Risk management system, G.2.3.1 Audit system and implementation, S.3.2.2 Significant risks and impacts

WEF Metrics - Integrating risk and opportunity into business process

Emerging Risks

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

It is important for investors to understand the long-term risks that companies face along with companies' awareness of the impacts of these risks on their business and any mitigating actions that they may be taking in response to such risks - beyond the ongoing operational risks reported by most companies. In disclosing these risks to investors, companies

show their ability to plan effectively for long-term risks. Reporting on long-term risks, their impacts on their business, and the mitigating actions they are taking can improve investors' confidence in management's ability to plan effectively for long-term challenges and therefore may make the company a more attractive long-term investment.

Question Layout

Please indicate two important long-term (3-5 years+) emerging risks that your company identifies as having the most significant impact on the business in the future, and indicate any mitigating actions that your company has taken in light of these risks. For each risk, please provide supporting evidence in your reporting for the description of the risk, the business impact and any mitigating actions, and choose the category to which the risk belongs.

Emerging Risk 1	Emerging Risk 2
Supporting Evidence	
Name of the Emerging Risk	
Category	
Description	
Impact	
Mitigating Actions	

Question-Specific Guidance & Definitions

Emerging risks: The focus should lie on the most significant emerging risks that are expected to have a long-term impact on the company and that are explained in public disclosures. Risks that are considered to be acceptable here include any newly identified risks that are expected to have a long-term impact on the company's business, although in some cases they may have already begun impacting the company's business today. A risk, by definition, has not materialized. However, an emerging risk in addition to not having materialized, is unprecedented and has not been handled in

the past. Therefore, there is a lack of knowledge/preparation when it comes to managing the potential risk.

Impact on the business: It is not expected that a precise financial impact of these risks on the business can already be calculated or estimated, but rather a convincing description of how these emerging risks could impact the business, and require the company to adapt its strategy and/or business model.

Risk categories: The risk categories available in the dropdown menu are aligned with the categories defined in the World Economic Forum – Global Risk Report. The categories are: Economic, Environmental, Geopolitical, Societal and Technological. While we acknowledge that that five categories above might not be exhaustive, the category “Other”, should only be used for other external risk categories that are industry specific. Categories such as operational risk, compliance risk, reputational risk, competition risk, or market risk are not acceptable.

Data Requirements

Because the disclosure of long-term emerging risks (beyond operational risks commonly reported by companies or required by regulators) is so important for long-term investors, the risks provided in this question should correspond to risks that are disclosed publicly (e.g., annual report, sustainability report, integrated report, company publications, corporate website, risk reports). Additional specifications related to the description of the risk, the business impact, and mitigating actions not available in the public domain will not be considered.

- a) Emerging risks reported in this question have to be part of the broad, cross-functional and general risk assessment exercise of a company, therefore we would not accept risks identified as part of a specific risk assessment exercise (Human Rights risk assessment, OHS risk assessment, climate risk assessment, etc.).
- b) The same risk cannot be reported for more than 3 years in a row. Similarly, if the company has been reporting the same risk in its public disclosure for more than 3 years, it is not considered emerging anymore.
- c) An emerging risk needs to fulfill the six below requirements in order to be accepted:
- The risk is new, emerging
 - The potential impact of the risk may be unknown and is long-term, i.e., the risk is unlikely to have a significant immediate impact on the company, but potentially may have begun to have consequences for the company today.
 - The potential impact of the risk is significant, i.e., it has **the potential to affect a large part of the company’s operations** and may require the company to adapt its strategy and/or business model.
 - The risk is an external risk, i.e., it arises from events outside the company that are beyond its influence or

control. Sources of these risks include natural, geopolitical or macroeconomic factors, but exclude operational, reputational or market risks.

- The risk and its impact on the company are specific. For example, long-term risks like macroeconomic developments should be described in the context of the business environment that the company operates in (i.e., the specific regulations or laws that may be introduced) and the impact on the company should be specific (i.e., not simply the description of the overall impact on the industry).
- The risk and its impact are publicly disclosed with the exception established for non-listed companies.

As a result, climate change, for example, would not be an acceptable emerging risk since it is an issue that has been significantly impacting the business environment for a number of years and that companies would have prepared for.

The mitigating actions have to be reported together with the risk and its impact, as a response to the risk.

Disclosure Requirements

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies are required to provide the following evidence, depending on the type of company:

- Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.
- Cooperatives are required to provide public reports, corporate websites, or internal documents.
- State-owned companies are required to report on their risk management in the public domain as their key stakeholder is the general public.

References

World Economic Forum – The Global Risks Report

Standards & Frameworks

CSRD - ESRS 2 GOV-2 26c, ESRS 2 MDR-A 68a, ESRS 2 MDR-A 68a AR 22

ESG Disclosure Standards (China) - G.2.2.2 Major risk identification and prevention

WEF Metrics - Integrating risk and opportunity into business process

Business Ethics

Business ethics are at the crux of a well-functioning business. By establishing integrity across business lines and amongst employees, trust can be built with key stakeholders, and employees and the general public can be safeguarded.

The criterion evaluates the Codes of Conduct, their implementation and the transparency surrounding reporting on breaches.

UN Global Compact Membership

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The UNGC is a reference point for investors to apprehend which companies are truly committed to a sustainable growth. Indeed, being a participant/signatory of the UNGC **requires a public commitment of the company's CEO and the**

yearly release of a Communication on Progress. Therefore, this question aims to verify whether companies have taken this important public stance, regardless of their size.

Question Layout

Is the company a signatory/participant of the UN Global Compact and is this information available publicly?

- Yes, the company is a signatory/participant. Please indicate where this information is available in public reporting or corporate website.
- No, the company is not a signatory, but its parent company is a signatory/participant. The information is publicly available.

Data Requirements

In order to accept answers, we need to **verify your company's** participation in the UNGC in the public domain. Please, attach a public letter of commitment or **last year's** Communication on Progress.

Please note that we also accept a link to the list of active members on the UNGC website where we can verify the name of your company.

Taiwanese companies not already members of the UNGC should select "Not Applicable" and provide explanations in the comment box.

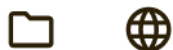
References

United Nations Global Compact
<https://www.unglobalcompact.org/>

Codes of Conduct

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Codes of Conduct are corporate documents outlining a company's values, principles and guidelines in a variety of areas. Ideally, codes combine aspirations and detailed standards on how to put them into practice, guiding the way the company conducts its business activities. Codes of

Conduct are voluntary but often seen as an important part of company culture, reputation and compliance. With this question, we assess the existence and scope of a company's Code of Conduct.

Question Layout

Does the company have a code of conduct at a group level (including subsidiaries) and is it available publicly?

- Yes, the company has a group-wide code of conduct and it covers the following aspects. Please indicate where this information is available in public reporting or corporate website.
 - Corruption and bribery
 - Discrimination
 - Confidentiality of information
 - Conflicts of interest
 - Antitrust/anti-competitive practices
 - Money-laundering and/or insider trading/dealing
 - Environment, health and safety
 - Whistleblowing

Data Requirements

Please be aware that Codes of Conduct can come in different formats and have different names (e.g., internal rules, company's credo, compliance codes, ethics codes, codes of practice, charter).

Supporting evidence:

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website.

Any response that cannot be verified in the attached public document(s) will not be accepted.

Standards & Frameworks

CSRD - G1-1 10a, G1-3 19, S1-1 19, S1-1 24a, S1-3 32b
 ESG Disclosure Standards (China) - G.2.6.1 Code of Business Ethics and Code of Conduct
 GRI Disclosure - 11.20
 IRIS+ - 0I2330, 0I2596, 0I5102
 UNGC Questionnaire - G3
 UNGP - A1, A2, A2.3, C6.1, C6.2, C6.3

Corruption & Bribery

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Corruption and bribery are economic crimes that are **consistently harmful to a company's intangible assets** (such as its reputation, staff morale, or business relationships). Companies doing business in countries with weak anti-corruption and bribery laws are exposed to additional reputational and legal risks.

Evidence of corrupt practices can result in a company's exclusion from contracts financed by institutions that blacklist bribe suppliers (for example, the World Bank's list of debarred firms), potentially affecting the company's future earnings. Due to the additional types of risk that corruption

introduces, it creates uncertain consequences for investors, and therefore increases the risk premium a company must pay for debt or equity. This question assesses the anti-corruption and bribery policy a company has in place to complement legal requirements (or to compensate for the lack of such requirements in certain countries). Because political and charitable contributions can be used as subterfuge for bribery, they should be explicitly covered by the anti-corruption policy and should be publicly disclosed.

Question Layout

Does the company have a policy on anti-corruption and bribery at a group level (including subsidiaries) and is it available publicly?

- Yes, the company has a group-wide policy on anti-corruption and bribery and it covers the following aspects. Please indicate where this information is available in public reporting or corporate website.
 - Bribes in any form (including kickbacks) on any portion of contract payments or soft dollar practices
 - Direct or indirect political contributions
 - Political contributions publicly disclosed. Please indicate web address:
 - Charitable contributions and sponsorship
 - Charitable contributions and sponsorship publicly disclosed. Please indicate web address:

Question-Specific Guidance & Definitions

Kickback: A kickback refers to a share of misappropriated funds one organization pays another in a case of corrupt bidding. This can occur in a business context or in any other situation in which people are entrusted to spend funds that do not belong to them. In this context, a company would win a contract in a public bidding process even if its provided quote exceeds the market price or best offer. For the benefit of having won the contract, the provider of the service then pays a kickback (for example, the difference between the overvalued and the actual market price, or part of this difference) to the buyer.

Soft dollar: The term soft dollar is used in the finance industry and refers to in-kind payments made by a

money manager (a fund, investor, etc.) to its service providers. Instead of paying the service providers with cash (i.e., hard dollars), the investor pays in-kind (i.e., with soft dollars) by passing on the business to its service providers.

Political contributions and charitable donations: This question specifically considers contributions and donations that act as a means of bribery and corruption, and this needs to be explicitly addressed in the attached policies. In the context of this question, disclosure of details of contributions and donations is only considered for topics that are specifically covered in the relevant policy, such as the company Codes of Conduct or a separate anti-corruption and bribery policy.

Other aspects related to political contributions and charitable donations that are not linked to bribery or corruption are addressed in other parts of the questionnaire.

Data Requirements

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications, corporate citizenship/corporate social responsibility report) or corporate website.

Please ensure that the marked options are both covered by your company's policy and are clearly disclosed in the attached documents.

References

[OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997](#)
[United Nations Convention Against Corruption, 2003](#)
[Business Principles for Countering Bribery, 2013](#) (by Transparency International)

Standards & frameworks

CSRD - G1-1 10b, G1-3 18a AR 5-AR 6, G1-3 19, G1-5 29b i. AR 9-AR 10

ESG Disclosure Standards (China) - G.2.6.3 Measures to avoid violations of business ethics

UNGC Questionnaire - AC2, G2

Code of Conduct: Systems/Procedures

Public: this question requires publicly available information

Assessment Focus



Question Rationale

As with every strategy or goal, a code of conduct is only as good as the level that it is complied with. A company therefore needs to have proper systems and procedures in place to ensure the implementation of its code of conduct to

assure employees, creditors, business partners, shareholders and other stakeholders that internal systems will not be co-opted, circumvented or overridden.

Question Layout

Does the company have mechanisms in place to ensure effective implementation of its code of conduct and are they available publicly?

- Yes, the company has mechanisms in place to ensure effective implementation of its codes of conduct. Please indicate where this information is available in public reporting or corporate website.

Aspect:	Please provide supporting evidence for the aspect and indicate page numbers:
<input type="checkbox"/> Responsibilities, accountabilities and reporting lines are systemically defined in all divisions and group companies	
<input type="checkbox"/> Dedicated help desks, focal points, ombudsman, hotlines	
<input type="checkbox"/> Compliance linked to employee remuneration	
<input type="checkbox"/> Employee performance appraisal systems integrates compliance/codes of conduct	
<input type="checkbox"/> Disciplinary actions in case of breach, i.e. warning, dismissal, zero tolerance policy	
<input type="checkbox"/> Compliance system is certified/audited/verified by third party. Please review the additional information and question guidance banner for further detail.	

Data Requirements

Third-party verification: For the certification/audit/verification of the compliance system, only independent third parties are accepted. Internal audit is not considered an independent third party. A third-party review must cover the company's codes of conduct and compliance systems for enforcing these codes, including tracking and reporting of breaches. Third-party assurance on other financial data or sustainability reporting is not accepted here.

Supporting evidence:

- This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual

report, sustainability report, integrated report, company publications) or corporate website.

- Any response that cannot be verified in the attached public document(s) will not be accepted.

Standards & frameworks

CSRD - G1-1 10a, G1-1 10c i., G1-1 10c ii., G1-3 18a AR 5-AR 6, G1-3 18c, G1-3 19, S1-1 19, S1-3 32c
 ESG Disclosure Standards (China) - G.2.3.3 Complaint and reporting system and implementation, G.2.6.1 Code of Business Ethics and Code of Conduct
 GRI Disclosure - 2-26
 IRIS+ - OI3601
 UNGC Questionnaire - AC1, G4, G5, G8
 UNGP - A2, A2.3, C6, C6.1, C6.2, C6.3

WEF Metrics - Protected ethics advice and reporting mechanisms

Reporting on Breaches

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Organizations are increasingly expected by the marketplace, international norms, and stakeholders to demonstrate their adherence to integrity, governance, and good business practices. Reporting to authorities is mandatory in many countries but our questions are looking for evidence of

transparent corporate reporting to all stakeholders. This question assesses the transparency a company shows in relation to breaches of its codes of conduct or anti-corruption & bribery policies towards its stakeholders, both for the occurrence of incidents as well as the company's response.

Question Layout

Does your company publicly report on breaches (e.g. Corruption, Discrimination etc.) against your codes of conduct/ethics? Please specify where this information is available in your public reporting or corporate website.

- Yes, we publicly report breaches of the Codes of Conduct
- We report on following areas

Reporting areas	Number of breaches in FY 2023
Corruption or Bribery	
Discrimination or Harassment	
Customer Privacy Data	
Conflicts of Interest	
Money laundering or Insider trading	

- We report breaches on a combined basis for all areas in the Code of conduct
- We report breaches on a combined basis, but only for some areas in the Code of conduct
- We report that no Codes of Conduct related breaches have occurred during the most recent reporting cycle

Question-Specific Guidance & Definitions

Customer Data Privacy: Data breaches relative to the customer. This can be defined as the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data transmitted, stored, or otherwise processed. This can include, but is not limited to, the disclosure of customer personally identifiable information, theft of customer financial information, healthcare data and more.

authorities that are not publicly available to all stakeholders will not be considered here.

If the company discloses just the total number of breaches for all aspects of the code of conduct (Without breakdown) then the second option '**We report on total number of cases/breaches but do not report on specific areas**' should be selected.

In case, while reporting a company has clubbed some areas of breaches then the third option, 'We report breaches on a combined basis, but only for some areas in the Code of conduct' will be marked.

Data Requirements

Disclosure on various aspects of code of conduct related breaches is assessed in this question such as Corruption, Discrimination, Privacy, Insider Trading etc. Filings to

If there were no code of conduct breaches, the fourth option "We report that no Codes of Conduct related breaches have

occurred during the most recent reporting cycle" should be chosen and indicate where this is publicly reported. The absence of breaches needs to be publicly disclosed for the purpose of this question and an indication of where this is publicly reported should be given. A comment indicating that no breaches occurred and that reporting would have been available in the event of such breaches occurring is not sufficient for this question.

Supporting evidence

- This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications or corporate website).
- Any response that cannot be verified in the attached public document(s) will not be accepted.

References

[OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997](#)

[United Nations Convention Against Corruption, 2003](#)

[Business Principles for Countering Bribery, 2009](#) (by Transparency International, second edition)

Standards & frameworks

CSRD - G1-4 26, S1-17 103a AR 103-AR 106, S1-3 32e AR 32
ESG Disclosure Standards (China) - G.2.1.4 Customer privacy protection

GISD - Information Technology (IT): Frequency of data privacy incidents, Total number and nature of incidents of corruption confirmed during the current year, related to this year

GRI Disclosure - 2-27, 205-3, 406-1, 418-1

IRIS+ - OI2165, OI9379

UNGC Questionnaire - AC5

UNGP - C5.1

WEF Metrics - Anti-Corruption, Discrimination and Harassment Incidents (#) and the Total Amount of Monetary Losses (\$)

Policy Influence

Although companies legitimately represent themselves in legislative, political and public discourse, excessive contributions to political campaigns, lobbying expenditures and contributions to trade associations as well as the lack of transparency about those contributions may damage **companies' reputations and creates risk of corruption**. Perceived **misalignment between a company's commitments** to combat climate change and its lobbying activities can also damage its reputation, and significantly undermine global efforts to transition to more sustainable economies.

In this criterion we evaluate the **transparency of companies'** disclosures on the amounts they contribute to political campaigns, trade associations and other tax-exempt groups, and on lobbying expenditures. Additionally, we assess the management systems companies have in place to ensure lobbying activities and memberships of trade associations are aligned with the Paris Agreement to limit global warming to well below 2 degrees Celsius.

Contributions & Other Spending

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Although companies legitimately represent themselves in legislative, political and public discourse, excessive contributions to political campaigns, lobbying expenditures and contributions to trade associations and other tax-exempt **groups may damage companies' reputations and create risks**

of corruption. With this question, we assess the total amount of money companies are allocating to organizations whose primary role is to create or influence public policy and the extent to which these amounts are disclosed to the public.

Question Layout

Please indicate your annual total monetary contributions to and spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups, as defined in the Info Text. If this information is publicly reported, please provide supporting evidence or indicate the weblink below. PAC contributions by employees should not be included. Please also indicate if these figures are provided in your public reporting.

- We are able to itemize the figures. If you have not made any contributions for one or more items, please enter 0 and indicate if this information is available in your public reporting:

Contributions to:		FY 2020	FY 2021	FY 2022	FY 2023
Lobbying, interest representation or similar	<input type="checkbox"/> Information available publicly				
Local, regional or national political campaigns / organizations / candidates	<input type="checkbox"/> Information available publicly				
Trade associations or tax-exempt groups (e.g. think tanks)	<input type="checkbox"/> Information available publicly				
Other (e.g. spending related to ballot measures, referendums)	<input type="checkbox"/> Information available publicly				

Total contributions and other spending Information available publicly

Data coverage (as % of denominator, indicating the organizational scope of the reported data) Percentage of: _____

- We can only report the total spending figures. Please indicate the items included in your total spending figures. If an item is not included, please select "not included". If you have not made any contributions for a specific category, please select "No contribution." Please also indicate if these figures are provided in your public reporting.

Lobbying, interest representation or similar	Information available publicly
Local, regional or national political campaigns / candidates	Drop-down menu: Included <ul style="list-style-type: none"> • Included • Not included • No contribution • Not Known
Trade associations or tax-exempt groups (e.g. think tanks)	Information available publicly
Other (e.g. spending related to ballot measures or referendums)	Information available publicly

	Currency	FY 2020	FY 2021	FY 2022	FY 2023
Total Contributions and other Spending					
Data coverage (as % of denominator)	Percentage of: _____				

- We did not make any contributions to and spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups, as defined in the information button.
- This information must be available in the public domain.

Data Requirements

Disclosure requirements for partially public question: Additional credit will be granted for relevant publicly available evidence covering at least one figure in the last reported year. If no contributions were made for a specific item or category (e.g., zero political contributions in the last fiscal year), companies should publicly report this information. This should be publicly reported on the company's own website not via a third party website or on a transparency register. As this is a quantitative question, any non-public evidence is not required to support your answer **but you may nonetheless upload evidence in "Documents"** and reference this in the confidential additional comments.

Coverage should be reported as a % of total operations, revenues, etc. as provided in the denominator question -

indicating whether the provided data represents the entire organization or only parts of it. The percentage provided in the coverage field should not represent spending as a % of total spending or total revenues.

- For example, if the numbers reported are only for operations in the US, and the US represents 50% of company revenues, then 50% should be reported as coverage.

Standards & frameworks

CSRD - G1-5 29b i. AR 9-AR 10
 GRI Disclosure - 11.22, 12.22, 14.24, 415-1
 UNPRI - PGS 19

Largest Contributions & Expenditures

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Although companies legitimately represent themselves in legislative, political and public discourse, excessive contributions to political campaigns, lobbying expenditures and contributions to trade associations and other tax-exempt groups may damage companies' reputations and create risks

of corruption. In this question, we ask for the largest contributions or expenditures to organizations whose primary role is to create or influence public policy and assesses the extent to which this information is provided to the public.

Question Layout

Did your company make any contributions to or expenditures to political campaigns or organizations, lobbying, trade associations, tax-exempt entities, or other groups whose role is to influence political campaigns or public policy and legislation? In this context, a "contribution" is the aggregate amount given during the fiscal period to an individual candidate, organization, ballot measure, or "issue area" or "topic" requiring lobbying efforts. Please see the Information Button for examples. PAC contributions by employees should not be included.

Please also indicate if this reporting is available in your public reporting.

If you made less than three contributions, please select "No contribution" under "Type of organization" in the appropriate row.

- Yes, we made contributions or had expenditures. Please indicate where this information is available in the public domain.

Issues and Topics

Currency: _____

Issue or topic	Corporate Position	Description of Position/Engagement	Total spend in FY 2023
1. _____	Drop-down menu: Support Support with minor exceptions Support with major exceptions Neutral Oppose Undecided No contribution	1. _____	1. _____
2. _____	2. Drop-down menu	2.	2.

Other Large Expenditures

Name of organization, candidate or topic	Type of organization	Total amount paid in FY 2023
3. _____	Drop-down menu: National political organization State or local political campaign, candidates or committees Political Action Committee (PAC) Lobbying, interest representation or similar Trade association Tax-exempt group Other: Please specify: _____	3. _____
4. _____	4. Drop-down menu	4. _____
5. _____	5. Drop-down menu	5. _____

- No, we did not make any contributions or have any expenditures
- This information must be available in the public domain

Question-Specific Guidance & Definitions

Largest contributions: In this context, a "contribution" is the aggregate amount given during the fiscal period to an individual candidate, organization, ballot measure, or "issue area" or "topic" requiring lobbying efforts. For example:

Sugar taxes: The total amount of lobbying expense for the fiscal period shall be reported as one line item. The expenses may have been related to several activities around the world: a ballot initiative in California, legislation being considered by the US federal government and legislation pending in the UK.

Drug pricing: The total amount of lobbying expense for the fiscal period shall be reported as one line item. The expenses may have been related to several state ballot initiatives in the US.

Data Requirements

Companies should report their largest "contributions" to political campaigns or organizations, lobbyists, trade associations and other tax-exempt group, related to individual candidates, organizations, ballot measure or referendum, or topic for which lobbying were contracted. This includes all contributions, donations and membership fees towards trade associations, industry associations and business associations. Companies do not need to report the monetary value of in-kind giving, employee volunteering or management overheads related to the activities mentioned above. If local legislation prevents you from making political or other contributions, please mark "Not applicable" and provide an explanation in the company comment box.

There are two distinct aspects to this question: the two top issues and the three largest single contributions/payments. There may therefore be some overlap, if the spending on the issues is done by the trade associations. If your largest contributions go to trade/business associations, our preference is that you are able to inquire with the trade association(s) as to the percentage of your contribution allocated to lobbying for specific issues. If the trade association cannot provide this level of detail, an estimate will suffice. In the worst case, for the first part of this question, we ask you to report your direct lobbying expenditures only, even if the amounts are small.

Note: Please do not include contributions to charities whose main purpose is something other than supporting specific political parties or causes, e.g., they primarily provide healthcare to an at risk population or food and shelter to the poor.

Disclosure requirements for partially public question. Additional credit will be granted for relevant publicly available evidence covering at least three of the largest contributions and expenditures described. This should be publicly reported **on the company's own website via** a third-party website or on a transparency register.

Standards & frameworks

CSRD - G1-5 29b i., G1-5 29b i. AR 9-AR 10, G1-5 29c, G1-5 29c AR 14

GRI Disclosure - 11.22, 12.22, 2-28

UNPRI - PGS 19

WEF Metrics - Alignment of strategy and policies to lobbyin

Lobbying and Trade Associations - Climate Alignment

Public: this question requires publicly available information

Assessment Focus



Question Rationale

As more and more companies commit to supporting the Paris Agreement with net-zero targets and climate strategies, there is increasing scrutiny from both investors and the public on the extent to which these public commitments are reinforced and not contradicted by the behavior of companies in lobbying. Trade associations can also be a powerful source of influence on public policy. There have been successful shareholder resolutions asking companies to disclose more about their lobbying activities and trade association memberships related to climate change. Companies have a responsibility to ensure their memberships do not contradict

their climate strategies and to take action when they do. Aligning lobbying activities and trade association memberships with the Paris Agreement helps protect the reputation of companies, and ensure action on climate change is consistent and strong.

This question asks about the processes companies have in place to oversee, review and disclose their climate-related lobbying activities and trade association memberships, and to ensure alignment of these with the Paris Agreement.

Question Layout

Does the company have a program to align its lobbying activities with the Paris Agreement and is it available publicly?

- Yes, the company has a program to align its lobbying activities with the Paris Agreement. Please indicate where this information is available in public reporting or corporate website.
 - Management system in place for lobbying activities and trade association memberships.
 - Governance framework for public policy engagement with clear accountabilities up to executive level.
 - Statement of our position on public policies relating to climate change, which is aligned with the Paris Agreement.
 - Reviewing and monitoring process to assess whether public policy engagements and lobbying are aligned with the Paris Agreement
 - For direct lobbying activities
 - For our trade associations
 - Clear framework for addressing misalignments between climate change policy positions of trade associations and our own climate position
 - Reporting on:
 - Climate policy positions and activities of trade associations
 - Climate-related direct lobbying activities

The program covers:

- All jurisdictions where we have operations
- Most jurisdictions
- Some jurisdictions only

Question-Specific Guidance & Definitions

Paris-Aligned lobbying: Lobbying and public policy engagements that are Paris-Aligned are supportive of legislation and regulation that will facilitate the achievement of the Paris Agreement goal to limit global warming to well below 2 degrees Celsius. It could also be referred to as 2-degree or 1.5 degree aligned, science-based, or net-zero by

2050 aligned. Examples of Paris-Aligned lobbying could be supporting measures that promote the growth of renewable energies or supporting the introduction of a carbon price that is aligned with reaching net-zero by 2050.

Direct lobbying activities: This encompasses lobbying by either in-house lobbyists or third-party lobbyists paid for or otherwise engaged by the company. Lobbying activities

include direct communication and contact with lawmakers or regulatory institutions for the purpose of influencing legislation, as well as responses to consultations and other engagements intended to influence legislation.

Trade associations: may also be referred to as business or industry associations or groups. A trade association is a body, normally with a membership structure that exists to represent the interests of a specific industry. Trade associations can also exist on a cross-industry and national level, for example a national or regional chamber of commerce.

Review & monitoring process: A systematic process to assess the alignment of lobbying activities with the Paris Agreement. To be considered in this question, the processes must assess **alignment with the Paris Agreement (or with the company's stated positions on climate related legislation and regulation if this is aligned with the Paris Agreement)**. For direct lobbying activities, the review process ideally takes place before lobbying has been conducted. For trade associations, the review process can take place on a regular basis or whenever new associations are joined and should assess whether the trade association supports the Paris Agreement through its lobbying and public policy engagements.

Framework for addressing misalignments: Where **misalignments between a trade association's lobbying activities and the goals of the Paris Agreement** have been identified, companies should have an established framework for how they deal with this. The framework should include at least two of the following options: public statements distancing the company from the misalignment, engagement with the trade association with clear timelines and an escalation process if unsuccessful, leaving the trade association, or forming proactive coalitions to counter the non-Paris-aligned lobbying.

Data Requirements

This question requires public evidence.

This question can be marked “Not Applicable” only if all contributions and spending on lobbyists and trade associations are prohibited by law. Please note that evidence must be available in the public domain, and this must apply to all jurisdictions where your company operates in order to be accepted. If only one out of lobbying and trade association memberships is prohibited and not the other, please follow the approach below.

If your company either does not undertake any lobbying activities, or is not a member of any trade association, in any jurisdiction, because one or the other is prohibited by law or **your company's own code of conduct, and this is clearly stated in the public domain**, then the respective options can be ticked under “Review and monitoring process”, “Reporting on” and, in the case of no trade association memberships only, “Clear framework for addressing misalignments”.

References

[Guide for responsible corporate engagement in climate policy, United Nations Global Compact Caring for Climate Report](#)
[Global Standard on Responsible Corporate Climate Lobbying](#)
[Company lobbying and climate change: good governance for Paris-aligned outcomes, Grantham Research Institute on Climate Change and the Environment](#)
[Trade Associations and their Climate Policy Footprint, InfluenceMap](#)

Standards & Frameworks

CSRD - G1-5 29a AR 12

UNPRI - PGS 11.2, PGS 19

Supply Chain Management

In an increasingly globalized world, when a company outsources its production, services or business processes, it also outsources corporate responsibilities and reputational risks. This means that companies need to find new strategies to manage the associated risks and opportunities which differ from the traditional risk and opportunity management with the company's production or services in-house. In addition, the company is confronted with the need to minimize costs and time of delivery to satisfy customers' demand and increase profitability without negatively impacting product quality or incurring high environmental or social costs.

Investors increasingly see the importance of supply chain risk management and the negative consequences if it is not managed effectively.

This criterion aims to identify companies with lower supply chain risk profiles, either through supply chain characteristics or through appropriate management of existing risks. In addition, we seek to identify companies that are using sustainable supply chain management as an opportunity to improve their long-term financial performance.

Supplier Code of Conduct

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Companies not only outsource production, services, and business processes but responsibilities, risks, and opportunities as well. On one hand, outsourcing generally tends to increase a company's flexibility, but on the other hand, supply chain risks might become less apparent, new dependencies may arise, and the identification, monitoring, and management of risks and opportunities in the supply chain may become more difficult.

A general supplier code of conduct summarizes and represents the basic commitments a company requires from its suppliers. It also serves as a first information source for prospective suppliers. With this question, we assess if your company has a supplier code of conduct if it is public, and what issues it covers.

Question Layout

Does the company have a Supplier Code of Conduct and is it available publicly?

- Yes, the company has a Supplier Code of Conduct covering the following issues. Please indicate where this information is available in public reporting or corporate website.

Human Rights and Labor

- Forced labor
- Child labor
- Working conditions (e.g., working hours, physical/ mental demands of the workplace, wages, benefits)
- Occupational health and safety
- Discrimination and harassment
- Freedom of associations and collective bargaining

Environment

- Greenhouse gas emissions and energy consumption
- Pollution prevention and waste management
- Resource efficiency
- Biodiversity, no deforestation, or land conservation

Business Ethics

- Anti-corruption and conflict of interest
- Anti-competitiveness

Question-Specific Guidance & Definitions

Supplier code of conduct: It describes the principles, values, standards, or rules of behavior that guide the decisions, procedures, and systems of the supplier in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations. It usually includes at least the 03 components: Human Rights & Labour, Environment, and Business Ethics

Human Rights & Labour: This includes safeguards against child labor, non-discrimination, health and safety, working conditions, working hours, compensation, right to association, and freely chosen employment.

Forced labor: all work and service that is exacted from any person under the menace of any penalty and for which the said person has not offered herself or himself voluntarily. Forced labor also includes human trafficking, which is the recruitment, transportation, transfer, harboring, or receipt of persons by the use of threat or of force or other forms of coercion, abduction, fraud, deception, abuse of power, or a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, conducted for the purpose of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs.

Child labor: is work performed by children that is mentally, physically, socially, or morally dangerous and harmful to children, affecting their health and personal development, or that interferes with their compulsory schooling.

Working conditions: cover a broad range of topics and issues, from working time (hours of work, rest periods, and work schedules) to remuneration, as well as the physical conditions and mental demands that exist in the workplace

Occupational health and safety: a set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives

Harassment: Harassment is defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed. Non-sexual harassment includes but is not exclusive to mobbing and bullying, while sexual harassment includes a sexual component.

Discrimination: act and result of treating persons unequally by imposing unequal burdens or denying benefits instead of treating each person fairly on the basis of individual merit based on their race, ethnicity, gender, sexual orientation, age, nationality, religion, union status, and/or marital status

Freedom of association: the right of employees and workers to form, join and run their own organizations without prior authorization or interference by the state or any other entity

Collective bargaining: all negotiations which take place between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers

Environment: This includes avoiding pollution, minimizing emissions, and improving the resource efficiency of supplier operations and products throughout the lifecycle

Greenhouse gas emissions and energy consumption refer to emissions of the six main GHGs that are covered by the Kyoto Protocol, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). Energy consumption refers to the purchase or production and use of energy from renewable sources (e.g., hydroelectric, wind, solar, geothermal, bioenergy) and to the efficient use of energy by reducing the waste/loss of energy or upgrading equipment with lower energy consumption.

Pollution prevention and waste management refer to the prevention and management/disposal of by-products in business operations such as air pollutants (e.g., particulate matter, lead, sulfur dioxide, etc.), sewage, and solid waste (including non-hazardous and hazardous waste).

Resource efficiency refers to organizational or technological modification in designing product/process that allows more efficient usage of raw materials or water.

Biodiversity, no deforestation, or land conservation refers to the protection or promotion of natural habitats, biodiversity, or management of soil to avoid loss of nutrients, erosion, and land pollution. Some aspects might include, for example, A) management of biodiversity risks by setting targets to offset any losses (no net loss) or aims to achieve a net positive impact on biodiversity; B) prohibition of supplier operations in

sites containing globally or nationally important biodiversity; C) application of mitigation hierarchy (avoid, minimize, restore & offset) if a company is operating in areas in close proximity to critical biodiversity; D) land conservation efforts which include a variety of techniques such as contour farming, mulching, crop rotation, etc.

Business Ethics: refers to the policies and practices to ensure the ethical conduct of the organization and associated individuals in all business activities, including, but not limited to, anti-corruption, anti-competitiveness, and conflict of interest.

Anti-Corruption: refers to **'abuse of entrusted power for private gain', which can be instigated by individuals or organizations**, including practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering; an offer or receipt of any gift, loan, fee, reward, or another advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the **conduct of the enterprise's business**.

Anti-Competitiveness: refers to actions of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition, including but not limited to cartel activities, price fixing, and anti-trust activities.

Conflict of Interest: refers to a situation where an individual is confronted with choosing between the requirements of his or her function and his or her own private interests

Data requirements

Supporting evidence

- This question requires public documents.
- For options covering multiple topics, your Supplier Code of Conduct must address all elements stated in the option. The only exception is Biodiversity, deforestation, or land conservation

Not Applicable – General Rule

“Not Applicable” for this question (beyond the industries detailed below) will only be accepted for special cases. In

such cases, the company must credibly explain via a comprehensive company comment and/or public reporting that it does not purchase goods or services for the purposes below. To be granted “Not Applicable”, the company must state they:

- Do not use goods or services in the company's production processes, and
- Do not re-sell goods or services to the company's customers, and
- Do not utilize goods or services as capital goods (e.g., machines/infrastructure) in the company's operations.

Industry-specific special cases:

REI – Equity Real Estate Investment Trust (REITs): companies **that have only marked 'Management of Standing Investments'** as the main activity of the business in question '0.1 Denominator Area' should mark “Not Applicable” in this question.

REM – Real Estate Management & Development: companies **that have only marked 'Services' as the main activity of the business in question '0.1 Denominator Area'**, should mark “Not Applicable” in this question.

OIE - Energy Equipment & Services Industry: Services Companies (consultancy or seismic surveying), should mark “Not Applicable” in this question.

References

For the definition of the supplier code of conduct see UNGC's Supply Chain Sustainability

Standards & frameworks

CSRD - E2-2 AR 13, E4-2 AR 12 a, E5-1 15(b), E5-1 AR 9 b, E5-2 20(e) AR 13, E5-2 AR 11, G1-2 15a AR 2-AR 3, S1-4 AR 35, S2-1 18, S2-4 AR 30
 GRI Disclosure - 403-1
 IAST APAC - Core Modern Slavery Metrics
 UNGP - A1.3, A2, A2.4

Supplier ESG Programs

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Developing and deploying sound supplier ESG programs is a foundational strategic and operational activity for organizations.

The purpose of this question is to evaluate whether companies have systems/procedures in place to ensure effective internal implementation of the supplier ESG program and to identify and address material risks and impacts resulting from supply activities. Clear and structured governance, together with internal communication and training, are needed to ensure the correct plan, implementation, and improvement cycles. Organizations not

only need to have systems/procedures in place to track the impact of ESG along their supply chains, but they also need to ensure that these practices are routinely reviewed to ensure that their business demands, and expectations, are in line with established ESG requirements. Suppliers which provide **goods or services used in the company's production** processes and suppliers providing goods and/or services (e.g., machines/infrastructures) that are used as operational capital goods by the purchasing company must be covered in these programs. Together with these supplier typologies, suppliers of indirect materials and/or office supplies can be included as well.

Question Layout

Does the company have **measures to ensure effective implementation of its suppliers' ESG programs and is it available publicly?**

- Yes, the company has measures to ensure effective implementation of supplier ESG programs. Please indicate where this information is available in public reporting or corporate website.
- Oversight of implementation of the supplier ESG program is defined. Please select the highest accountable decision-making body:
 - Board of directors
 - Executive management
- Purchasing practices towards suppliers are continuously reviewed to ensure alignment with the Supplier Code of Conduct and to avoid potential conflicts with ESG requirements.
- Suppliers are excluded from contracting if they cannot achieve minimum ESG requirements within a set timeframe.
- Suppliers with better ESG performance are preferred by applying a minimum weight to ESG criteria in supplier selection and contract awarding.
- Training for company's buyers and/or** internal stakeholders on their roles in the supplier ESG program.

Question-Specific Guidance & Definitions

Supplier ESG program

For businesses to identify, assess, and plan corrective measures in relation to the sustainability of their supply chains, it is crucial to implement a robust and comprehensive supplier ESG program. A supplier-focused ESG program is the collection of activities and measures that enables businesses to recognize and assess potential ESG risks, and consequently, plan remedial measures to assure solid sustainability performance along the supply chain.

Companies should make sure that this due diligence approach is deployed also within the organization, to guarantee harmonization between ESG strategy for the supply chain and the company's purchasing practices.

Oversight of implementation: Strategic oversight to ensure alignment of vision and implementation is critical to ensuring successful strategies and programs. This is also true for the supply chain ESG strategy and the supplier ESG program. To guarantee maximal priority and focus, this oversight should

ideally sit on the board of directors. Alternatively, top executive management is also acceptable as it can align ESG strategies of different divisions/functions and drive the organization to reach its sustainability goals. The CEO individually is not acceptable as the CEO is ultimately accountable for all areas of a company's operations.

Review of purchasing practices to avoid potential conflicts with ESG requirements: Purchasing practices not only include the choice of the material/part/product/service to be bought or the supplier from which to purchase the needed items. They also include specific indications on costs and quality of the products, as well as delivery times. It is of paramount importance that the company's orders allow suppliers to comply with the company's ESG requirements. This option guarantees that the company is continuously reviewing its purchasing practices to avoid potential conflicts with its ESG strategy.

Exclusion of suppliers that cannot achieve minimum ESG requirements within a set timeframe: Companies should set minimum requirements that suppliers must comply with to access tenders or be selected for contract awarding. The best practice for companies is interacting with those fundamental suppliers which do not meet these requirements and providing development opportunities with the objective of improving their performance and becoming eligible. This opportunity should have a clear timeframe set, after which suppliers that are not able to meet expectations should be **removed from the potential supplier's list until they become eligible.**

Preference of suppliers with a better ESG profile by applying a minimum weight to ESG criteria: Supplier preference rationale can vary for different industries, locations, and business models. Among well-known dimensions such as price, delivery times, and quality, ESG performance should also be considered. Most advanced companies incorporate **ESG performance in suppliers' selection by including in selection methodologies a specific weight for ESG dimensions, which guarantees that sustainability is embedded into supplier selection and contract awarding.**

Training for company's buyers and/or internal stakeholders on the Supplier ESG Programs: It is crucial for companies to set up training for buyers and/or relevant internal stakeholders in their roles and on how their day-to-day actions and decisions are fundamental to reach the **company's ESG objectives. Low/middle/top management training is not accepted for this option.**

Data Requirements

- This question requires public evidence. Please indicate where in your public reporting you report information about the selected options.

Not Applicable – General Rule

“Not Applicable” for this question (beyond the industries detailed below) will only be accepted for special cases. In such cases, the company must credibly explain via a comprehensive company comment and/or public reporting that it does not purchase goods or services for the purposes below. To be granted “Not Applicable”, the company must state they:

- **Do not use goods or services in the company's production processes, and**
- **Do not re-sell goods or services to the company's customers, and**
- **Do not utilize goods or services as capital goods (e.g., machines/infrastructure) in the company's operations.**

Industry-specific special cases:

REI – Equity Real Estate Investment Trust (REITs): companies **that have only marked 'Management of Standing Investments'** as the main activity of the business in question '0.1 Denominator Area' should mark “Not Applicable” in this question.

REM – Real Estate Management & Development: companies **that have only marked 'Services' as the main activity of the business in question '0.1 Denominator Area', should mark “Not Applicable” in this question.**

OIE - Energy Equipment & Services Industry: Services Companies (consultancy or seismic surveying), should mark **“Not Applicable” in this question.**

Standards & Frameworks

CSRD - G1-2 15a AR 2-AR 3, G1-2 15b AR 2-AR 3

ESG Disclosure Standards (China) - G.3.3.2 Integrating ESG into business management

UNGP - A2.4, C4

Supplier Screening

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Companies not only outsource production, services, and business processes but responsibilities, risks, and opportunities as well. On one hand, outsourcing generally tends to increase a company's flexibility, but on the other hand, supply chain risks might become less apparent, new dependencies may arise, and the identification, monitoring, and management of risks and opportunities in the supply chain may become more difficult.

An important first step in supply chain management is to try to understand supply chain risks and dependencies

from the ESG and business operation perspective. Once a company has identified significant suppliers, it can focus supplier monitoring and development efforts on those suppliers with the highest risk for negative impacts and greatest business relevance (this aspect is examined in subsequent questions). Therefore, this question seeks to assess if companies have a systematic approach to screening suppliers in order to identify potential sustainability risks in their supply chain. Companies that are able to properly identify significant suppliers will also be better positioned to prioritize their risk management measures and proactively **detect issues connected to suppliers' ESG performance.**

Question Layout

Does the company conduct supplier screening to systematically identify significant suppliers and is this information available publicly?

- Yes, the company conducts supplier screening to identify significant suppliers. Please indicate where this information is available in public reporting or corporate website.

Aspects of suppliers screening

Please indicate which of the following aspects are considered in your screening process for significant suppliers.

- Environmental
- Social
- Governance
- Business relevance

Methodology for suppliers screening

Please indicate which of the following risks are considered in your screening process for significant suppliers.

- Country-specific risk
- Sector-specific risk
- Commodity-specific risk

Question-Specific Guidance & Definitions

Supplier screening: Supplier screening is systematic desk **research of suppliers' risk for negative ESG impacts and their business relevance**, considering available data sources such as country, sector, or commodity ESG risks, spending, business relevance, etc. Methodology development and screening process can be realized by the company itself, or

with the support of or through external specialists. Screening can be considered the initial step to identify potential sustainability risks in the supply chain and it is then followed by assessing suppliers. At this stage, the company is not likely to be engaging directly with the supplier in order to screen them.

Significant suppliers: Significant suppliers are suppliers that are identified as having substantial risks of negative ESG impacts or significant business relevance to the company or a combination of both. The portfolio of significant suppliers **should be the key audience of a company's supplier ESG** assessment and development program. Critical suppliers identified are also accepted as significant suppliers, even though in most cases only business relevance, and not ESG risk, is considered when identifying critical suppliers.

Environmental aspects: The risk for negative impacts related to environmental topics, including but not limited to greenhouse gas emissions, energy consumption, water consumption, resource efficiency, pollution, waste, or biodiversity.

Social aspects: The risk for negative impacts related to social topics, including but not limited to human rights and labor rights such as child labor, forced labor, discrimination, freedom of association, right to collective bargaining, working hours, remuneration, occupational health and safety, or the rights of local communities.

Governance aspects: The risk for negative impacts related to governance topics, including but not limited to corruption, bribery, conflicts of interest, or anti-competitive practices.

Business relevance: Business relevance considerations, including but not limited to share of spend/volume and substitutability.

Country-specific risk: Risk for negative environmental, social and governance impacts related to a country's political, social, economic, environmental or regulatory situation.

Sector-specific risk: Risk for negative environmental, social, and governance impacts related to a sector's distinct characteristics regarding labor situation, energy consumption, resource intensity, emissions, or pollution potential (e.g., manufacturing, service provision, agriculture)

Commodity-specific risk: Risk for negative environmental, social, and governance impacts related to a commodity's supply chain structure, labor situation, land-use and resource intensity, energy consumption, emissions, material toxicity, or pollution potential (e.g., metals, fossil fuels, wood, soy, cotton)

Data Requirements

This question requires a risk screening carried out by the company or third party, therefore the indication of a self-assessment conducted by the suppliers, or generally using Ecovadis would not be accepted as the Ecovadis assessment is collecting supplier policies, practices, and performance and qualifies as a Supplier Desk Assessment with verification

of evidence (see Supplier Assessment and Development question). We will only accept the usage of the Ecovadis if it is specified that risk maps or risk screening tools provided were used for this purpose (e.g., Ecovadis IQ plus).

Supporting evidence:

This question requires public evidence. Please indicate where in your public reporting you report information about the selected options.

Not Applicable – General Rule

“Not Applicable” for this question (beyond the industries detailed below) will only be accepted for special cases. In such cases, the company must credibly explain via a comprehensive company comment and/or public reporting that it does not purchase goods or services for the purposes below. To be granted “Not Applicable”, the company must state they:

- Do not use goods or services in the company's production processes, and
- Do not re-sell goods or services to the company's customers, and
- Do not utilize goods or services as capital goods (e.g., machines/infrastructure) in the company's operations.

Industry-specific special cases:

REI – Equity Real Estate Investment Trust (REITs): companies that have only marked 'Management of Standing Investments' as the main activity of the business in question '0.1 Denominator Area' should mark “Not Applicable” in this question.

REM – Real Estate Management & Development: companies that have only marked 'Services' as the main activity of the business in question '0.1 Denominator Area', should mark “Not Applicable” in this question.

OIE - Energy Equipment & Services Industry: Services Companies (consultancy or seismic surveying), should mark “Not Applicable” in this question.

Standards & frameworks

CSRD - G1-2 15a AR 2-AR 3

ESG Disclosure Standards (China) - S.3.1.2 Supplier selection and management

GRI Disclosure - 308-1, 414-1

IRIS+ - OI4739

UNGC Questionnaire - G6, G7

Supplier Assessment and Development

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to assess if companies have a systematic approach to evaluating suppliers and their subsequent development to meet company requirements. This should be with an overall goal of a shared mindset leading to improved and scalable impact in the supply chain. Companies not only outsource production, services and business processes but responsibilities, risks and opportunities as well. On one hand, outsourcing generally tends to increase a company's flexibility, but on the other hand, supply

chain risks might become less apparent, new dependencies may arise, and the identification, monitoring and management of risks and opportunities in the supply chain may become more difficult. Supplier assessment and development measures to assess and improve individual suppliers' performance are usually implemented after the initial supplier screening, which aims at identifying supplier risks through desk research.

This question is divided into two parts: what the supplier assessment process includes and what the supplier development process includes.

Question Layout

Does the company have a process for supplier assessment and development and is it available publicly?

- Yes, the company has a supplier assessment and development process. Please indicate where this information is available in public reporting or corporate website.

Supplier assessment

- Yes, the company has a publicly available supplier assessment process in place which includes the following:

Please provide public supporting evidence:

- Supplier desk assessments with systematic verification of evidence
 - Supplier on-site assessments carried out by purchasing company employees or contracted consultant (2nd party assessment)
 - Supplier on-site assessments carried out by an independent accredited auditing body (3rd party assessment).
 - Supplier assessments (desk or on-site) are carried out using standards and methodologies of a recognized industry or multi-stakeholder initiative. Please provide name/description:
 - Supplier corrective action/improvement plans
- No, the company does not have a publicly available supplier assessment process in place.

Supplier Development

- Yes, the company has a publicly available supplier development process in place which includes the following:

Please provide public supporting evidence:

- Supplier information/trainings on company's supplier ESG program, process and requirements
- Supplier access to ESG benchmarks against peers
- Supplier support (remote/on-site) on implementation of corrective/improvement actions
- In-depth technical support programs to build capacity and ESG performance in suppliers

- No, the company does not have a publicly available supplier development process in place.

Question-Specific Guidance & Definitions

Assessment process

Supplier assessment process: A process in which suppliers are evaluated to obtain information on their practices in order to measure and monitor their performance. The assessment process can be carried out in order to reduce costs, mitigate risks and drive improvement. The benefits of carrying out this process include increased performance visibility and aligning customer and supplier business practices, and risk mitigation.

Supplier desk assessments with systematic verification of evidence: This type of supplier assessment is realized by, or on behalf of, the purchasing company. It generally takes the form of a questionnaire where suppliers are requested to provide information and supporting evidence on their ESG policies, practices, performance, and public disclosures. This information is then reviewed, verified, and analyzed, resulting in an appraisal of the supplier's ESG performance, possibly with a score. This process is considered to be systematic verification because established specifications and requirements are met. Supplier desk assessments are more company-specific than supplier screenings (see question supplier screening) as they assess the information provided by the supplier and are usually realized in a subsequent stage of the supplier assessment process. Desk assessments do not include onsite assessments of the supplier. Purchasing companies can implement their own supplier desk assessment tools or can use tools of external providers, such as RBA Risk-based SAQ, Ecovadis, Together for Sustainability, Achilles, Higg Facility Environmental Module (with remote verification), etc.

2nd party supplier on-site assessments are carried out by employees of the purchasing company or by contracted consultants. These auditors do not need to be approved or accredited by the standard-setting organization or by an accreditation body.

3rd party supplier onsite assessments are carried out by independent 3rd party auditing organizations that are approved/accredited by the standard-setting organization (e.g., Amfori BSCI, Responsible Business Alliance, Higg Facility Environmental Module) or by an accreditation body along the requirements of ISO/IEC 17021 Conformity assessment — Requirements for bodies providing audit and certification of management systems (e.g., SA8000, ISO standards).

Supplier on-site assessments are on-site supplier visits by an auditor to assess the supplier's ESG operations, policies, systems, and performance, usually involving document and record reviews, site tours, as well as interviews with company

representatives, employees, and other stakeholders. Applied methodologies can consist of their own checklists or standards and methodologies of a recognized industry or a multi-stakeholder initiative. On-site assessments can also include virtual assessments or supplier employee surveys.

Supplier assessments (desk or onsite) are carried out using standards and methodologies of a recognized industry or multi-stakeholder initiative. Desk or on-site assessments that are carried out following standards and methodologies of a recognized industry or multi-stakeholder initiatives such as SMETA, Responsible Business Alliance, amfori BSCI, Responsible Minerals Initiative, SAI Platform, or others.

Supplier corrective action plans: A corrective action plan (CAP) is an important quality management tool for any business or supplier. A corrective action plan is a method of documenting non-compliance issues, identifying their root causes, and capturing measurable, achievable solutions and realistic deadlines.

Development process

Supplier information/training: Providing the supplier with **information and/or training on the purchasing company's** supplier ESG program. This can be accomplished through various mediums. The content can range from specific inputs on one topic, inputs on multiple ESG topics and best practices, to information on the **company's assessment and** development process.

Supplier access to ESG benchmarks: This is where suppliers are provided with access to information on how other suppliers are performing. This can include performance information on specific areas or case studies on how other suppliers achieved that level of performance.

Supplier support (remote/onsite) on implementation of corrective/improvement actions: The company provides guidance and support on the implementation of corrective and improvement actions. This can happen remotely or through supplier on-site visits.

In-depth technical support programs to build capacity and ESG performance in suppliers: Comprehensive capacity building programs to systematically improve supplier practices and performance on specific ESG topics (e.g., energy efficiency, chemical management, health & safety management, working hours reduction) through training, baseline assessments, collaborative system development, and progress measurement. Capacity-building is defined as the process of developing and strengthening the knowledge, skills, instincts, abilities, processes, and resources that organizations need to survive, adapt, and thrive in a fast-

changing world. Such programs go beyond corrective action support and usually take 6+ months to implement. These technical support programs are long-term and sustained over time with the aim of improving ESG performance rather than solely implementing action plans.

Data Requirements

If a company selects that yes, they have an assessment and/or development process but does not select any of the subsequent options then the answer will not be accepted.

We expect publicly available information for this question. It is possible that a company only publicly reports on its assessment process and not on the development process therefore the company has the option to provide public reporting for one part and select that they do not carry out the other option.

Supporting evidence:

- The document(s) you attach will be used to verify the qualitative part of your response. Any qualitative response that cannot be verified in the attached document(s) or via the information provided in the related question text field (if available) will not be accepted.
- Supporting documents need to be available in the public domain.
- Information related to the assessment and development process can be in separate documents for example, a responsible sourcing strategy and a sustainability report. Scattered information that does not clearly relate will not be accepted.

Not Applicable – General Rule

“Not Applicable” for this question (beyond the industries detailed below) will only be accepted for special cases. In

such cases, the company must credibly explain via a comprehensive company comment and/or public reporting that it does not purchase goods or services for the purposes below. To be granted “Not Applicable”, the company must state they:

- Do not use goods or services in the company’s production processes, and
- Do not re-sell goods or services to the company’s customers, and
- Do not utilize goods or services as capital goods (e.g., machines/infrastructure) in the company’s operations.

Industry-specific special cases:

REI – Equity Real Estate Investment Trust (REITs): companies that have only marked ‘Management of Standing Investments’ as the main activity of the business in question ‘0.1 Denominator Area’ should mark “Not Applicable” in this question.

REM – Real Estate Management & Development: companies that have only marked ‘Services’ as the main activity of the business in question ‘0.1 Denominator Area’, should mark “Not Applicable” in this question.

OIE - Energy Equipment & Services Industry: Services Companies (consultancy or seismic surveying), should mark “Not Applicable” in this question.

Standards & framework

CSRD - G1-2 15a AR 2-AR 3, S2-4 33b
 ESG Disclosure Standards (China) - S.3.1.2 Supplier selection and management
 GRI Disclosure - 308-2, 414-2
 IAST APAC - Core Modern Slavery Metrics
 UNGP - C4, C5

KPIs for Supplier Screening

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The purpose of this question is for companies to disclose the results of the supplier screening process. It is important to monitor the coverage and results of a supplier screening program to ensure suppliers are being screened and categorized appropriately and that risks are being managed. This question seeks to

understand if companies are capturing the number of different suppliers they have, whether they are categorized into significant suppliers, and whether new suppliers are screened for ESG risks. This question forms the basis for the question “KPIs on Supplier Assessment and Development”

Question Layout

Does your company monitor and report on coverage and progress of your supplier screening program?

- Yes, we monitor and report on coverage and progress of your supplier screening program

Supplier Screening,	FY 2023
1.1 Total number of Tier-1 suppliers	
1.2 Total number of significant suppliers in Tier-1	
1.3 % of total spend on significant suppliers in Tier-1	
1.4 Total number of significant suppliers in non Tier-1	
1.5 Total number of significant suppliers (Tier-1 and non Tier-1)	

PUBLIC REPORTING

- Our data is publicly available. Please provide supporting evidence or web link.

THIRD-PARTY VERIFICATION

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Question-Specific Guidance & Definitions

Supplier screening: **A systematic desk research of suppliers'** risk for negative ESG impacts and their business relevance, considering available data sources such as country, sector, or commodity ESG risks, spending, business relevance, etc. Methodology development and screening process can be realized by the company itself, or with the support of or through external specialists.

Suppliers are only counted once within the fiscal year. When providing data, please note that these are unique significant suppliers screened during the reporting period (not the number of screenings realized, i.e., no

multiple counts of suppliers if they were screened more than once during the reporting period).

Significant suppliers: Significant suppliers are suppliers that are identified as having substantial risks of negative ESG impacts or significant business relevance to the company or a combination of both. The portfolio of significant suppliers should be the key audience of a **company's supplier ESG** assessment and development program. Critical suppliers identified are also accepted as significant suppliers, even though in most cases only business relevance, and not ESG risk, is considered when identifying critical suppliers

Tier 1 suppliers: This refers to suppliers that directly supply goods, materials or services (including intellectual property

(IP) and patents) to the company. If the company does not specify, we will assume it is Tier 1.

Non-tier 1 suppliers: This refers to suppliers that provide their products and services through Tier 1 suppliers to the company. Non-tier 1 suppliers are located beyond Tier 1 suppliers, e.g., on Tier 2, 3 or n-level of a company's supply chain.

Data Requirements

Public Reporting

- In order to accept public reporting for the screening process, disclosure is needed for **"1.2 Total number of significant suppliers in Tier-1"**, **"1.3 Percentage of total spend on significant suppliers in Tier-1"** and **"1.4 Total number of significant suppliers in non Tier-1"** for the last fiscal year.

Third Party Verification

- To accept third party verification, data must be verified for the most recent financial year by an appropriate verification or auditing firm. Government verification is not considered relevant

No significant suppliers identified

If a company's Total number of significant suppliers in Tier 1 (1.2) and Total number of significant suppliers in non Tier-1 (1.4) are equal to zero, this is only acceptable if

- The company publicly reports on an acceptable systematic supplier screening approach to identify significant suppliers in the Supplier Screening question and;
- The company publicly reports that it identified zero significant suppliers as having substantial risks of negative ESG impacts or significant business relevance to the company or a combination of both.

Please note that answering 0 in this question will affect the successive questions in this criterion.

Not Applicable – General Rule

"Not Applicable" for this question (beyond the industries detailed below) will only be accepted for special cases. In such cases, the company must credibly explain via a comprehensive company comment and/or public reporting that it does not purchase goods or services for the purposes below. To be granted "Not Applicable", the company must state they:

- Do not use goods or services in the company's production processes, and
- Do not re-sell goods or services to the company's customers, and
- Do not utilize goods or services as capital goods (e.g., machines/infrastructure) in the company's operations.

Industry-specific special cases:

REI – Equity Real Estate Investment Trust (REITs): companies that have only marked 'Management of Standing Investments' as the main activity of the business in question '0.1 Denominator Area' should mark "Not Applicable" in this question.

REM – Real Estate Management & Development: companies that have only marked 'Services' as the main activity of the business in question '0.1 Denominator Area', should mark "Not Applicable" in this question.

OIE - Energy Equipment & Services Industry: Services Companies (consultancy or seismic surveying), should mark "Not Applicable" in this question.

Standards & Frameworks

CSRD - G1-2 15a AR 2-AR 3
 ESG Disclosure Standards (China) - S.3.1.1 Number and distribution of suppliers
 GRI Disclosure - 2-5, 2-6
 IRIS+ - PI3016, PI9566

KPIs for Supplier Assessment and/or Development

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The purpose of this question is for companies to disclose the results of the supplier screening process and subsequent assessment and/or development processes. It is important to monitor the coverage and progress of a supplier assessment and/or development program to ensure risks are being managed and that the company is acting responsibly by

building capacity within its supply chain. This question seeks to understand if companies are capturing the number of different suppliers they have, how many are assessed, and how many out of those have been identified as having significant actual/potential negative impacts. From this, the purpose is to ascertain how many of those suppliers are supported to improve their actions and in what ways.

Question Layout

Does your company monitor and report on the coverage and progress of your supplier assessment and/or development program? Please report the number of unique suppliers, which were identified as significant in the supplier screening process. These are unique significant suppliers assessed during the reporting period (not number of assessments realized, i.e. no multiple count of suppliers if they were assessed more than once during the reporting period).

- Yes, our company monitors and reports on the coverage and progress of our supplier assessment and/or development program. It includes the following:
 - Coverage and progress of our supplier assessment program

Supplier Assessment	FY 2023	Target for FY 2023
1.1 Total number of suppliers assessed via desk assessments/on-site assessments		
1.2 % of unique significant suppliers assessed		
1.3 Number of suppliers assessed with substantial actual/potential negative impacts		
1.4 % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan		
1.5 Number of suppliers with substantial actual/potential negative impacts that were terminated		

- Coverage and progress of suppliers with corrective action plans

Corrective action plan support	FY 2023	Target for FY 2023
2.1 Total number of suppliers supported in corrective action plan implementation		
2.2. % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation		

- Coverage and progress of suppliers in capacity building programs

Capacity building programs	FY 2023	Target for FY 2023
3.1 Total number of suppliers in capacity building programs		
3.2 % of unique significant suppliers in capacity building programs		

PUBLIC REPORTING

- Our data is publicly available. Please provide supporting evidence or web link.

THIRD-PARTY VERIFICATION

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Question-Specific Guidance & Definitions

Supplier screening: A **systematic desk research of suppliers'** risk for negative ESG impacts and their business relevance, considering available data sources such as country, sector, or commodity ESG risks, spending, business relevance, etc. Methodology development and screening process can be realized by the company itself, or with the support of or through external specialists.

Unique Significant suppliers: Suppliers that are identified as having substantial risks of negative ESG impacts or significant business relevance to the company or a combination of both. The portfolio of suppliers with sustainability priority should be the key audience of a **company's supplier ESG monitoring and development** program. Critical suppliers identified are also accepted as significant suppliers, even though in most cases only business relevance, and not ESG risk, is considered when identifying critical suppliers.

In this question, the company should refer to their unique significant suppliers.

Desk assessments: This type of supplier assessment is realized by, or on behalf of the purchasing company. It generally takes the form of a questionnaire where suppliers are requested to provide information and supporting evidence on their ESG policies, practices, performance, and public disclosures. This information is then reviewed, verified, and analyzed, resulting in an appraisal of the supplier's ESG performance, possibly with a score. This process is considered to be systematic verification because established specifications and requirements are met. Supplier desk assessments are more elaborate than supplier screenings (see question supplier screening) as they assess the information provided by the supplier and are usually realized in a subsequent stage of the supplier assessment process. Desk assessments do not include onsite assessments of the supplier. Purchasing companies can implement their own supplier desk assessment tools or can use tools of external providers.

For supplier desk assessments companies can use a third-party tool/methodology/online system in their assessment to

evaluate the supplier and ensure a thorough review and appraisal of the information provided and that allows them to share the assessment results with other companies who might want to procure from. This could be RBA Risk-based SAQ, Ecovadis, Together for Sustainability, Achilles, Higg Facility Environmental Module (with remote verification), etc.

2nd party supplier on-site assessments are carried out by employees of the purchasing company or by contracted consultants. These auditors do not need to be approved or accredited by the standard-setting organization or by an accreditation body.

3rd party supplier on-site assessments are carried out by independent 3rd party auditing organizations that are approved/accredited by the standard-setting organization (e.g., amfori BSCI, Responsible Business Alliance, Higg Facility Environmental Module) or by an accreditation body along the requirements of ISO/IEC 17021 Conformity assessment — Requirements for bodies providing audit and certification of management systems (e.g., SA8000, ISO standards).

Supplier on-site assessments are on-site supplier visits by an auditor to assess the supplier's ESG operations, policies, systems, and performance, usually involving document and record reviews, site tours as well as interviews with company representatives, employees, and other stakeholders. Applied methodologies can consist of their own checklists or standards and methodologies of a recognized industry or multi-stakeholder initiative. On-site assessments can also include virtual assessments or supplier employee surveys.

Supplier assessments (desk or onsite) are carried out using standards and methodologies of a recognized industry or multi-stakeholder initiative: Desk or on-site assessments that are carried out following standards and methodologies of a recognized industry or multi-stakeholder initiatives such as SMETA, Responsible Business Alliance, amfori BSCI, Responsible Minerals Initiative, SAI Platform, or others.

Substantial actual/potential negative impacts: In the GRI Standards, unless otherwise stated, **'impact' refers to the**

effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. Negative impacts include those that are either caused or contributed to by an organization, or that are directly linked to its activities, products, or services by its relationship with a supplier. Actual impacts are those that have happened. Potential impacts are those which may occur and where actions can be taken by the company to prevent, mitigate, or remediate the impacts; Substantial can be defined as a critical or major non-compliance with minimum requirements leading to severe damage to the environment or people's physical or psychological integrity or to the systematic failure of the supplier to protect people or the environment from harm.

Supplier corrective action plan: A corrective action plan (CAP) is an important quality management tool for any business or supplier. A CAP is a method of documenting non-compliance issues, identifying their root causes, and capturing measurable, achievable solutions and realistic deadlines. This refers to suppliers that are in the process of implementing their CAP.

Supplier support (remote/onsite) on implementation of corrective action plans: The company provides guidance and support on the implementation of corrective and improvement actions. This can happen remotely or by visiting the supplier.

Capacity building programs: Comprehensive capacity building programs to systematically improve supplier practices and performance on specific ESG topics (e.g., energy efficiency, chemical management, health & safety management, working hours reduction) through training, baseline assessments, collaborative system development, and progress measurement. Capacity-building is defined as the process of developing and strengthening the knowledge, skills, instincts, abilities, processes, and resources that organizations need to survive, adapt, and thrive in a fast-changing world. Such programs go beyond corrective action support and usually take 6+ months to implement. These capacity-building programs are long-term and sustained over time with the aim of improving ESG performance rather than solely implementing action plans.

Data Requirements

- Quantitative figures provided in the response do not need supporting evidence. You may still provide a reference using the reference clip. This could include examples of the underlying calculations or approaches to data aggregation used to compile the provided quantitative information.

- The supporting documents do not need to be available in the public domain however the company will not receive points for public reporting.
- We expect the data provided to be related to the number of unique significant suppliers as shown in the question statement.
- We expect "2.1 Total number of suppliers supposed in corrective action plan implementation" to maximally equal "1.3 Number of suppliers assessed with substantial actual/potential negative impacts"**. Essentially, the number provided in 2.1 cannot exceed the number in 1.3.

Public reporting

In order to accept public reporting for KPIs for Assessment and Development, the company needs to publicly disclose data on at least one of the following metrics:

- Supplier Assessment "Total number of unique suppliers assessed"**
- Supplier corrective action support "Total number of suppliers supported in corrective action plan implementation"**
- Supplier capacity building programs "Total number of suppliers in capacity building programs"**
- If the company reports data but it is not available in the public domain, no points for public reporting will be awarded.

Third party verification

Third party verification is accepted if at least one of the metrics required for public reporting is verified by a third-party. Data must be verified for the most recent financial year by an appropriate verification or auditing firm. Government verification is not considered relevant.

Not Applicable – General Rule

"Not Applicable" for this question (beyond the industries detailed below) will only be accepted for special cases. In such cases, the company must credibly explain via a comprehensive company comment and/or public reporting that it does not purchase goods or services for the purposes below. To be granted "Not Applicable", the company must state they:

- Do not use goods or services in the company's production processes, and**
- Do not re-sell goods or services to the company's customers, and**
- Do not utilize goods or services as capital goods (e.g., machines/infrastructure) in the company's operations.**

Industry-specific special cases:

REI – Equity Real Estate Investment Trust (REITs): companies that have only marked 'Management of Standing Investments'

as the main activity of the business in question '0.1

Denominator Area' should mark **"Not Applicable"** in this question.

REM – Real Estate Management & Development: companies that have only marked **'Services'** as the main activity of the business in question '0.1 Denominator Area', should mark **"Not Applicable"** in this question.

OIE - Energy Equipment & Services Industry: Services Companies (consultancy or seismic surveying), should mark **"Not Applicable"** in this question.

Standards & frameworks

CSRD - ESRS 2 MDR-T 80j AR 24 - AR 26, G1-2 15a AR 2-AR 3
ESG Disclosure Standards (China) - S.3.2.2 Significant risks and impacts

GRI Disclosure - 2-5, 308-2, 414-2

UNGP - C5

Tax Strategy

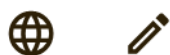
Tax competition between tax territories (countries or regions within countries) has left room for companies to optimize their tax spending. While tax optimization has a positive impact on profitability and hence company value, a too-aggressive tax strategy might not be sustainable in the mid- to long-term and adds some risk to long-term profits. First, there is a reputational risk because of increased public and regulatory scrutiny which could result in lower brand value. Second, the relationship with the host country may be

negatively impacted. This could result in approval delays or rejection of expansion projects or, in the worst cases, companies risk losing their license to operate. Third, earnings might be impacted if the tax authorities decide to change tax regulation which leads to direct financial risks. Finally, economic development risk arises if governments receive inadequate tax receipts for funding local infrastructure or education.

Tax Strategy and Governance

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Tax avoidance strategies are usually set up in a legally sound way. Therefore, general **statements about a company's** intention to comply with all tax laws and regulations in its countries of operation are not sufficient. Every company should be able to give a coherent justification of their approach to key tax issues such as the use of tax minimization techniques in line with their approach to other CSR issues.

The adoption of a formal tax policy serves to guide company practices and provide investors, regulators and other external

stakeholders with an idea of the company's tax risk profile, against which practices and disclosures can be compared. An effective policy should be overseen by the board of directors, created in conjunction with relevant senior management, and regularly reviewed to ensure emerging risks are addressed.

This question seeks to determine if there is a group-wide tax policy or strategy available in the public domain that addresses sensitive or high-risk tax issues in a clear and sustainable way.

Question Layout

Does the company have a policy on tax strategy and governance at a group level and is it available publicly?

- Yes, the company has a group-wide policy on tax strategy and governance. Please indicate where this information is available in public reporting or corporate website.
 - A commitment to compliance with the spirit as well as the letter of the tax laws and regulations in the countries in which the company operates
 - A commitment not to transfer value created to low tax jurisdictions
 - A commitment not to use tax structures without commercial substance
 - A commitment to undertake transfer pricing using the arm's length principle**
 - A commitment not to use secrecy jurisdictions or so-called "tax havens" for tax avoidance
 - An approval process of the tax policy by the board of directors

Question-Specific Guidance & Definitions

Tax avoidance: Tax avoidance is an abuse of the tax system, a deliberate attempt to get out of an obligation to pay tax by entering into a set of artificial financial arrangements which have little or no commercial purpose other than the reduction of a tax bill. Tax avoidance is unethical in that it seeks to

undermine tax law and public policy and it is frequently found to be unlawful. Tax avoidance can be within the letter, but not the spirit, of the law. (Source: TaxWatch)

The spirit of the tax laws: This refers to the intention of the policy maker who wrote the respective law.

The letter of the law: This refers to the literal interpretation of the law only.

Low tax jurisdiction: For the purpose of this question, low tax jurisdiction refers to any jurisdiction with significantly lower tax rates than other jurisdictions in which the company operates.

The arm's length principle: This valuation principle is commonly applied to commercial and financial transactions between related companies. It says that transactions should be valued as if they had been carried out between unrelated parties, each acting in their own best interest.

Tax havens: (Offshore) countries or jurisdictions offering little or no tax liability. Tax havens may only share limited or no financial information with foreign tax authorities and may not require businesses to operate out their country to receive tax benefits.

The board of directors: For the purpose of this question, this can refer to the board of directors, its subcommittees, or a single named director. The tax policy must be approved or signed by the respective board representative(s), and/or clearly state their involvement in the creation of the tax policy. General statements regarding the responsibilities of the board of directors or regular reporting to the board are not enough.

Data Requirements

While many companies have group-wide tax accounting policies with clearly defined roles and responsibilities within the organization in place, we specifically look for taxation policies that address issues such as responsible taxation, transparency, transfer pricing, etc., going beyond minimum legal tax disclosure requirements.

Supporting evidence:

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website.

Any response that cannot be verified in the attached public document(s) will not be accepted.

Standards & frameworks

GRI Disclosure - 207-1

Tax Reporting

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Leading companies have realized that public reporting on their revenues, operating profits and tax on a country-by-country basis helps build trust in their corporation and complements the reporting on their broader economic contribution. In combination with key information about the names and tax residence of all constituent entities, the main activities by tax jurisdiction as well as the average number of **employees help investors better understand a company's tax** profile and potential exposure to tax risks. If tax payments differ from the expected rates in a given jurisdiction, pro-

active companies can steer and facilitate the discussion about their tax contributions with all their stakeholders by explaining the reasons behind the difference in their reporting.

In this question, we aim to identify to what extent companies report key information about their tax contributions in all tax jurisdictions where the entities included in their **organization's audited consolidated financial statements are** resident for tax purposes.

Question Layout

Does the company publicly report on key business, financial and tax information for each tax jurisdiction in which they operate and is it available publicly?

- Yes, the company reports on key business, financial and tax information. Please indicate where this information is available in public reporting or corporate website.
 - Names of all the resident entities
 - Primary activities
 - Number of employees
 - Revenue
 - Profit (Loss) before tax
 - Income tax accrued (current year)
 - Income tax paid

Question-Specific Guidance & Definitions

A constituent entity is a separate business unit, or subsidiary, of a multi-national enterprise group that is included in the consolidated group for financial reporting purposes. This includes a permanent establishment if a separate income statement is prepared for regulatory, financial, internal management or tax purposes.

A description of the primary activities by jurisdiction can be in the form of a short statement regarding the nature of the trade in the respective location (e.g., Sales, Marketing or Distribution, Manufacturing or Production, Purchasing or Procurement, R&D, Holding or Managing Intellectual Property, etc.).

Revenues: All revenues, (extraordinary) gains and income, or other inflows shown in the financial statement prepared in accordance with the applicable accounting rules relating to

profit and loss, such as the income statement or profit and loss statement, should be reported as revenues.

Profit (Loss) before tax: Also referred to as pre-tax profit (loss), pre-tax income or earnings before tax (EBT). We also accept operating profit, earnings before interest and tax (EBIT).

Income Tax Accrued (Current year) is the amount of accrued current tax expense recorded on taxable profits or losses for the reporting fiscal year of all constituent entities resident for tax purposes in the relevant tax jurisdiction irrespective of *whether or not the tax has been paid* (e.g., based on a preliminary tax assessment). The current tax expense only reflects operations in the current year and does not include deferred taxes or provisions for uncertain tax liabilities. However, for the purpose of this question, country-by-country

reporting on income tax expense, corporate income tax or current tax provisions is also accepted.

Income Tax Paid (on Cash Basis) is the amount of corporate income taxes actually paid during the reporting fiscal year, which should thus include not only advanced payments **fulfilling the relevant fiscal year's tax obligation but also** payments fulfilling the **previous year(s)' tax obligation** (e.g., payment of the unpaid balance of corporate income tax accrued in relation to the previous year(s), including payments related to reassessments of previous years), regardless of whether those taxes have been paid under protest. Consolidated taxes paid that include other items such as value-added tax, social security taxes, regional or industry-specific taxes are not accepted.

The amount of Income Tax Accrued (Current Year) and Income Tax Paid (on Cash Basis) should be reported independently.

The Number of Employees should reflect the average number of FTEs (full-time equivalents) during the reporting fiscal year, or a similar number, provided that it is applied consistently across the jurisdictions. Reasonable rounding is permissible, if it does not materially distort the relative distribution of employees across tax jurisdictions.

Data Requirements

Please note: The tax data disclosed should fully reconcile with the corresponding information in the consolidated income statement.

To receive credit for comprehensive country-by-country reporting, we expect the countries reported on to cover at least 90% of the respective financial metric. This means that in order to receive credit for all boxes, we expect distinct disclosure for each of the metrics below, disclosing at least 90% of the respective consolidated total values in the income statement:

- Revenues
- Profit (loss) before tax

- Income tax accrued (current year)
- Income tax paid (cash basis)

To receive credit for public reporting on the non-financial metrics (i.e., names of constituent entities, the primary activities, and the number of employees), companies are expected to clearly state that the information includes all constituent entities of the organization. Additionally, in order for any of these non-financial metrics to be accepted, at least one of the financial metrics mentioned above has to be accepted as well.

In the case at least 90% of the respective metric (e.g., revenues) comes from one country (e.g., **"domestic"**), the remaining amount of the respective metric has to be summarized as "Other", "Foreign", "International" or similar. The disclosed metrics must fully reconcile with the corresponding figures in the consolidated income statement.

If there is more than one constituent entity in a jurisdiction, the numbers can be reported on an aggregate basis at a jurisdictional level. Accordingly, data should be reported on an aggregated basis, regardless of whether the transactions occurred cross-border or within the jurisdiction, or between related parties or unrelated parties. If possible, however, companies should report consolidated figures if consolidated data can be reported for each jurisdiction. Companies should state clearly if the data is reported on an aggregated or consolidated basis.

References

OECD / G20: Base Erosion and Profit Shifting – Action 13

Standards & frameworks

GISD-Country by country tax reporting

GRI Disclosure - 2-1, 207-4

IRIS+ - OD6855

WEF Metrics - Total tax paid by country for significant locations

Effective Tax rate

Flexible: Public information requirements depend on if the company is listed or non-listed.

Assessment Focus



Question Rationale

This question aims to assess whether a company's tax rate may be unsustainable in a global context, based on the reported tax rate and cash tax rate for the last two years. Governments around the world have been increasingly critical of base erosion and profit shifting (BEPS) which enables tax avoidance through the exploitation of gaps and mismatches in tax rules, allowing companies to shift profits to low or no-tax jurisdictions. Some of the resulting corporate structures and agreements with local governments may be drawn up in a legally sound way, while others may not, even if they may currently appear so. Long term financial risks can also develop from arrangements that are later determined to be eroding the tax base of other countries or provide an unfair subsidy. These arrangements may be deemed illegal, and fines and penalties imposed, or new regulations may be implemented which raise the tax obligation of companies. At the same time regulatory bodies are increasing the enforcement of existing rules.

The OECD commenced the BEPS project in 2015 to address these issues and the EU has been aggressive in targeting

companies and countries that it believes have illegal agreements, for example, those in violation of state aid rules. More recently, the European Commission announced in March 2018 that it has proposed: 1) to reform corporate tax rules so that profits are registered and taxed where businesses have significant interaction with users through digital channels; and 2) an interim tax on certain revenues from digital activities. We expect this type of cooperation and regulation to continue, targeting companies and countries with low tax rates, and removing the loopholes and agreements that allow companies to operate with relatively low rates in the long term. In addition to the regulatory developments listed above, consumers (and voters) are becoming increasingly aware of companies that pursue aggressive tax strategies as recent controversies around several major multinational companies have shown. Therefore, both reputationally and politically there are growing risks of a mean reversion or even financial penalties associated with these practices.

Question Layout

Please complete the following table related to your reported tax rate (income statement) and cash tax rate (cash flow statement) for the last two years. Please indicate where this information is available in your financial reporting.

Additionally, please select (if necessary) why the reported tax rate and/or the cash tax rate might be lower than expected. Please see the information button for additional information.

Currency:

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies are required to provide internal documents and/or links to public reports or corporate websites.

Financial Reporting	FY 2022	FY 2023	Calculated Average Rate
Earnings before Tax			
Reported Taxes			
Cumulative acceptable adjustments* (see below)			
Effective Tax Rate (in %)			Automatic calculation of your Reported Taxes in the two-year period (with adjustments) divided by your

Earnings before Tax in the two-year period.

Cash Taxes Paid

Cash Tax Rate (in %)

Automatic calculation of your Cash Taxes Paid in the two-year period divided by your Earnings before Tax in the two-year period.

*Note: If the calculated average tax rate and/or cash tax rate is lower than the industry group averages shared via the information text, please specify the reason why, indicate the tax amount per item and provide explanations in the table below. Please also indicate where this information is available in your public reporting or corporate website.

If the aspect *reduced* your tax burden (tax benefit), please indicate the impact as a negative number, however if the aspect *increased* your tax burden (tax expense), please indicate the impact as a positive number. On the basis of the numbers inputted, you will see an autocalculation of the rate above: please double-check that figure to ensure you have reported these aspects with the correct sign.

Listed companies are required to provide links to public reports or corporate websites.

Non-Listed companies may provide internal documents and/or links public reports or corporate websites.

Reason	Tax Impact FY 2022	Tax Impact FY 2023	Explanation
<input type="checkbox"/> Group-wide net operating losses (in FY2022 or FY2023)			
<input type="checkbox"/> Single jurisdiction tax code (maximum 10% sales abroad and domestic corporate income tax rate below the posted industry group average)			
<input type="checkbox"/> Non-recurring (one time) operating losses in own operations			
<input type="checkbox"/> Net operating losses from prior periods and/or acquired companies			

- Timing - net deferred tax assets/liabilities and major issues outside of the two year period reported (including accounting adjustments for prior reporting periods due to major tax policy changes)

Question-Specific Guidance & Definitions

Tax rate: The percentage at which an individual or a corporation is taxed.

Reported taxes: The amount of taxes imposed on an organization as this is reported on the income statement.

Cash taxes: The amount of taxes paid to governmental authorities as indicated in the cash flow statement of that fiscal year.

- For example, for FY 2018 please provide all cash taxes paid during FY 2018, regardless of the period the tax liability arose in.

Special note for companies subject to Zakat (Islamic tax)
Zakat is a tax on assets, therefore qualifies as a wealth tax, not an income tax. In this question we focus on income tax only. Therefore, Zakat should be excluded from the **company's Reported Taxes and Cash Taxes paid**.

If the company If the company operates in a single jurisdiction, and only owes Zakat as taxes (and not income tax), please mark this question **"Not applicable"**. Please leave both tables empty and provide explanations in the comment box below. Please follow the same approach if the company operates in a single jurisdiction and reports on income tax and zakat all combined (e.g., taxation and zakat).

If the company does not operate in a single jurisdiction but only reports on zakat and tax paid all combined, please leave the cash tax paid box empty, and provide explanations in the comment box below.

Tax amount: (in table explaining low taxes) if the taxes reported or paid in cash are lower than expected, companies may have non-recurring items (e.g., net operating losses from acquired companies, major write-offs that cause temporary losses, tax settlement, etc.) that explain the low rate. The tax amount entered into the table is the amount of tax that

should be added back to the reported or cash tax amounts actually reported, leading to the higher reported tax rate or cash tax rate.

Group-wide net operating losses: "Net operating losses (NOL) are a tax credit created when a company's expenses exceed its revenues, generating negative taxable income as computed for tax purposes. NOL can be used to offset positive taxable income, reducing cash taxes payable. NOL can be carried back 2 years to recover past taxes paid and forward 20 years to offset taxable income in future periods. After 20 years, any remaining NOL expire and are no longer available for use. NOL carried forward are recorded on the **balance sheet as deferred tax assets (DTA).**"

Source: Macabacus

In the case a company has group-wide losses, there is no associated amount since there is no income.

Non-recurring (one-time) losses in own operations: Non-recurring (one-time) losses are irregular or infrequent losses (e.g., write-off of a large investment, large settlement or fine) that would offset ongoing income generated.

Net operating losses from acquired companies: This option refers to **"taxable acquisitions in which the acquired net assets are stepped-up for tax purposes, the target's net operating losses (NOL) may generally be used immediately by the acquirer to offset the gain on the actual or deemed asset sale."** Source: Macabacus

Single jurisdiction tax code: (e.g., low domestic rate and maximum 10% sales abroad) Certain countries (e.g., Ireland) have a low tax rate for companies. Therefore, certain countries will have a lower tax rate than the average in the industry. If your company has more than 90% of sales domestically, this option can be ticked.

Timing – Issues outside of the two years period: This option refers to an event that happened outside of the two years and was carried forward to the two last fiscal years. This could be

losses from a company's own operations as described above, or due to a tax deal reached with the government.

The net change in valuation allowance can be accepted as timing issue, provided the specific effect is clearly described in the public reporting.

Data Requirements

Earnings before Tax (EBT) may also be known as Operating Income before Tax or Profit before Tax and is often a unique line item on the income statement. Two years of data are required.

To get a sense of whether your company's "calculated average tax rate and/or cash tax rate is lower than it might be expected by a stakeholder", please review the Average Effective Tax Rate & Cash Tax Rate for each of the 24 GICS® Industry Groups, on page 108 of the CSA Handbook.

In order to establish these industry group-specific thresholds, we've updated our original, Bloomberg-based research on the basis of the data we collected via the 2023 Corporate Sustainability Assessment. We took each company's average effective tax rate, and cash tax rate, respectively, and averaged over all the rates reported for that industry group worldwide.

Disclosure requirements

Disclosure of the following items for the last two fiscal years:

- Earnings before tax
- Reported taxes
- Reported tax rate
- Cash taxes paid
- Cash tax rate

As stated in the question text: completion of the second table of the question is not required, however, if it is completed, we expect supporting evidence.

If any of the following items have been selected, then these should be reported in the attached public evidence, as well as the corresponding tax impact (if relevant for the selected option):

- Group-wide net operating losses
- Non-recurring (one time) operating losses in own operations
- Net operating losses from acquired companies
- Single jurisdiction tax code (e.g., low domestic rate and maximum 10% sales abroad)

- Timing - issues outside of the two-year period reported

A private document or comment (e.g., company's comment provided in the confidential comment box) cannot be accepted as a supporting document for the second table, unless it is verifiable in the public domain.

For all of the above:

Listed and/or publicly owned companies are required to provide links to public reports or corporate websites.

Non-listed companies should provide the following evidence, depending on the type of company:

Family-owned companies and Privately owned companies are required to provide public reports, corporate websites, or internal documents.

Cooperatives are required to provide public reports, corporate websites, or internal documents.

State-owned companies are required to provide tax reporting in the public domain as their key stakeholder is the general public.

References

- Average Effective Tax Rate & Cash Tax Rate for each of the 24 GICS® Industry Groups, please see the CSA Handbook, page 108
- Organization for Economic Co-operation and Development (OECD) framework "Base Erosion and Profit Shifting (BEPS)"
- Macabacus: <http://macabacus.com/taxes/net-operating-loss>

Standards & frameworks

GISD-Payments to the government

IRIS+ - FP3673, FP5261

WEF Metrics – Total tax paid

Average Effective Tax Rate & Cash Tax Rate for each of the 24 GICS® Industry Groups

GICS® Industry Groups	Our Industries	Average Effective Tax Rate	Average Cash Tax Rate
Automobiles & Components	ATX Auto Components	15.47%	20.90%
	AUT Automobiles		
Consumer Durables & Apparel	DHP Household Durables	21.23%	19.41%
	LEG Leisure Equipment & Products & Consumer Electronics		
	TEX Textiles, Apparel & Luxury Goods		
Consumer Services	CNO Casinos & Gaming	18.60%	12.21%
	CSV Diversified Consumer Services		
	REX Restaurants & Leisure Facilities		
	TRT Hotels, Resorts & Cruise Lines		
Media & Entertainment	IMS Interactive Media, Services & Home Entertainment	16.83%	15.48%
	PUB Media, Movies & Entertainment		
Consumer Discretionary Distribution & Retail	RTS Retailing	23.39%	23.75%
Consumer Staples Distribution & Retail	FDR Food & Staples Retailing	24.51%	24.72%
Food, Beverage & Tobacco	BVG Beverages	21.09%	22.78%
	FOA Food Products		
	TOB Tobacco		
Household & Personal Products	COS Personal Products	24.11%	33.29%
	HOU Household Products		
Energy	COL Coal & Consumable Fuels	15.06%	9.14%
	OGR Oil & Gas Refining & Marketing		
	OGX Oil & Gas Upstream & Integrated		
	OIE Energy Equipment & Services		
Banks	BNK Banks	21.29%	19.94%
Financial Services	FBN Diversified Financial Services and Capital Markets	19.32%	20.95%
Insurance	INS Insurance	14.97%	13.41%
Health Care Equipment & Services	MTC Health Care Equipment & Supplies	15.64%	16.38%
Pharmaceuticals, Biotechnology & Life Sciences	BTC Biotechnology	7.89%	9.97%
	DRG Pharmaceuticals		
	LIF Life Sciences Tools & Services		
Semiconductors & Semiconductor Equipment	SEM Semiconductors & Semiconductor Equipment	13.96%	13.82%
Software & Services	SOF Software	14.13%	15.26%
	TSV IT services		
Technology Hardware & Equipment	CMT Communications Equipment	15.39%	15.09%
	ITC Electronic Equipment, Instruments & Components		
	THQ Computers & Peripherals and Office Electronics		

	ALU Aluminum		
	CHM Chemicals		
	COM Construction Materials		
Materials	CTR Containers & Packaging	19.13%	20.65%
	FRP Paper & Forest Products		
	MNX Metals & Mining		
	STL Steel		
Real Estate Management & Development	REM Real Estate Management & Development	22.56%	15.47%
Telecommunication Services	TLS Telecommunication Services	17.67%	10.37%

Information Security/Cybersecurity & System Availability

Due to the current trend of digitization, including but not limited to cloud computing, online market places and payments etc., it is crucial that access to network, IT systems and data is assured at all times. As a result, lower than agreed upon system performance or service disruptions can result in higher costs and reputational risk for companies. The main risks stem from technical failure, human error, malicious attacks, weather events, natural disasters or terrorist attacks. Managing such risks, including contingency plans, is crucial to ensuring business continuity. The criterion focuses on how well companies are prepared to prevent IT system failures and major information security/cybersecurity incidents and if they can react appropriately in case of such events. It also evaluates whether companies have experienced IT infrastructure / information security / cybersecurity incidents in the past and if there was material financial impact.

Over the past decade, the number of information security breaches has been growing exponentially. The many incidents and their related costs have shown that information security/cybersecurity has become a financially material issue which has to be managed diligently to protect corporate value. The costs of cybercrime are manifold and can impact the company in different ways. Internal costs are operational costs and relate to dealing with the cybercrime and incidence prevention. External costs include the consequences of the cyber-attack such as the loss or theft of sensitive information, operations' disruption, fines and penalties, infrastructure damage or revenue losses due to loss of customers. The criterion focuses on how well companies are prepared to prevent major information security/cybersecurity incidents and if they can react appropriately in case of an attack. It also evaluates whether companies have experienced information security/cybersecurity incidents in the past and what the financial consequences were.

IT Security/Cybersecurity Governance

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Due to the current trend of digitization, including but not limited to cloud computing, online marketplaces and payments etc., it is crucial that access to network, IT systems and data is assured at all times. As a result, lower than agreed upon system performance or service disruptions can result in higher costs and reputational risk for companies. The main risks stem from technical failure, human error, malicious attacks, weather events, natural disasters or terrorist attacks. Managing such risks, including contingency plans, is crucial to ensuring business continuity.

Over the past decade, the number of information security breaches has grown exponentially with some attacks reaching unprecedented scale and the cyber threat landscape continues to grow and evolve, abusing existing and new technologies and exploiting vulnerable users. These incidents and the related costs have shown that information security/cybersecurity has become a financially material issue which must be diligently managed to protect corporate value. The costs of cyberattack are manifold and can impact the company in different ways. Internal costs are operational

costs and relate to dealing with cybercrime and incidence prevention. External costs include the consequences of the cyber-attack such as the loss or theft of sensitive information, operations' disruption, fines and penalties, infrastructure damage or revenue losses due to loss of customers. Thus, ensuring the security and resilience of networks and information systems is critical.

All boards should have the ability to understand cyber threats **and assess management's capability of dealing with Cyber**-related issues according to the National Association of Corporate Directors (NACD). However also senior executives, like CISO, CSO or CIO, must have the necessary leadership, operational and strategic skills to understand and face the risk. A cyber-risk committee would have the role to encourage both the board and executives to give cyber-security issues a high priority and to prioritize them with strong oversight.

The question focuses on whether the company has the appropriate governance to prevent IT system failures and major information security / cybersecurity incidents.

Question Layout

Are the board of directors and executive management engaged in the information security /cybersecurity strategy and review process?

- o Yes, we have a director on the board with relevant background in IT engaged on the cybersecurity strategy process and **someone in the Executive Management team who oversees the company's cybersecurity strategy:**
 - Board Responsibility:
Please indicate the Board member who oversees Cybersecurity strategy together with his/her experience and indicate this person's membership in the Committee responsible for the oversight of Cybersecurity.

Please provide supporting evidence:

Board Member	Please indicate the Board member's membership in the committee which oversees cyber security strategy
<input type="checkbox"/> Name of board member	<input type="checkbox"/> If publicly available, please indicate where this information can be found in your public reporting or corporate website.
<input type="checkbox"/> Relevant experience and previously held positions	<input type="checkbox"/> Cybersecurity/information security committee <input type="checkbox"/> Risk committee <input type="checkbox"/> Audit committee <input type="checkbox"/> Not known

- Executive Management Responsibility

Please indicate which role or function within or reporting directly to the Executive Management team is responsible for overseeing cybersecurity within the company.

Please provide supporting evidence:

- If publicly available, please indicate where this information can be found in your public reporting or corporate website.
 - Chief Information Security Officer (CISO) / Chief Security Officer (CSO)
 - Chief Technology Officer (CTO) / Chief Information Officer (CIO) or similar
 - CEO / COO / CRO or similar with clear responsibility for IT security/ cybersecurity
 - We do not have anyone who oversees cybersecurity in the executive management team
 - Not known

Question-Specific Guidance & Definitions

CISO: A chief information security officer (CISO) is the senior-level executive in an organization responsible for establishing **and maintaining the organization's vision, strategy, and program** to ensure information assets and technologies are well protected. As the highest-ranking cybersecurity executive, the chief information security officer (CISO), or alternatively the Chief Information Officer (CIO), is responsible for establishing and maintaining the enterprise strategy and processes that protect information assets.

CSO: A Chief Security Officer (CSO) is the senior-level executive responsible for the physical security of a company, **including its communication and business systems**. CSO's responsibility is to protect people, assets, technology, and infrastructure.

Cybersecurity: Cybersecurity is the body of technologies, processes, and practices designed to protect networks,

systems, computers, programs, and data from attack, damage, or unauthorized access (according to SEC).

Experience: Relevant experience could be past experience in the implementation of IT, information security or cybersecurity or operational responsibility for IT as a senior executive of a company. In addition for Board Member, non-technical experience as a senior executive of an IT company (such as SVP Marketing, Sales etc.) is not valid. Academic experience in IT is not considered relevant.

Information security: The protection of information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide confidentiality, integrity, and availability (according to NIST).

Information System: Applications, services, information technology assets, or other information handling components (according to ISO).

IT security: IT security is the process of implementing measures and systems designed to securely protect and safeguard information utilizing various forms of technology. IT security is thus considered a bit broader than cybersecurity.

Important note: Throughout the whole criterion we always refer to IT security, cybersecurity or information security according to the definitions above. For the appraisal of the criterion we will treat "IT security", "information security" and "cybersecurity" equally.

Data Requirements

Disclosure requirements for partially public question: Additional credit will be granted for relevant publicly available evidence covering:

- The board member's membership in the committee which oversees cyber security strategy
- The role or function within or reporting directly to the Executive Management team responsible for overseeing cybersecurity within the company

For executive management responsibility, please indicate which role or function within or reporting directly to the Executive Management team is responsible for overseeing cybersecurity within the company. The best practice is to have a CISO or CSO as part of the Executive Management team or reporting directly to it. In case another function has responsibility for IT security/cybersecurity and is part of or reporting directly to the Executive Management team, please select the second or third option accordingly.

IT Security/ Cybersecurity Measures

Assessment Focus



Question Rationale

Due to the current trend of digitization, including but not limited to cloud computing, online marketplaces, and payments, etc., it is crucial that access to networks, IT systems and data is assured at all times. As a result, lower than agreed upon system performance or service disruptions can result in higher costs and reputational risk for companies. The main risks stem from technical failure, human error, malicious attacks, weather events, natural disasters or terrorist attacks. Managing such risks, including contingency plans, is crucial to ensuring business continuity.

Over the past decade, the number of information security breaches has grown exponentially with some attacks reaching unprecedented scales and the cyber threat landscape continues to grow and evolve, abusing existing and new technologies and exploiting vulnerable users. These

incidents and the related costs have shown that information security/cybersecurity has become a financially material issue that must be diligently managed to protect corporate value. The costs of cyberattacks are manifold and can impact the company in different ways. Internal costs are operational costs and relate to dealing with cybercrime and incidence prevention. External costs include the consequences of the cyber-attack such as the loss or theft of sensitive information, operations' disruption, fines and penalties, infrastructure damage or revenue losses due to loss of customers. Thus, ensuring the security and resilience of networks and information systems is critical.

The question assesses what security measures are in place to ensure employees are aware of threat issues and the importance of information security/cybersecurity.

Question Layout

Have you implemented policies and procedures for all employees in order to ensure that they are aware of threat issues and the importance of information security/cybersecurity?

- Yes, we have implemented policies and procedures for all employees
- An information security/cybersecurity policy is internally available to all employees. Please provide the relevant document:
- Information security/cybersecurity awareness training. Please explain and provide supporting evidence:
- A clear escalation process which employees can follow in the event an employee notices something suspicious is in place. Please explain and provide supporting evidence:
- Information security/cybersecurity is part of the employee performance evaluation (e.g. disciplinary actions). Please explain and provide supporting evidence:

Question-Specific Guidance & Definitions

IT security: The process of implementing measures and systems designed to securely protect and safeguard information utilizing various forms of technology. IT security is thus considered a bit broader than cybersecurity.

Information System: Applications, services, information technology assets, or other information handling components (according to ISO).

Cybersecurity: Body of technologies, processes and practices designed to protect networks, systems, computers, programs

and data from attack, damage or unauthorized access (according to SEC).

Information security: The protection of information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide confidentiality, integrity, and availability (according to NIST).

Important note: Throughout the whole criterion we always refer to IT security, cybersecurity or information security according to the definitions above. For the appraisal of the

criterion we will treat "IT security", "information security" and "cybersecurity" equally.

Disclosure Requirements

The document(s) you attached will be used to verify your response.

- The supporting documents do not need to be available in the public domain.
- If a question text field is available, a comprehensive answer in that field can be accepted instead of a supporting document.

- Any response that cannot be verified in the attached document(s) or via the information provided in the related question text field (if available) will not be accepted.

Standards & Frameworks

IRIS+ - 015102

IT Security/ Cybersecurity Process & Infrastructure

Assessment Focus



Question Rationale

Due to the current trend of digitization, including but not limited to cloud computing, online marketplaces and payments, etc., it is crucial that access to networks, IT systems and data is assured at all times. As a result, lower than agreed upon system performance or service disruptions can result in higher costs and reputational risk for companies. The main risks stem from technical failure, human error, malicious attacks, weather events, natural disasters or terrorist attacks. Managing such risks, including contingency plans, is crucial to ensuring business continuity.

Over the past decade, the number of information security breaches has grown exponentially with some attacks reaching unprecedented scales and the cyber threat landscape continues to grow and evolve, abusing existing and new technologies and exploiting vulnerable users. These incidents and the related costs have shown that information

security/cybersecurity has become a financially material issue that must be diligently managed to protect corporate value. The costs of cyberattacks are manifold and can impact the company in different ways. Internal costs are operational costs and relate to dealing with cybercrime and incidence prevention. External costs include the consequences of the cyber-attack such as the loss or theft of sensitive information, operations' disruption, fines and penalties, infrastructure damage or revenue losses due to loss of customers. Thus, ensuring the security and resilience of networks and information systems is critical.

The question focuses on how well companies are prepared to prevent major IT infrastructure and information security/cybersecurity incidents and if they can react appropriately in the event of such events.

Question Layout

This question assesses if companies have the right processes in place to prevent IT system interruptions and cyberattacks and if they are well-prepared to react in case of such events.

- Incident response

Do you have business continuity / contingency plans and incident response procedures in place and how often do you test them? Please provide supporting evidence of how often these plans/procedures are tested.

- Yes, and we test them at least semi-annually
- Yes, and we test them at least annually
- Yes, but frequency is less than yearly or not specified
- No, we do not have such plans and procedures in place

Certification

Is your IT infrastructure and information security management system certified to ISO 27001, NIST or similar?

- Yes, the following percentage of our IT infrastructure has been certified: _____
- No, our IT infrastructure has not been certified.

External verification and Vulnerability Analysis

Please indicate if there are other additional procedures implemented to assure the security of the IT infrastructure / information security management systems.

- Our IT infrastructure and information security management systems have been audited by external auditors in the last fiscal year. Please provide letter of opinion from the external auditor.
- We conduct third-party vulnerability analysis. Please provide supporting evidence:
- As part of third-party vulnerability analysis, we conduct simulated hacker attacks. Please provide supporting evidence.

Breaches

Has your company experienced breaches of information security?

- We collect data on information security/cybersecurity breaches.

Please note that if you did not have any information breaches, 0 should be entered in the corresponding box in the table. If you do not know the information, please leave the box empty. See the information text for more information.

2023

Total number of information security breaches

Total number of clients, customers and employees affected by the breaches

- We do not collect data on information security/cybersecurity breaches

Question-Specific Guidance & Definitions

IT security: IT security is the process of implementing measures and systems designed to securely protect and safeguard information utilizing various forms of technology. IT security is thus considered a bit broader than cybersecurity.

Information System: Applications, services, information technology assets, or other information handling components (according to ISO).

Cybersecurity: Cybersecurity is the body of technologies, processes and practices designed to protect networks, systems, computers, programs and data from attack, damage or unauthorized access (according to SEC).

Information security: The protection of information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide confidentiality, integrity, and availability (according to NIST).

Vulnerability Analysis: The analysis that a company conducts for defining, identifying, classifying, and prioritizing vulnerabilities in computer systems, applications, and network infrastructures. This provides the organization doing the assessment with the necessary knowledge, awareness and risk background to understand the threats to its environment and react appropriately.

Information security breaches: These are defined as unauthorized access to computer data, applications, networks, devices, protected systems and data. Cybercriminals or malicious applications bypass security mechanisms to reach restricted areas.

Number of clients, customers and employees affected: The entity shall disclose the total number of unique clients, customers and employees who were affected by data breaches, which includes all those whose personal data was

compromised in a data breach (accounts that the entity cannot verify as belonging to the same client, customer or employee shall be disclosed separately).

Important note: Throughout the whole criterion we always refer to IT security, cybersecurity or information security according to the definitions above. For the appraisal of the **criterion, we will treat "IT security", "information security" and "cybersecurity" equally.**

Data Requirements

Vulnerability analysis: We expect to see evidence that a vulnerability analysis was conducted and that this analysis included simulated hacker attacks. The analysis and testing should be performed by a third party with appropriate certification.

Please note: Non-IT companies can also calculate the percentage of certified IT infrastructure based on the percentage of certified IT products by external vendors.

Supporting evidence:

- The document(s) you attached will be used to verify the qualitative part of your response. If a question text field is available, a comprehensive answer in that field can be accepted instead of a supporting document. Any qualitative response that cannot be verified in the attached document(s) or via the information provided in the related question text field (if available) will not be accepted.
- Quantitative figures provided in the response do not need supporting evidence. You may still provide a reference using the reference clip. This could include examples of the underlying calculations or approaches to data aggregation used to compile the provided quantitative information.
- The supporting documents do not need to be available in the public domain.

References

External management standards and frameworks include but are not limited to:

[ISO/IEC 27001:2022 – Information technology – Security techniques – Information security management systems – Requirements](#)

[Barrett, M. \(2020\), Framework for Improving Critical Infrastructure Cybersecurity Version 1.1, NIST Cybersecurity Framework, \[online\].](#)

<https://doi.org/10.6028/NIST.CSWP.04162018>,
<https://www.nist.gov/cyberframework>

Standards & Frameworks

ESG Disclosure Standards (China) - G.2.1.5 Data security

04

Environmental Dimension

Environmental Policy & Management

Environmental Management System (EMS) refers to the management of an organization's environmental programs in a comprehensive, systematic, planned and documented manner. It includes the organizational structure, planning and resources to develop them, and the procedure for the implementation and management of the company's policy on

environmental resource management. Companies that have adopted an EMS as a management tool are more likely to improve their environmental performance in a cost-effective way and to reduce the risk of incurring fines or penalties for not complying with environmental legislation.

Environmental Policy

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Environmental Management System (EMS) and related public **policies are an important indicator of a company's** preparedness and commitment to measure and reduce the environmental impact of its operations. Companies that have adopted an environmental policy as a management tool are more likely to improve their environmental performance in a structured and systematic way.

This question identifies the critical elements of Environmental Management System (EMS) as well as commitments that are defined in the group-wide, public environmental policy.

Question Layout

To ensure a successful implementation of a reliable and robust Environmental Management System (EMS), key organisational elements as well as high level commitments need to be defined in a public policy. Does your company have a public environmental policy which covers the following elements of Environmental Management System?

- Yes, we have a public environmental policy, and it defines the following elements.
- Commitment and oversight to implementation of environmental management policy and/or improving environmental performance. Please select the highest committing decision-making body:
 - Board of directors
 - Executive management
- Roles and responsibilities for implementing environmental management policy
- Ensuring compliance with relevant environmental laws and regulations
- Commitment to continuous improvement of environmental performance
- Commitment to set targets and objectives to reduce environmental impacts
- Measures to **raise internal and external stakeholders' awareness of environmental management policy and** environmental impacts
- Training for employees to understand the impacts of their work activities to the environment

Question-Specific Guidance & Definitions

Environmental Management System (EMS): Management of an organization's environmental programs in a comprehensive, systematic, planned and documented manner. It includes the organizational structure, planning and resources to develop them, and the procedure for the implementation and management of the company's policy on environmental management.

Environmental Policy: Group-wide, public policy that describes the intentions and directions related to environmental impacts and performance defined by top management.

Commitment and oversight: A statement that the commitment/policy is approved, overseen, reviewed, or adopted by the board of directors or executive management. A policy can also be signed by the respective director.

Data Requirements

Supporting evidence:

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website.

Any response that cannot be verified in the attached public document(s) will not be accepted.

Standards & frameworks

CSRD - E1-2 24 ESRS 2 MDR-P, E1-2 25(a) AR 16-AR 18, E1-2 25(b) AR 16-AR 18, E1-2 25(e) AR 16-AR 18, E1-3 28, ESRS 2 MDR-P 65a, ESRS 2 MDR-P 65c
IRIS+ - OD4091, OD4108, OI1984, OI3943, OI4136, OI4531
UNGC Questionnaire - E1, E1.1, E3, G1, G2, G4

Coverage of Environmental Management Policy

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Corporate environmental guidelines are an important **indicator of a company's commitment to measure and reduce** the environmental impact of its operations. Companies that have adopted corporate environmental guidelines as a management tool are more likely to improve their

environmental performance in a structured and systematic way.

This question identifies the scope of such requirements in terms of operations, corporate processes and supply chain.

Question Layout

Does the company have a policy on environmental management and is it available publicly?

- Yes, the company has a policy on environment management. Please indicate where this information is available in public reporting or corporate website.
 - Production operations and business facilities
 - Products and services
 - Distribution and logistics
 - Management of waste
 - Suppliers, service providers and contractors
 - Other key business partners (e.g. non-managed operations, joint venture partners, licensees, outsourcing partners, etc.)
 - Due-diligence, mergers and acquisitions
 - Other, please specify

Question-Specific Guidance & Definitions

New projects: All new initiatives taken on by your company, and may include new facilities as well as other types of new areas for your company.

Any response that cannot be verified in the attached public document(s) will not be accepted.

Data Requirements

Supporting evidence:

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website.

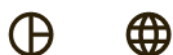
Standards & frameworks

CSRD - E1-2 24 ESRS 2 MDR-P, E1-2 25(a) AR 16-AR 18, E1-2 25(b) AR 16-AR 18, E1-2 25(e) AR 16-AR 18, E1-3 28
 EU Taxonomy – Multiple Objectives & Activities - DNSH (4)
 IRIS+ - OI5102
 UNGC Questionnaire - E1.1

Verification of Environmental Programs

Public: this question requires publicly available information

Assessment Focus



Question Rationale

A verified/audited EMS reflects a company's internal and external commitment towards the monitoring of environmental data. Further, the verification process can facilitate improvements to a company's EMS, improving efficiency and coverage. Our question on audit verification

focuses on identifying whether the company has implemented, verified and certified its environmental management system to ensure the credibility of the procedures and systems in place.

Question Layout

Please indicate how your Environmental Management System (EMS) is certified / audited / verified and indicate the coverage of this verification for the selected standard. Please indicate where this information is available in your public reporting or corporate website.

Please note that the total coverage for all three alternatives should not exceed 100% - to avoid double-counting, for the parts of your operations with multiple certifications/types of verification, only mark one of the three options: indicating the coverage of international standards first, followed by third-party verification and then internal verification. Coverage should be relative to global operations and not only a single subsidiary, region or site. Please also note that the requested verification only pertains to your Environmental Management System(s), not to your environmental data or reporting.

Our Environmental Management System (EMS) is certified / audited / verified and the information is publicly available. Please indicate what the coverage figures below are based on (e.g. % of group-wide operations, group-wide revenues, group-wide production sites, total employees, etc.):

Certification / Audit / Verification	Coverage (%)	Examples of Certification documents
EMS is verified through international standards (e.g. ISO 14001, JIS Q 14001, EMAS certification). Please specify:		
Third party certification / audit / verification by specialized companies. Please specify:		
Internal certification / audit / verification by company's own specialists from headquarters. Please specify:		
Total (should not exceed 100%)		

Data Requirements

Please note that the total coverage for all three alternatives should not exceed 100 % - to avoid double-counting, for the parts of your operations with multiple certifications/types of verification, only mark one of the three options: indicating the

coverage of international standards first, followed by third-party verification and then internal verification.

Coverage should be relative to global operations and not only a single subsidiary, region or site.

Please also note that verification only pertains to your Environmental Management Systems, not the verification of environmental data or reporting.

Note:

We accept RC 14001 for marking - EMS verified through international standards.

We do not accept ISO 50001, LEED or ISO 14064 or any other certification of energy or GHG management or product specific verification/certification.

Supporting evidence:

- This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website
- Any response that cannot be verified in the attached public document(s) will not be accepted.

Standards & Frameworks

CSRD - E1-2 25(e) AR 16-AR 18, E1-3 28

EU Taxonomy - Multiple Objectives & Activities - Substantial Contribution & DNSH

IRIS+ - OI1254, PD2756

Energy

In the last century, there has been an unprecedented increase in the use of natural resources and materials. Producing more with less material is essential for many industries affected by the increasing scarcity of natural resources. Resource efficiency and circularity can enhance **companies'** competitiveness through reduced costs and environmental

liabilities. It can also mean companies are better prepared for future environmental regulations. The key focus of this **criterion is to identify trends across the company's energy** consumption, efficiency and circularity across business operations.

Energy Management Programs

Public: this question requires publicly available information

Assessment focus



Question Rationale

By integrating energy management programs into business practice, companies can establish a robust process to continuous improvement of energy performance. Energy performance is a concept which is related to energy efficiency, energy use and energy consumption. By improving energy performance and associated energy costs, companies can improve their competitiveness. In addition, improving energy performance leads to meet climate change mitigation goals by reducing their greenhouse gas emissions.

Successful implementation of energy management programs supports a culture of energy performance improvement that

requires a commitment from all levels of the organization, especially top management. This involves cultural changes within the entire organization.

This question identifies the set of actions that ensure a robust, credible and reliable energy management program. It aims to provide a systematic, data-driven and facts-based process, focused on continually improving energy performance that can transform the way companies manage energy use and energy consumption.

Question Layout

Does the company have energy management programs and are they available publicly?

- Yes, the company has energy management programs that cover the following elements. Please indicate where this information is available in public reporting or corporate website.
- Energy audits to identify opportunities for improving energy performance
- Quantified targets to address energy savings
- Actions to reduce the amount of energy use
- Evaluation of progress in reducing energy consumption
- Use of clean or green energy
- Investments in innovation or R&D to decrease energy consumption
- Energy efficiency training provided to employees to raise awareness of energy consumption reduction

Question-Specific Guidance & Definition

Energy audits: Process that analyzes energy efficiency, energy use and energy consumption based on data and evidence. This process allows firms to determine areas of significant energy use and identify opportunities for improving energy performance.

Quantified targets: Objectives with specific, measurable and quantifiable energy performance improvement targets to **reduce the company's energy consumption (e.g., reduce electricity consumption by 3 % by the end of the year, 2 % plant efficiency improvement by fourth quarter)**. Although emissions reduction targets can be a result of energy efficiency measures, this question solely covers energy consumption reduction targets.

Actions to reduce the amount of energy used: Concrete and targeted actions focused on reducing energy consumption. These can include modification or renovation of facilities (e.g., warehouse, factories, office), equipment (e.g., engines, boilers), systems (e.g., lighting, steam, transport) and energy-using processes, or qualitative objectives related to people energy behavior, cultural change or operation of the systems and equipment responsible for substantial energy consumption.

Evaluation of progress in reducing energy consumption: Comparison of performance before and after the implementation of action plans

Clean energy: The type of energy that does not release pollutants into the air.

Green energy: Resources that come from natural sources, such as the sun. Renewable energies are both clean and green energy since they come from sources that are constantly being replenished, such as hydropower, wind power or solar energy. Although these measures do not represent an energy performance improvement per se, the consumption of renewable energy has positive environmental effects, hence off-site renewable energy is accepted.

Innovation or research and development to decrease energy consumption: Procedures to consider improvement opportunities and operational control in the design of new, modified and renovated facilities; equipment; systems; and energy-using processes: considering energy performance in the design of facilities, equipment, systems or energy-using processes within the scope and boundaries of the company and considering on-site renewable energy production and less-polluting types of energy options for new facilities, improved technologies and techniques.

Energy efficiency training: Training focused on raising **awareness within the company's personnel to optimize energy behavior** and lead to cultural change aiming to reduce energy consumption.

Disclosure Requirements

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications) or corporate website.

Any response that cannot be verified in the attached public document(s) will not be accepted.

References

ISO 50001 – Energy Management Systems

Standards & Frameworks

ESG Disclosure Standards (China) - E.1.3.4 Energy saving management

EU Taxonomy - Multiple Objectives & Activities - Substantial Contribution & DNSH

GISD - Real Estate: Energy efficiency measures

IRIS+ - 014531

UNGC Questionnaire - E3

Energy Consumption

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

In the last century, there has been an unprecedented increase in the use of natural resources and materials. Producing more with less material is essential for many industries affected by the increasing scarcity of natural resources. Resource **efficiency and circularity can enhance companies'** competitiveness through reduced costs and environmental liabilities. It can also mean companies are better prepared for

future environmental regulations. In this question, we are capturing the total non-renewable and total renewable energy consumption, assessing the overall trend of consumption, as well as the target set for the current financial year.

Question Layout

Please complete the following table about total energy consumption. For each row in the table, it is mandatory that the values provided are in the same unit. Please see the Information Button for definitions of the cost options. Also, please ensure that you have correctly filled in the Company Information section at the beginning of the questionnaire, and that the coverage in the table below is related to the denominator relevant for your company as indicated in that section.

Total energy consumption	Unit	FY 2020	FY 2021	FY 2022	FY 2023	What was your target for FY 2023?
Total non-renewable energy consumption	MWh					
Total renewable energy consumption	MWh					
Data coverage (as % of denominator)	Percentage of					

PUBLIC REPORTING

- Our data is publicly available. Please provide supporting evidence or web link.

THIRD-PARTY VERIFICATION

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

DATA CONSISTENCY

- We report publicly on this information, but the data in the table above differ from our publicly reported figures. Please provide an explanation in the comment box for this difference: ____
- We have a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal: ____
- We are not able to report this information in absolute terms; the information provided in the table above is normalized data. For the purpose of this question, please always provide absolute figures if available.

Question-Specific Guidance & Definitions

Total non-renewable energy consumption: This is the sum of non-renewable consumption of fuel (excluding feedstocks), consumption of non-renewable purchased or acquired electricity, and consumption of non-renewable purchased or acquired heat, steam and cooling.

Total renewable energy consumption: This is the sum of consumption of renewable fuel (excluding feedstocks), consumption of renewable purchased or acquired electricity, consumption of renewable purchased or acquired heat, steam and cooling and consumption of self-generated non-fuel renewable energy.

Renewable energy: This is energy taken from sources that are inexhaustible such as wind, solar, hydropower, geothermal, biomass and marine (tidal and wave energy), as defined in the GHG Protocol. Please note hydrogen should not be included if it is derived from fossil fuels. Similarly, waste energy should not be included if it is derived from fossil fuels.

Non-Renewable energy: This is all energy not identified as deriving from renewable sources, e.g., coal, oil, natural gas, etc. Please note that blended fuels deriving from both renewable and non-renewable sources should be split by the proportion contained from each source. Nuclear energy is not considered as renewable energy and should be reported under total non-renewable energy. Please note that direct consumption of nuclear fuel should not be included. Fuels (excluding nuclear) should be covered, including fleet fuel. Consumption of purchased or acquired electricity, steam heat, and/or cooling from nuclear sources should be included.

Self-generated non-fuel renewable energy: If your organization produces renewable energy that is not based on fuel (such as solar, wind, hydro, geothermal, marine), then any consumption of this energy should be entered under total renewable energy. All forms of non-fuel renewable energy, electricity, heat, steam, or cooling should be included under total renewable energy.

Excluding feedstocks: Fuels consumed as feedstocks are fuels that are not combusted for energy purposes. All fuel consumed for energy purposes inside the organizational boundary should be included, regardless of whether the fuel was purchased or produced by the organization. If a fuel is consumed as a feedstock for the production of another fuel, then the feedstock should not be included, but combustion of the produced fuel should be included. Ultimately, if a fuel is combusted, i.e., consumed for energy purposes and not as a feedstock, then it should be included. For example, naphtha and ethane are feedstocks that may be converted into petrochemical products such as ethylene, and should not be included. The steel industry is a special case because coke and fuel injectants consumed at the blast furnace serve as feedstocks and a source of energy. These fuels are

considered feedstocks and should not be counted. (Such as coke used as a reducing agent) However, all fuels consumed for energy, i.e., combusted, that are derived from fuel feedstocks, e.g., blast furnace gas, should be counted.

This table is for gross energy consumption data only. You should not provide net consumption nor deduct for energy produced or exported from the organizational boundary. Because feedstock fuels are excluded from this question, this approach should not lead to double counting. Companies shall use the total—or gross—electricity purchases from the **grid rather than grid purchases “net” of generation for the scope 2 calculation. A company’s total energy consumption** would therefore include self-generated energy (any emissions reflected in scope 1) and total electricity purchased from the grid (electricity). It would exclude generation sold back to the grid.

Purchased or acquired electricity, steam, heat, cooling:

- This includes the consumed electricity, heat, steam, and/or cooling that was purchased or acquired, i.e., brought into the organizational boundary. This excludes the consumption of electricity, heat, steam, or cooling that was produced by the organization, i.e., from inside the organizational boundary. It also excludes purchased or acquired electricity, heat, steam, or cooling that is not consumed inside the organizational boundary. Purchased or acquired electricity, heat, steam, or cooling that is wasted should still be counted as consumption.
- Purchased or acquired electricity, steam, heat, and cooling are aligned with the boundary for scope 2 emissions. The consumption of fuel (excluding feedstocks) should be entered if the fuel was consumed inside your organizational boundary in the last fiscal year and is aligned with the boundary for scope 1 emissions. Therefore, in this question, we would like to capture your energy consumption for scope 1 and scope 2.
- Specific information on these energy carriers can be found in section 5.3.1 and Appendix A of the GHG Protocol Scope 2 Guidance.
- The terms **‘purchased’ and ‘acquired’ are used when your organization has received the energy from a third party.** This rules out energy that is sourced from within the organizational boundary. It should be noted that purchased or acquired heat does not include the heat content, or calorific value, of fuels that are purchased or acquired by the organization. This is accounted for at the point of fuel consumption, which falls inside the Scope 1 boundary. You should also be aware that steam, heat or cooling received via **direct line as ‘waste’ from a third party’s industrial processes, should still be accounted for** if it is consumed.
- If your organization produces renewable energy that is not based on fuel (such as solar, wind, hydro,

geothermal, marine), this energy consumption should be included in total renewable energy consumption. Consumption of renewable fuels (such as solid and liquid biofuels and biogas) also should be included. All forms of non-fuel renewable energy - electricity, heat, steam, or cooling – shall be included under non-renewable energy.

Leased Assets: Guidance for how to handle leased assets and spaces can be found on page 36 of the [GHG Scope 2 Protocol](#), (5.2.1).

Renewable Energy Credits: These should fall under MWh from renewable sources. RECs, RECs from Power Purchase Agreements, energy attribute certificates, contractual instruments, TIGRs, and unbundled certificates should be reflected under MWh from renewable sources.

Units and conversion:

- The most common unit for electricity are Watt-hours. 1 MWh is equal to 1,000,000 Watt-hours, which is equal to 1,000 kWh (kilo-Watt-hours).
- If your raw data is in energy units other than MWh, such as Giga-Joules (GJ) or British Thermal Units (Btu), then you should convert to MWh. For example, 1 Giga-Joule (GJ) = 0.277778 MWh, so if your data is in GJ then you should multiply your data by 0.277778. If your data is in million Btu, then you need to multiply your data by 0.29307.
- Conversion factors from other energy units are available from a variety of online calculation tools, including from IEA and OnlineConversion.com, or from conversion tables such as those in EPA AP-42 (Annex A).
- If your raw data is in volume units, e.g., cubic feet or gallons, or in mass units, e.g., kilograms (kg) or pounds (lb), then you should convert to energy units using factors for fuel heating/calorific values. These are available from numerous sources, some of which are listed below:

IPCC Guidelines for National GHG Inventories (Volume 2, Table 1.2, p1.18-1.19)

EPA AP-42 (Annex A)

IEA Statistics Manual (Annex 3, p180-183)

API Compendium (Table 3-8, p3.20-3.21)

- If your raw data for steam is in physical units, such as pounds (lb) or kilograms (kg), then you should convert to energy units. The energy content of steam varies with temperature and pressure. Organizations can refer to The Climate Registry's General Reporting Protocol, Chapter 15, section 15.2, step 1, which explains how to calculate the energy content of steam.

- Cooling is frequently purchased in refrigeration-ton hours; 1 ton-hour is equal to 12,000 Btu, which is equally to 0.003516 MWh.

Data Requirements

Disclosure requirements for partially public question.

Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

- Total non-renewable energy consumption for at least the most recent reported year.

Third-party verification: For third-party verification, we expect that data in the most recent year reported has been third-party verified and that relevant documentation is attached showing this verification. Internal audits or verification will not be considered.

Please note: In case the company has reported a value of zero in the table, third-party verification or supporting evidence is required (e.g., comprehensive comment, internal documentation or public reporting) to substantiate the zero reported.

For this question, we encourage you to provide evidence that is publicly available and may grant additional credit for publicly available evidence.

Please note: In cases where the company is classified within the Banks (BNK), Financial Services (FBN), Insurance (INS), or Professional Services (PRO) industries, the score obtained in this question will not contribute to the final score of the company.

Standards & frameworks

CSRD - E1-5 37(a) AR 33-AR 35, E1-5 37(b) AR 33-AR 35, E1-5 37(c)i, E1-5 37(c)ii, E1-5 38 c AR 33, E1-5 38(a) AR 33, E1-5 38(b) AR 33, E1-5 38(d) AR 33, E1-5 38(e) AR 33, ESRS 2 MDR-T 80j AR 24 - AR 26

EDCI - Renewable energy consumption, Total energy consumption

ESG Disclosure Standards (China) - E.1.3.2 Non-renewable energy consumption

GISD - Renewable energy consumption as percentage of total energy consumption

GRI Disclosure - 2-5, 302-1

IRIS+ - OD4091, OI1495, OI1496, OI2496, OI3324, OI8825, OI9624

UNGC Questionnaire - E10, E4, E4.1

WEF Metrics - Resource circularity

Waste & Pollutants

The shift towards a circular economy continues to grow in importance as the waste crisis escalates. From design and planning to end of life, the proper treatment of waste can **enhance a company's** competitiveness through reduced costs and environmental liabilities. Integrating programs within company operations to reduce waste is considered one of the best practices in minimizing environmental and social impact

when seeking new business opportunities. Additionally, measuring waste generated allows companies to track progress, set meaningful targets, better prepare for future regulation and address stakeholder expectations. The focus of this criterion is to identify the management and trends of waste across business operations.

Waste Management Programs

Public: this question requires publicly available information

Assessment Focus



Question Rationale

This question aims to understand how companies are taking steps towards the responsible management of waste within their operations. Adopting waste reduction programs is critical in improving operational performance and reducing environmental and social impacts. Ideally, businesses should

look to close the loop by reusing, recycling, recovering and diverting waste, preventing it from entering the landfill and seeking new advantageous business opportunities. Companies benefit from investing in resources and programs that address waste through decreased costs, reduced risks, improved reputation, etc.

Question Layout

Does the company have waste management programs and are they available publicly?

- § Yes, the company has waste management programs that cover the following elements. Please indicate where this information is available in public reporting or corporate website.
 - § Waste audits to identify opportunities for improving waste performance
 - § Action plans to reduce waste generation
 - § Quantified targets to minimize waste
 - § Investment in innovation or R&D to minimize waste
 - § Waste reduction training provided to employees
 - § Integration of recycling programs to reduce the waste sent to landfill
 - § Waste diversion from landfill is certified by an independent accredited body

Question-Specific Guidance & Definitions

Operations: Includes any business activity within a **company's direct control and may include activities** such as production, extraction, manufacturing, management, etc. This also refers to companies operating solely in office buildings.

Waste audits: Also called waste assessments, the process of identifying the amount and type of waste being generated in a **company's own operations. This allows the company to** determine areas of significant generation and identify

opportunities for improving energy performance. This might include record examinations, facility walk-throughs, waste sorting, etc.

Actions to reduce waste generation: Specific measures focused on reducing waste generation in areas of significant concern. Focus points are usually identified through a waste audit, and as a result, actions are implemented to minimize waste.

Quantified targets: Objectives with specific, measurable and quantifiable waste performance improvement targets (e.g., reduce waste generated by 15% by 2030, reduce the waste sent to landfill by 5% by the end of the year). These targets should be time-bound and include a target year.

Investments in innovation or R&D resources to minimize waste: This aspect seeks to understand if a company has allocated monetary, workforce, or other resources to investigate new ideas or technology aimed at minimizing waste generation from business operations. This might include sharing which waste-specific projects its research and development team is working on or the creation of working groups or other initiatives to address waste reduction.

Waste minimization Training: Training provided to employees to raise awareness and better understand the benefits of reducing waste across operations.

Integration of recycling programs to reduce the waste sent to landfill: Please share what measures have been incorporated that demonstrate the reprocessing of materials to be used elsewhere in operations.

Waste diversion from landfill: Waste diversion is a practice focused on eliminating the operational waste sent to landfill. Diverted materials are reduced, recycled, reused, composted and/or recovered for productive use. There is also a heavy emphasis on restructuring operations to eliminate waste from conception and redesign methods of operating.

Waste diversion from landfill certification: Companies validate waste diversion claims by certifying operations and some certify as “zero waste to landfill”. This typically happens on a facility or project-level basis. Certifications may have different levels of recognition within them (gold, silver, bronze); however, they require operations to prove an 85% or higher diversion rate. We do not expect all operations to be certified. This may include, but is not limited to, certifications such as the TRUE Zero Waste Certification (Green Business Certification Inc.), NSF Landfill-Free Verification, UL Solutions 2799A, Eurofins Zero Waste to Landfill Certificate and GreenCircle Certified Waste Diversion from Landfill Certification.

Diversion rate: This is the level at which a company has managed to recover waste otherwise destined for a landfill. This is typically achieved through reuse, recycling, composting and minimal amounts through energy production via **incineration**. **An organizations' diversion rate is calculated** by adding the weight of all waste diverted from landfill and dividing it by the total amount of waste diverted plus what is sent to landfill. Calculation: $\text{Weight of diverted waste} / (\text{Weight of diverted waste} + \text{Weight of waste set to landfill}) \times 100 = \text{Diversion rate}$

Disclosure Requirements

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications) or corporate website.

Any response that cannot be verified in the attached public document(s) will not be accepted.

References

ISO 14001: <https://www.iso.org/standard/60857.html>

TRUE Zero Waste Certification: <https://true.gbci.org/true-certification-zero-waste>

NSF Landfill-Free Verification: <https://www.nsf.org/sustainability/circularity-waste-materials-management/landfill-free-verification>

UL Solutions 2799A: <https://ul.com/waste-diversion-and-circular-economy>

Eurofins Zero Waste to Landfill Certificate: <https://www.eurofins.com/assurance/consumer-products/audit-services/environmental/zero-waste-to-landfill-certification/>

GreenCircle Certified Waste Diversion from Landfill Certification: <https://www.greencirclecertified.com/operations-certifications>

Standards & Frameworks

CSRD - E5-2 20(f)

UNGC Questionnaire - E3

Waste Disposal

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The proper handling of waste can enhance companies' competitiveness through reduced costs and environmental liabilities. It can also mean companies are better prepared for future environmental regulations. This question addresses

trends in waste disposal and recycling, specific to each industry, as well as the target set for the current financial year.

Question Layout

Please provide a breakdown of your company's total solid waste recycled/reused and disposed, disaggregated by the type of disposal method, for the part of your company's operations for which you have a reliable and auditable data acquisition and aggregation system. If you don't use a specific waste disposal method, please indicate "0". If you only have the breakdown of your waste disposed for some methods, please report these values in the respective rows and leave the other rows blank .

For each row in the table, it is mandatory that the values provided are in the same unit. Please also ensure that you have correctly filled in the "Company Information" section at the beginning of the questionnaire and that the coverage in the table below is related to the denominator relevant for your company as indicated in that section.

If you have the EP - Hazardous Waste, EP – Ash & Gypsum Waste and / or EP - Mineral Waste questions in your industry questionnaire, please report information pertaining to these types of waste in those separate questions. If you do not have those questions in your industry questionnaire, please include all types of data here (e.g., including hazardous waste).

	Unit	FY 2020	FY 2021	FY 2022	FY 2023	What was your target for FY 2023?
Total waste recycled/ reused	metric tonnes					
Total waste disposed	metric tonnes					
- Waste landfilled	metric tonnes					
- Waste incinerated with energy recovery	metric tonnes					
- Waste incinerated without energy recovery	metric tonnes					
- Waste otherwise disposed, please specify:	metric tonnes					
- Waste with unknown disposal method	metric tonnes					
Data coverage (as % of denominator)	percentage of:					

PUBLIC REPORTING

- Our data on total waste disposed and/or waste generated and recycled/reused (for at least the most recent financial year reported) is publicly available. Please provide supporting evidence or web link.

THIRD-PARTY VERIFICATION

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

DATA CONSISTENCY

- We report publicly on this information, but the data in the table above differ from our publicly reported figures. Please provide an explanation in the comment box for this difference: ____
- We have a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal: ____
- We are not able to report this information in absolute terms; the information provided in the table above is normalized data. For the purpose of this question, please always provide absolute figures if available.

Question-Specific Guidance & Definitions

Total waste recycled/reused: This includes the part of the **waste generated as a result of a company's operations** (e.g., during extraction and processing of raw materials, manufacturing, consumption of final products or any other human activity), which has been diverted from disposal through preparation for reuse, recycling, composting or other recovery operations (i.e., processing of waste products, components or materials to be reused in place of new products, components or materials that should otherwise have been used for that purpose). This does not include waste incinerated with energy recovery (which is expected to be captured as part of the specific row under total waste disposed), or waste handled by third-parties (e.g., municipal waste management companies) unless it is clear that the waste is being recycled, prepared for reuse or composted by the third-party (see additional clarification in **'Special data requirement for Waste'**).

Total waste disposed: This is the total of all waste directed to disposal, including waste landfilled, incinerated with energy recovery, incinerated without energy recovery or otherwise disposed (e.g., deep well injection). It also captures waste **with 'unknown disposal methods', such as waste handled by municipal waste management companies without any information available on the disposal methods used.** For each method of disposal, the value includes both on and off-site disposal.

Data Requirements

Specific data requirement for Waste

Waste should be reported in dry metric tons of waste, disaggregated by the amount recycled/ reused and the specific disposal method (waste landfilled, waste incinerated with or without energy recovery, waste otherwise disposed or waste with unknown disposal method), respectively.

- In case the company reports zero total waste disposed, third-party verification or supporting evidence is required (e.g., comprehensive comment, internal documentation or public reporting) to substantiate zero waste disposed
- If you only have information available on the waste disposed by some or no specific disposal methods (waste landfilled, waste incinerated with or without

energy recovery, otherwise disposed), please report the total waste disposed and the values for those disposal methods for which you have reliable data. The rows for disposal methods without available data should be left blank. The difference between total waste disposed and the sum of the specific disposal methods will be automatically captured in **the row 'waste with unknown disposal method'**. Please note that the company will not lose points if no detailed breakdown of the disposal methods used is available

For companies who have the questions **"Hazardous Waste", "Ash and Gypsum Waste" or "Mineral Waste"** in their questionnaire, please do not report information on these types of waste here but rather, report relevant data for these types of waste separately in those questions. For example: if a company has the question on **"Waste Disposal"** and the question on **"Hazardous Waste"** in the questionnaire, non-hazardous waste should be captured in the question on **"Waste Disposal"** and hazardous waste in the question on **"Hazardous Waste"**, respectively. If you do not have those questions in your industry questionnaire, please include all types of waste in this question.

If a company sets long-term but not annual targets, an annual target can be estimated based on internal target setting or a linear distribution. If a company does not have a specific target on waste disposed but specific (internal or public) targets on waste generated and/or recycled, the conversion to a waste disposed target is acceptable.

Waste from extraordinary activities should not be considered. The definition of what is considered to be extraordinary should be consistent with financial reporting. Example: we would not expect a pharmaceutical company building its new headquarters to report the resulting construction waste.

Disclosure requirements for partially public question. Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

- Total waste disposed figure (or alternatively, total waste generated and recycled figures) for at least the most recent reported year. The specific

breakdown of the disposal methods used is not required to be publicly available.

Third-party verification: For third-party verification, we expect that data in the most recent year reported has been third-party verified and that relevant documentation is attached showing this verification. Internal audits or verification will not be considered.

Please note: In cases where the company is classified within the Banks (BNK), Financial Services (FBN), Insurance (INS), or Professional Services (PRO) industries, the score obtained in this question will not contribute to the final score of the company.

Data Consistency

- If the environmental performance data reported in the questionnaire do not correspond to the publicly reported figures, the corresponding option should be marked and the discrepancy should be explained. This option should not be indicated if the information is not publicly reported at all.
- If there is a temporary reduction in coverage due to, for example, a major acquisition, the corresponding box should be marked and the reduction should be explained.
- If it is not possible to report the figures in absolute terms, the data should be reported in relative terms and the corresponding box should be ticked. Please note that information should always be reported in absolute terms if possible, even if it deviates from public reporting.
- If the data reported are not consistent with the definition provided above, the data should be provided in the table, the option should be marked, and an explanation of how it differs should be provided in the comment box.

General data requirements

Environmental performance data should cover the activities of the entire company with the same consolidation as used in financial reporting and must refer to the financial year (e.g., 01/01 to 31/12 for both financial and environmental data) and be aligned with the figures reported in the Company Information section question.

In particular, environmental data of group companies should follow the following rules:

- Environmental data of companies that are consolidated proportionally must be considered to

the proportion at which they are consolidated financially.

- Environmental data of companies that are fully consolidated must be fully considered irrespective of the proportion to which they belong to the group.
- Environmental data should refer to the specific company structure of each particular year. There should be no pro-forma backward consolidation of the current company structure.
- Environmental data of companies that are sold or no longer consolidated should be excluded from environmental data as of the reporting period in which the company has not been consolidated anymore.
- Environmental data of companies that have been bought should only be included as of the reporting period in which the company is consolidated financially for the first time.
- Where environmental data does not cover all consolidated activities of the company, the scope should be indicated together with the environmental data that is known.
- Where the reported environmental data deviates from these definitions you are asked to explain in what way the data provided differs from the definitions.
- Please ensure that the Company Information section has been correctly filled in, and that the coverage in the table below is based on the same denominator.

References

Directive 2008/98/EC of the European Parliament and of the Council (Waste Framework Directive)

Standards & frameworks

CSRD - E5-5 37(a), E5-5 37(d), ESRS 2 MDR-T 80j AR 24 - AR 26

ESG Disclosure Standards (China) - E.2.3.3 Non-hazardous waste emissions

EU Taxonomy - Circular Economy - 2.7. Sorting and material recovery of non-hazardous waste - Substantial Contribution
GISD - Reduction of waste generation, Waste recycled, Waste reused

GRI Disclosure - 2-5, 306-4, 306-5

IRIS+ - OI2535, OI4483, OI6192, OI6709, OI8357, OI8843, OI9847

TNFD - A2.1, A23.1, C2.2

UNGC Questionnaire - E4

WEF Metrics - Resource circularity

Water

Water is becoming increasingly scarce, and such scarcity poses a considerable risk to many sectors. Consideration of water consumption, and exposure to water risks along the **value chain of business operations can enhance companies' competitiveness** through reduced costs and environmental

liabilities. It can also mean companies are better prepared for future environmental regulations. The key focus of this criterion is to identify trends of water use and the extent to which companies have considered their risks and exposure to water-related issues.

Water Efficiency Management Programs

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Water is essential to developing and maintain successful and healthy economies and for human health and wellbeing. In any responsible business or organization, monitoring water use is a key indicator of its environmental sustainability performance. Knowing and managing water challenges can protect a business from significant and unforeseen costs caused by quantity and quality issues, which could also restrict business growth and obstruct socio-economic benefits. Adequate water management can also protect an organization from regulatory breaches and negative reputational impacts.

The purpose of this question is to understand how companies are taking steps towards the properly managing water as a critical resource for their businesses through specific water management programs. In their planning processes, companies must identify opportunities to continually improve water efficiency performance. Those programs should focus on reviewing water use, measuring and monitoring water use indicators, improving efficiency performance through reducing, replacing or reusing water in operations, etc.

The scope of this question is limited to direct operations and does not include the supply chain.

Question Layout

Does the company have water efficiency management programs in place and are they available publicly?

§ Yes, the company has water efficiency management programs that cover the following elements. Please indicate where this information is available in public reporting or corporate website.

- Water use assessment to identify opportunities for water efficiency improvements
- Actions to reduce water consumption
- Actions to improve wastewater quality
- Establishment of targets to reduce water use
- Application of water recycling
- Awareness training provided to employees on water efficiency management programs

Question-Specific Guidance & Definitions

Water efficiency management programs: Include the planning and definition of actions that enable businesses to assess and account for their water use, identifying and implementing measures to achieve and improve efficiency through the systematic management of water.

It should consider the following:

Water use assessments: **A company's process of reviewing and analyzing its water use, identifying activities and functions of significant water use, determining processes and services that affect used water quality, and monitoring water**

use quantities. These assessments determine the activities and functions with potential for better water efficiency. Data gathering, indicators monitoring and the continuous reviewing allow for improvements in water efficiency performance. Please refer to ISO 46001 in the References section

Actions to reduce water consumption: All measures focused on reducing the amount of water required for business activities and operations. These can range from actions regarding equipment, systems or processes at facility/site level to those concerning employees/staff in office functions. Examples include water-saving devices, submeters installed in different areas of the plant, pressure reductions at taps, reuse of storm and grey water, rainwater harvesting, reusing process water for cooling towers, etc.

Actions to improve wastewater quality: The measures implemented at facility level focused on improving the quality of wastewater/discharge water. These can refer to improvements at the source (e.g., process improvements), effluent monitoring and periodic sampling, wastewater treatment processes (according to type of effluent), water discharge controls, inspections and audits, etc.

Establishment of targets to reduce water use: A water efficiency management program will allow for efficiency improvements based on quantitative, time-bound water reduction targets. We expect companywide targets or site-specific targets that clearly cover the majority of operational sites.

Application of water recycling: Companies can benefit from water reuse and recycling, that is, the process by which wastewater produced from one source is treated to be reused in the same process or recycled for another. Various methods for reusing or recycling industrial water are available, depending on water quality requirements, space constraints and budgetary considerations.

Awareness training provided to employees on water efficiency management programs: To help educate and engage employees regarding water efficiency management and conservation. This training should make staff aware of how to reduce water consumption in their daily jobs as well as able to identify problems and innovate solutions to reduce water use within the company. General references to **“environmental care training” are not sufficient for this criterion.**

Disclosure Requirements

This question requires supporting evidence from the public domain. The information provided must be included in your public reporting (e.g. annual report, sustainability report, integrated report, company publications) or corporate website.

Any response that cannot be verified in the attached public document(s) will not be accepted.

References

- ISO 46001: 2019 - Water efficiency management systems — Requirements with guidance for use: <https://www.iso.org/standard/68286.html>
- CEO Water Mandate: <https://ceowatermandate.org/>

Standards & Frameworks

CSRD - E3-1 12a AR 16-AR 18

ESG Disclosure Standards (China) - E.1.1.1 Water resource management

EU Taxonomy - Appendix B - Sustainable Use and Protection of Water and Marine Resources

IRIS+ - 0I9326

Water Consumption

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Water is becoming increasingly scarce, and such scarcity poses a considerable risk to many sectors. Considering water withdrawal, consumption and discharge practices can **enhance companies' competitiveness by reducing costs and**

environmental liabilities. It can also mean companies are better prepared for future environmental regulations.

Question Layout

Please provide your company's total fresh water consumption, including data for water discharge and withdrawal. Please refer to the information button for additional information. For each row in the table, it is mandatory that the values are provided in the same unit. Also, please ensure that you have correctly filled in the Company Information section at the beginning of the questionnaire, and that the coverage in the table below is related to the denominator relevant for your company as indicated in that section.

Water consumption	Unit	FY 2020	FY 2021	FY 2022	FY 2023	Please indicate what was your target for FY 2023?
A. Water Withdrawal: (excluding saltwater)	Million cubic meters					
B. Water Discharge (excluding saltwater)	Million cubic meters					
C. Withdrawal: Fresh groundwater	Million cubic meters					
Total Net Fresh water consumption (A-B)	Million cubic meters					
Data Coverage	Percentage of					

Public Reporting

- Our data is publicly available. Please provide supporting evidence or web link.

Third-Party Verification

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Data Consistency

- We report publicly on this information, but the data in the table above differ from our publicly reported figures. Please provide an explanation in the comment box for this difference: ____
- We have a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal: ____
- We are not able to report this information in absolute terms, the information provided in the table above is normalized data. For the purpose of this question, please always provide absolute figures if available.

Question-Specific Guidance & Definitions

Water Withdrawal (excluding saltwater): Water Withdrawal is defined as the sum of :

- i. Fresh surface water, including rainwater, water from wetlands, rivers, and lakes
- ii. Groundwater-renewable and non-renewable
- iii. Produced/Entrained water
- iv. Third Party Sources

Fresh surface water: Fresh Surface water, including rainwater, water from wetlands, rivers, lakes and freshwater that require minimal treatment to be acceptable for domestic or agriculture uses.

Ground water-renewable and non renewable: Ground water that can be recovered from underground

Produced/Entrained water: Produced water, reinjected produced water

Third party sources: Municipal water, local third-party water purchase, city water from public water department, trucked water purchased, tap water and reclaimed water.

Water Discharge (excluding saltwater): The water leaving the **organization's boundary and** being released to surface water, groundwater, or third parties, during the reporting year.

Total Net Fresh Water Consumption: = Water Withdrawal (excluding saltwater) – Water Discharge (excluding saltwater)

Data Requirements

- If the company is reporting on brackish surface water/seawater/saltwater, please deduct it from water withdrawal and water discharge, because we want to capture only Total Net Fresh Water Consumption.
- Third-party verification: For third-party verification, we expect that data in the most recent year reported has been third-party verified and that relevant documentation is attached showing this verification. Internal audits or verification will not be considered.
- Please note: If the company has reported a value of zero in the table, third-party verification or supporting evidence is required (e.g., comprehensive comment, internal documentation or public reporting) to substantiate the zero reported.
- Please note: In cases where the company is classified within the Banks (BNK), Financial Services (FBN), Insurance (INS), or Professional Services (PRO) industries, the score obtained in this

question will not contribute to the final score of the company.

Data consistency

- If the environmental performance data reported in the questionnaire does not correspond to the publicly reported figures, the corresponding option should be marked and the discrepancy should be explained. This option should not be indicated if the information is not publicly reported at all.
- If there is a temporary reduction in coverage due to, for example, a major acquisition, the corresponding box should be marked and the reduction should be explained.
- If it is not possible to report the figures in absolute terms, the data should be reported in relative terms and the corresponding box should be ticked. Please note that information should always be reported in absolute terms if possible, even if it deviates from public reporting.

General data requirements

Environmental performance data should cover the activities of the entire company, with the same consolidation as used in financial reporting and it must refer to the financial year (e.g., 01/01 to 31/12 for both financial and environmental data) and be aligned with the figures reported in the Company Information section

Target: We require the absolute target for the most recent reporting year. If your company has a multiple year and/or relative target, please extrapolate what the target value would have to be for the last financial year to make sure you are progressing well towards achieving the target by the end of the target period.

In particular, environmental data of group companies should follow the following rules:

- Environmental data of companies that are consolidated proportionally must be considered in proportion to how they are consolidated financially.
- Environmental data of companies that are fully consolidated must be fully considered irrespective of the proportion to which they belong to the group.
- Environmental data of business travel other than by owned and/or operated fleet should not be included unless specifically asked for.
- Environmental data should refer to the specific company structure of each particular year. There should be no pro-forma backward consolidation of the current company structure.
- Environmental data of companies that are sold or no longer consolidated should be excluded from environmental data as of the reporting period in which the company was no longer consolidated.

- Environmental data of companies that have been bought should only be included as of the reporting period in which the company was consolidated financially for the first time.
- Where environmental data does not cover all consolidated activities of the company, the scope should be indicated together with the environmental data that is known.
- Where the reported environmental data deviates from these definitions you are asked to explain in what way the data provided differs from the definitions.
- If a company publicly reports on long-term but not annual targets, an annual target must be estimated based on internal target setting or a linear distribution.
- The data must be provided in the unit indicated in the question. If the company is tracking the specific indicator in a different unit, the unit converter must be used to convert the data into the preferred unit.
- Please ensure that the Company Information section has been filled in correctly, and that the coverage in the table below is based on the same denominator.

Disclosure Requirements

Disclosure requirements for partially public question. Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

- Total Net Fresh Water Consumption for at least the

most recent reported year.

References

CDP -Water Security 2023:

<https://guidance.cdp.net/en/guidance?cid=35&ctype=theme&idtype=ThemeID&incchild=1µsite=0&otype=Guidance&tags=TAG-597%2CTAG-607%2CTAG-599>

Minerals Council of Australia (MCA), Water Accounting Framework, User Guide Version 2.0, 2022:
<https://minerals.org.au/wp-content/uploads/2022/12/MCA-Water-Accounting-Framework-User-Guide-2.0-2022.pdf>

Standards & frameworks

CSRD - E3-3 AR 23 a; AR 24; AR 26, E3-3 AR 23 b; AR 24; AR 26, E3-4 28a, E3-4 AR 32, ESRS 2 MDR-T 80j AR 24 - AR 26

ESG Disclosure Standards (China) - E.1.1.2 Fresh water consumption, E.2.1.3 Wastewater discharge

EU Taxonomy - Water Resources - 2.1. Water supply - Substantial Contributions

GISD - Water use efficiency

GRI Disclosure - 304-4

IRIS+ - OD4091, OI0263, OI0386, OI1697

TNFD - A3.0, C2.1

UNGC Questionnaire - E13, E4

Climate Strategy

Most industries will be impacted by climate change, albeit to a varying degree. The need for robust strategies to meet the scale of the challenge is growing ever more significant. There is increasing focus not only on identifying the risks and opportunities of climate change but also managing these risks, setting targets, and ensuring appropriate governance and oversight at all levels of the business. As the number of climate-related mandatory and voluntary disclosure frameworks and standards increase, companies must remain vigilant at not only assessing their own exposure to climate but also documenting this in a way that meets disclosure requirements.

The majority of the questions in this criterion have been developed in alignment with the CDP methodology (<https://www.cdproject.net>).

Additionally, many questions in this criterion are aligned with the Task Force on Climate-related Financial Disclosure (TCFD) which published in 2017 a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream reporting. While the developed disclosure recommendations are voluntary, investors' demand for companies to report in line with TCFD is growing exponentially and governments are starting to move toward requiring TCFD disclosures through regulation.

Finally, the EU action plan on sustainable finance and its EU Taxonomy Regulation on the establishment of a framework to facilitate sustainable investment have also been considered in the further development of this criterion. (Regulation (EU) 2020/852).

Direct Greenhouse Gas Emissions (Scope 1)

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The purpose of this question is to capture the company's direct greenhouse gas (Scope 1) emissions and assess the overall trend. Emissions can serve as a critical indicator of a company's impact on the climate. Increasingly, the disclosure of emissions is expected from investors, and growing

regulatory pressure has led to the mandatory disclosure of certain emissions. By disclosing emissions, investors and stakeholders can ascertain a company's climate risks and identify trends in emissions reduction to benchmark against competitors.

Question Layout

Please provide your company's total direct greenhouse gas emissions (DGHG SCOPE 1) for the part of your company's operations for which you have a reliable and auditable data acquisition and aggregation system. Please refer to the information button for additional clarifications. For each row in the table, it is mandatory that the values provided are in the same unit. Also, please ensure that you have correctly filled in the Company Information section at the beginning of the questionnaire, and that the coverage in the table below is related to the denominator relevant for your company as indicated in that section.

Direct GHG (Scope 1)	Unit	FY 2020	FY 2021	FY 2022	FY 2023	What was your target for FY 2023?
Total direct GHG emissions (Scope 1)	metric tons of CO2 equivalent					
Data coverage (as % of denominator)	percentage of:					

- Our data is publicly available. Please provide supporting evidence or web link.

Third-Party Verification

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Data Consistency

- We report publicly on this information, but the data in the table above differ from our publicly reported figures. Please provide an explanation in the comment box for this difference: ____
- We have a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal: ____
- We are not able to report this information in absolute terms; the information provided in the table above is normalized data. For the purpose of this question, please always provide absolute figures if available.
- We only report on combined Scope 1 & Scope 2 emissions. Please provide the combined figures in the table above and mark **“Not Applicable” in the next question** (EP – Indirect Greenhouse Gas Emissions (Scope 2)).

Question-Specific Guidance & Definitions

GHG scope 1: Greenhouse gas emissions (GHGs) refer to emissions of the six main GHGs that are covered by the Kyoto Protocol. These gases are outlined below. Each GHG has a different capacity to cause global warming, depending on its radiative properties, its molecular weight and its lifespan in the atmosphere.

Greenhouse gases covered by the Kyoto Protocol:

Carbon Dioxide - CO₂: Emitted from the burning of fossil fuels, carbon dioxide accounted for some 86 percent of the UK's human induced GHG emissions in 2003.

Methane - CH₄: Emitted mainly from agriculture, waste disposal, leakage from the gas distribution system and coal mining, methane contributed to over 6 per cent of UK anthropogenic GHG emissions in 2003.

Nitrous Oxide - N₂O: The main anthropogenic sources of nitrous oxide emissions are agriculture, transport, industrial processes, and coal combustion. Nitrous oxide accounted for approx. 6 percent of UK GHG emissions in 2003.

Hydrofluorocarbons - HFCs, Perfluorocarbons - PFCs and Sulphur Hexafluoride - SF₆: Collectively **known as “F-gases”**, these are emitted mainly from air conditioning and refrigeration and industrial processes. Together F-gases accounted for around 2 percent of the UK anthropogenic GHG emissions in 2003.

Emissions from biologically sequestered carbon: in accordance with the GHG Protocol, emissions data for direct CO₂ emissions from biologically sequestered carbon (e.g., CO₂ from burning biomass/biofuels) must be reported separately from the Scopes.

Data Requirements

Specific data requirements for Greenhouse gas emissions:

- Greenhouse gas emissions should be reported as metric tons of CO₂-equivalents.
- Data on greenhouse gas emissions should only include CO₂ and all other greenhouse gas emissions.
- All greenhouse gas emissions emitted directly by the company should be reported.
- Greenhouse gas emissions of owned and/or managed fleet must be included.
- Greenhouse gas emissions due to commuting of employees should not be included.
- Greenhouse gas emissions of business travel other than by owned and/or operated fleet should not be included.

Disclosure requirements for partially public question.

Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

- Direct Greenhouse Gas Emissions (Scope 1) figure for at least the most recent reported year.

Third-party verification: For third-party verification, we expect that data in the most recent year reported has been third-party verified and that relevant documentation is attached showing this verification. Internal audits or verification will not be considered.

Please note: In case the company has reported a value of zero in the table, third-party verification or supporting evidence is required (e.g., comprehensive comment, internal documentation or public reporting) to substantiate the zero reported.

Data consistency

- If the environmental performance data reported in the questionnaire do not correspond to the publicly reported figures, the corresponding option should be marked and the discrepancy should be

explained. This option should not be indicated if the information is not publicly reported at all

- If there is a temporary reduction in coverage due to a corporation action, the corresponding box should be marked and the reduction should be explained
- If it is not possible to report the figures in absolute terms, the data should be reported in relative terms and the corresponding box should be ticked. Please note that information should always be reported in absolute terms if possible, even if it deviates from public reporting.
- If GHG emissions are only reported and tracked as combined Scope 1 and Scope 2 emissions, the combined figures should be indicated in this question, the corresponding box should be ticked and the following question, EP – Indirect Greenhouse Gas Emissions (Scope 2), should be marked as “Not Applicable”.

General data requirements:

Environmental performance data should cover the activities of the entire company with the same consolidation as used in financial reporting and must refer to the financial year (e.g., 01/01 to 31/12 for both financial and environmental data) and be aligned with the figures reported in the Company Information section

Target: We require the absolute target for the most recent reporting year. If your company has a multiple-year and/or relative target, please extrapolate what the target value would have to be for the last financial year to make sure you are progressing well towards achieving the target by the end of the target period. If you report a combined Scope 1 + Scope 2 target, please extrapolate the share equivalent to the absolute Scope 1 emissions for inclusion in the table.

As a consequence, environmental performance data should only cover the direct emissions/resource use, i.e., resource use/emissions caused by the company and its consolidated activities. Emissions and resource use of suppliers and customers should be excluded. In particular, the environmental data of group companies should follow the following rules:

- Environmental data of companies that are consolidated proportionally must be considered to the proportion at which they are consolidated financially.
- Environmental data of companies that are fully consolidated must be fully considered irrespective of the proportion to which they belong to the group.
- Environmental data should refer to the specific company structure of each particular year. There

should be no pro-forma backward consolidation of the current company structure.

- Environmental data of companies that are sold or no longer consolidated should be excluded from environmental data as of the reporting period in which the company has not been consolidated anymore.
- Environmental data of companies that have been bought should only be included as of the reporting period in which the company is consolidated financially for the first time.
- Where environmental data does not cover all consolidated activities of the company, the coverage should be indicated together with the environmental data that is known.
- Indicators where a company has no emissions/resource use, 0 should be filled.
- Where the reported environmental data deviates from these definitions you are asked to explain in what way the data provided differs from the definitions.
- If a company publicly reports on long-term but not annual targets, an annual target has to be estimated based on internal target setting or a linear distribution.
- The data must be provided in the unit indicated in the question. If the company is tracking the specific indicator in a different unit, the unit converter must be used to convert the data into the preferred unit.
- Please ensure that the "Company Information" section has been correctly filled in, and that the coverage in the table below is based on the same denominator.

Standards & frameworks

AASB ASRS 2 - Aus31.1(a)(i)
 CSRD - E1-3 29(b) ESRS 2 MDR-A, E1-6 44(a) AR 39, E1-6 44(d) AR 39, E1-6 48(a) AR 43, E1.IRO-1 20(a) AR 9-AR 10,
 ESRS 2 MDR-T 80j AR 24 - AR 26
 EDCI - Scope 1 Emissions
 ESG Disclosure Standards (China) - E.3.1.2 Scope 1 GHG
 EU Taxonomy - Multiple Objectives & Activities - Substantial Contribution
 GISD - Scope 1 emissions
 GRI Disclosure - 2-5, 305-1
 IRIS+ - OD4091, OI1479, OI4112, OI5732
 ISSB - IFRS S2 - 29
 TCFD - Metrics & Targets b), Metrics & Targets c)
 UNGC Questionnaire - E4, E6
 UNPRI - PGS 46
 WEF Metrics - Greenhouse gas (GHG) emissions

Indirect Greenhouse Gas Emissions (Scope 2)

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The purpose of this question is to capture the company's indirect greenhouse gas (Scope 2) emissions and assess the overall trend. Emissions can serve as a critical indicator of a company's impact on the climate. Increasingly, the disclosure of emissions is expected from investors, and growing

regulatory pressure has led to the mandatory disclosure of certain emissions. By disclosing emissions, investors and stakeholders can ascertain a company's climate risks and identify trends in emissions reduction to benchmark against competitors.

Question Layout

Please provide your company's indirect greenhouse gas emissions from energy purchased (purchased and consumed, i.e. without energy trading) (IGHG SCOPE 2) for the part of your company's operations for which you have a reliable and auditable data acquisition and aggregation system. For each row in the table, it is mandatory that the values provided are in the same unit. Please ensure that you have correctly filled in the Company Information section at the beginning of the questionnaire, and that the coverage in the table below is related to the denominator relevant for your company as indicated in that section. As prescribed by the GHG Protocol, we expect all companies to report both location-based and market-based emissions. Please refer to the information button for additional clarifications on how to report on market-based emissions.

IGHG (Scope 2)	Unit	FY 2020	FY 2021	FY 2022	FY 2023	What was your target for FY 2023?
Location-based	metric tons of CO2 equivalents					
Data coverage (as % of denominator)	percentage of:					
Market-based	metric tons of CO2 equivalents					
Data coverage (as % of denominator)	percentage of:					

Public Reporting

- Our data is publicly available. Please provide supporting evidence or web link.

Third-Party Verification

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Data Consistency

- We report publicly on this information, but the data in the table above differ from our publicly reported figures. Please provide an explanation in the comment box for this difference:
- We have a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal:
- We are not able to report this information in absolute terms; the information provided in the table above is normalized data. For the purpose of this question, please always provide absolute figures if available.

Question-Specific Guidance & Definitions

GHG scope 2 Indirect impacts- energy use: Many companies report on the GHG emissions incurred in the generation of the electricity they consume and for service companies these indirect emissions can be more important than their direct environmental impacts. There are also some ways that companies can mitigate these emissions, for example by paying a renewable tariff or improving energy efficiency.

Location-based method: It reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

Market-based method: It reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled certificates or for unbundled instruments on their own. Even companies that do not purchase any market instrument are expected to report market-based emissions. As per the GHG Protocol's requirements, they shall do so by using their electricity supplier's emission rate, or by using the residual mix, i.e. regional emission factors representing the untracked or unclaimed energy and emissions. If such data is not available, then their market-based emissions will be equal to their location-based emissions.

Data Requirements

Greenhouse gas emissions should be reported as metric tons of CO₂-equivalents. Data on greenhouse gas emissions should include CO₂ and all other greenhouse gas emissions weighted according to greenhouse gas potential.

Please report both your location-based emissions, as well as your market-based emissions.

Disclosure requirements for partially public question. Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

- Indirect greenhouse gas emissions (scope 2) figure for at least the most recent reported year for at least one of the two Scope 2 reporting methods.

Third-party verification: We expect that data in the most recent year reported, for at least one reporting method, has been third-party, has been third-party verified and that relevant documentation is attached showing this verification. Internal audits or verification will not be considered.

Please note: In case the company has reported a value of zero in the table, third-party verification or supporting evidence is required (e.g., comprehensive comment, internal documentation or public reporting) to substantiate the zero reported.

Data consistency

- If the environmental performance data reported in the questionnaire do not correspond to the publicly reported figures, the corresponding option should be marked and the discrepancy should be explained. This option should not be indicated if the information is not publicly reported at all.
- If there is a temporary reduction in coverage due to a corporation action, the corresponding box should be marked and the reduction should be explained
- If it is not possible to report the figures in absolute terms, the data should be reported in relative terms and the corresponding box should be ticked. Please note that information should always be reported in absolute terms if possible, even if it deviates from public reporting.
- If GHG emissions are only reported and tracked as combined Scope 1 and Scope 2 emissions, the combined figures should be indicated in the previous question (Direct Greenhouse Gas Emissions (Scope 1), the corresponding box should be ticked and this question, should be marked as "Not Applicable".

General data requirements:

Environmental performance data should cover the activities of the entire company with the same consolidation as used in financial reporting and must refer to the financial year (e.g., 01/01 to 31/12 for both financial and environmental data) and be aligned with the figures reported in the Company Information section

Target: we require the absolute target for the most recent reporting year. If your company has a multiple-year and/or relative target, please extrapolate what the target value would have to be for the last financial year to make sure you are progressing well towards achieving the target by the end of the target period. If you report a combined Scope 1 + Scope 2 target, please extrapolate the share equivalent to the absolute Scope 2 emissions for inclusion in the table.

Environmental performance data should only cover the indirect emissions/resource use, i.e., resource use/emissions caused by the company and its consolidated activities.

Emissions and resource use of suppliers and customers should be excluded. In particular, the environmental data of group companies should follow the following rules:

- Environmental data of companies that are consolidated proportionally must be considered to the proportion at which they are consolidated financially.
- Environmental data of companies that are fully consolidated must be fully considered irrespective of the proportion to which they belong to the group.

- Environmental data of business travel other than by owned and/or operated fleet should not be included unless specifically asked for.
- Environmental data should refer to the specific company structure of each particular year. There should be no pro-forma backward consolidation of the current company structure.
- Environmental data of companies that are sold or no longer consolidated should be excluded from environmental data as of the reporting period in which the company has not been consolidated anymore.
- Environmental data of companies that have been bought should only be included as of the reporting period in which the company is consolidated financially for the first time.
- Where environmental data does not cover all consolidated activities of the company, the scope should be indicated together with the environmental data that is known.
- For indicators where a company has no emissions/resource use, 0 should be filled.
- Where the reported environmental data deviates from these definitions you are asked to explain in what way the data provided differs from the definitions.
- If a company publicly reports on long-term but not annual targets, an annual target has to be estimated based on internal target setting or a linear distribution.
- The data must be provided in the unit indicated in the question. If the company is tracking the specific indicator in a different unit, the unit converter must be used to convert the data into the preferred unit.
- Please ensure that the Company Information section has been correctly filled in, and that the coverage in the table below is based on the same denominator.

References

GHG Protocol Scope 2 Guidance, An amendment to the GHG Protocol Corporate Standard (2015), page 59.
 CDP Technical Note: Accounting of Scope 2 emissions, updated in March 2022, page 20-21

Standards & frameworks

AASB ASRS 2 - Aus31.1(a)(ii), Aus31.1(e), Aus31.1(f)
 CSRD - E1-3 29(b) ESRS 2 MDR-A, E1-6 44(b) AR 39, E1-6 44(d) AR 39, E1-6 49(a) AR 45, E1-6 49(b) AR 45, E1-6 52(a) AR 47, E1-6 52(b) AR 47, E1.IRO-1 20(a) AR 9-AR 10, ESRS 2 MDR-T 80j AR 24 - AR 26
 EDCI - Scope 2 Emissions
 ESG Disclosure Standards (China) - E.3.1.3 Scope 2 GHG
 EU Taxonomy - Multiple Objectives & Activities - Substantial Contribution
 GISD - Scope 1, 2, and 3 emissions
 GRI Disclosure - 2-5, 305-2
 IRIS+ - OD4091, OI1479, OI5732, OI9604
 ISSB - IFRS S2 - 29
 TCFD - Metrics & Targets b), Metrics & Targets c)
 UNGC Questionnaire - E4, E6
 UNPRI - PGS 46
 WEF Metrics - Greenhouse gas (GHG) emissions

Indirect Greenhouse Gas Emissions (Scope 3)

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The purpose of this question is to capture indirect emissions from the value chain (Scope 3 emissions) and assess the overall trend. Scope 3 emissions represent the majority of emissions for most industries, so it is crucial for companies to

measure all relevant sources of Scope 3 emissions in their value chain to identify climate risks and opportunities, provide transparency to the markets, and comply with regulatory requirements.

Question Layout

Please provide your company's total indirect greenhouse gas emissions from your upstream and downstream value chain (IGHG Scope 3) as the sum of the 15 Scope 3 categories calculated using the GHG Protocol Corporate Value Chain Standard. Please refer to the information button for clarification. For each row in the table, it is mandatory that the values provided are in the same unit.

IGHG (Scope 3)	Unit	FY 2020	FY 2021	FY 2022	FY 2023	What was your target for FY 2023?
Total indirect GHG emissions (Scope 3)	metric tons of CO2 equivalents					

Please provide your company's Scope 3 emissions split based on the 15 Scope 3 categories of the GHG Protocol Corporate Value Chain Standard. Please use the latest available data to calculate Scope 3 emissions. Disclose any information about the methodology used to calculate the emissions in each Scope 3 category and whether any emissions in each Scope 3 category has been excluded. Please refer to the information button for additional clarifications and requirements. For each row in the table, it is mandatory that the values provided are in the same unit.

Scope 3 Category	Emissions in the reporting year (Metric tons CO2e)	Emissions calculation methodology and exclusions
1. Purchased Goods and Services		
2. Capital Goods		
3. Fuel-and-energy-related-activities (not included in Scope 1 or 2)		
4. Upstream transportation and distribution		
5. Waste generated in operations		
6. Business travel		
7. Employee commuting		
8. Upstream leased assets		
9. Downstream transportation and distribution		
10. Processing of sold products		
11. Use of sold products		
12. End of life treatment of sold products		
13. Downstream leased assets		

14. Franchises
15. Investments
Other upstream
Other downstream

- The majority of our company's revenues is generated through Royalties

Public Reporting

- Our data is publicly available. Please provide supporting evidence or web link.

Third-Party Verification

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Data Consistency

- We report publicly on this information, but the data in the table above differ from our publicly reported figures. Please provide an explanation in the comment box for this difference:
- We have a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal:
- We are not able to report this information in absolute terms; the information provided in the table above is normalized data. For the purpose of this question, please always provide absolute figures if available.

Question-Specific Guidance & Definitions

GHG Scope 3: Scope 3 refers to indirect emissions that are a consequence of the activities of the company but occur from sources not owned or controlled by the company. The GHG Protocol divides Scope 3 emissions in 15 Scope 3 categories that cover the upstream and downstream value chain activities of the company. Examples of upstream Scope 3 activities are the extraction and production of purchased materials and transportation of purchased fuels. Examples of downstream activities are the use of sold products and services and the transportation of sold goods.

Relevance: This refers to one of the five principles of the GHG Protocol's Corporate Value Chain Accounting and Reporting Standard, which states that the scope 3 inventory should be based on the assumption that it ensures the GHG inventory appropriately reflects the GHG emissions of the company and **serves users' decision-making needs**— both within and beyond the company. Companies should use the principle of relevance when determining whether to exclude activities from the inventory boundary. Companies should also use the principle of relevance as a guide when selecting data sources.

According to the GHG Protocol, companies may use two types of data to calculate scope 3 emissions: primary and secondary data.

Primary data: includes data provided by suppliers or others that directly relate to specific activities in the reporting

company's value chain. Primary activity data may be obtained through meter readings, purchase records, utility bills, engineering models, direct monitoring, mass balance, stoichiometry, or other methods for obtaining data from **specific activities in the company's value chain.**

Secondary data: includes industry average data (e.g., from published databases, government statistics, literature reviews, and industry associations), financial data, proxy data, and other generic data. In specific cases, companies may use specific data from one activity in the value chain to estimate emissions for another activity in the value chain. This type of data (i.e., proxy data) is considered secondary data, since it is not specific to the activity for which emissions are being calculated.

Source: GHG Protocol

Data Requirements

For this question, our expectations are aligned with the guidelines of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. That means that we expect companies to account for all scope 3 emissions and disclose and justify any exclusions (Completeness Principle of the GHG Protocol Scope 3 Standard).

Emissions calculation methodology and exclusions: please provide a short description of the types and sources of data used to calculate emissions (e.g. activity data, emission

factors and GWP values), along with a description of the methodologies, assumptions and allocation methods used. Please also describe what has been excluded from the emissions calculation of each reported Scope 3 category (e.g. exclusions of specific suppliers/clients, of specific business units, countries, offices, plants, or exclusions of specific types of greenhouse gases, etc.) and justify the reasons for exclusion.

Specific data requirements for Greenhouse gas emissions: Greenhouse gas emissions should be reported as metric tons of CO₂-equivalents. Data on greenhouse gas emissions should include CO₂ and all other greenhouse gas emissions weighted according to greenhouse gas potential.

All greenhouse gas emissions emitted in the upstream and downstream value chain of the company should be reported, if these are material/relevant. Companies should not exclude any activity that is expected to contribute significantly to the **company's total Scope 3 emissions. GHG emissions reported in the first table and within each Scope 3 category should be as complete as possible, even if considerable estimations were needed. In the second table we expect Scope 3 emissions to be disclosed for at least 5 distinct categories.**

Industry-Specific Guidance

- Companies in all industries are expected to disclose Scope 3 emissions for **category 1 "Purchased Goods and Services"**.
- Companies operating in the industry groups of Energy (COL, OGX, OGR, GAS, PIP industries), Automobiles & Components (AUT and ATX industries) and in the Homebuilding industry (HOM) are expected to disclose Scope 3 emissions for **category 11 "Use of sold products"**.
- Royalty companies and other franchisors (i.e., companies that grant licenses to other entities to sell or distribute its goods or services in return for payments) are expected to account for emissions that occur from the operation of franchises (i.e., the scope 1 and 2 emissions of franchisees) in Scope 3 category 14: Franchises.

Disclosure requirements for partially public question
Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

- Indirect greenhouse gas emissions (Scope 3) figure for either the most recent reported year or the most recent reported year -1, or of at least one individual Scope 3 category with value different from 0.

Third-party verification: We expect that data in the most recent reported year or the most recent year -1 has been third-party verified and that relevant documentation is attached showing this verification. Internal audits or verification will not be considered. Please note that it is not

necessary that all individual Scope 3 categories are third-party verified to check the relevant checkbox. It is sufficient that the total Scope 3 value, or values for a few relevant categories are third party verified.

Data consistency:

- If the environmental performance data reported in the questionnaire do not correspond to the publicly reported figures, the corresponding option should be marked and the discrepancy should be explained. This option should not be indicated if the information is not publicly reported at all.
- If there is a temporary reduction in coverage due to a corporation action, the corresponding box should be marked and the reduction should be explained.
- If it is not possible to report the figures in absolute terms, the data should be reported in relative terms and the corresponding box should be ticked. Please note that information should always be reported in absolute terms if possible, even if it deviates from public reporting.

General data requirements

Environmental performance data should cover the activities of the entire company with the same consolidation approach as used in financial reporting and must refer to the financial year (e.g., 01/01 to 31/12 for both financial and environmental data) and be aligned with the figures reported in the Company Information section.

Target: We require the absolute target for the most recent reporting year. If your company has a multiple-year and/or relative target, please extrapolate what the target value would have to be for the last financial year to make sure you are progressing well towards achieving the target by the end of the target period. If you report a combined Scope 1+2+3 target, please extrapolate the share equivalent to the absolute Scope 3 emissions for inclusion in the table.

Environmental performance data should cover the emissions of suppliers and customers, and of other entities in the upstream and downstream value chain (e.g. franchisees, lessees and lessors, third-party logistics providers, retailers, etc.). In particular, the environmental data of group companies should follow the following rules:

- Environmental data of companies that are consolidated proportionally must be considered to the proportion at which they are consolidated financially.
- Environmental data of companies that are fully consolidated must be fully considered irrespective of the proportion to which they belong to the group.
- Environmental data should refer to the specific company structure of each particular year. There

should be no pro-forma backward consolidation of the current company structure.

- Environmental data of companies that are sold or no longer consolidated should be excluded from environmental data as of the reporting period in which the company has not been consolidated anymore.
- Environmental data of companies that have been bought should only be included as of the reporting period in which the company is consolidated financially for the first time.
- Indicators, where a company has not calculated emissions, should be left blank. Zeros should be entered only when the company has calculated its emissions and their emissions are zero.
- Where the reported environmental data deviates from these definitions you are asked to explain in what way the data provided differs from the definitions.
- If a company publicly reports on long-term but not annual targets, an annual target has to be estimated based on internal target setting or a linear distribution.
- The data must be provided in the unit indicated in the question.

This question contains categories of Scope 3 emissions and **definitions of the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard**, published in September 2011.

Standards & Frameworks

AASB ASRS 2 - Aus31.1(a)(iii), Aus31.1(b)(ii)(2), Aus31.1(g)(i), Aus31.1(g)(ii)
 CSRD - E1-3 29(b) ESRS 2 MDR-A, E1-6 44(c) AR 39, E1-6 44(d) AR 39, E1-6 51 AR 46, E1-6 AR 46h, E1-6 AR 46i, E1.IRO-1 20(a) AR 9-AR 10, ESRS 2 MDR-T 80j AR 24 - AR 26
 EDCL - Scope 3 Emissions (tCO2e) (optional)
 ESG Disclosure Standards (China) - E.3.1.1 Sources and types of greenhouse gases, E.3.1.4 Scope 3 GHG
 GISD - Automobiles & Components: Greenhouse gas emissions intensity by vehicle distance traveled, Scope 3 emissions
 GRI Disclosure - 2-5, 305-3
 IRIS+ - OD4091, OI1479, OI5732, PD9427
 ISSB - IFRS S2 - 29
 TCFD - Metrics & Targets b), Metrics & Targets c)
 UNGC Questionnaire - E4, E7, E7.1
 UNPRI - PGS 46
 WEF Metrics - Greenhouse gas (GHG) emissions

References

Climate Governance

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to assess whether a **company's board of directors** and management carry direct responsibility for the oversight and management of climate risks and opportunities. This information helps investors and other stakeholders understand whether climate-related issues receive sufficient attention at the highest levels of governance. This can be indicated by public disclosure of board oversight and management responsibility assigned to

certain roles or committees, as well as the frequency of discussions on climate issues.

This question is aligned with TCFD which recommends **organizations disclose information on board's oversight of climate-related issues as well management's role in assessing and managing climate-related issues.**

Question Layout

Does the **company's board of directors** and/or executive management carry oversight and management responsibility of climate-related issues and is this information available publicly?

- Yes, **the company's** board of directors and/or executive management has oversight and management responsibility of climate-related issues. Please indicate where this information is available in public reporting or corporate website.

Board Oversight

- Yes, there is a board level committee with oversight of climate-related issues

Please select the committee from the drop-down list

- Climate/Sustainability/ESG Committee
 - Risk Committee
 - Audit Committee
 - Other committee with clear oversight on climate-related issues
- There is no board level committee with oversight of climate-related issues
- Climate issues are on the agenda of the board of directors. Please specify the frequency with which climate-related issues are scheduled agenda items
 - At least annually
 - Less frequent than annually, or not specified

Management Responsibility

- Yes, there is a management position or committee with responsibility for climate-related issues.

Please select the appropriate option from the drop-down list.

- Chief Climate/Sustainability/ESG Officer
 - Executive level climate or sustainability-specific committee
 - Chief Risk Officer or another C-suite executive with climate responsibility (not CEO)
 - Another committee with clear responsibility for management of climate-related issues
 - Below C-suite management position with clear responsibility for management of climate-related issues
- There is no management position or committee with responsibility for climate-related issues.

Question-Specific Guidance & Definitions

Board-level committee with oversight: Assigned committee, formed of board members only, with responsibility for overseeing climate-related issues.

Management position: Highest ranking individual with dedicated management responsibility for assessing and managing climate-related issues.

Management-level committee: A management-level committee responsible for assessing and managing climate-related issues.

Data Requirements

Board Oversight: Board oversight refers to a board-level committee responsible for overseeing climate-related issues. Evidence that the committee oversees climate-related issues should be available in the relevant section in TCFD, CDP or other reports. Please select the correct option from the drop-down list.

If the board committee is different from a climate or sustainability-specific committee, the climate responsibility needs to be clearly described within public reporting.

In order to accept the committee as a board-level committee, all members must be part of the board. If the committee is made up of both board members and management, please **record this committee in the 'Management Responsibility'** section of the question.

For two-tier boards, the board-level committee must be formed of members of the supervisory board.

Management responsibility: Management responsibility refers to the highest level of management with dedicated responsibility for managing climate-related issues. This can either be an individual or a management-level committee. The individual or committee should not be part of the board of directors. Please select the correct option from the drop-down list.

If you have both a Chief Climate/Sustainability/ESG Officer and a Chief Risk Officer who manage climate-related risks, please select Chief Climate/Sustainability/ESG Officer.

For two-tier boards, management responsibility can be at the management board level.

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g. annual report, sustainability report, integrated report, company publications) or corporate website.

Standards & Frameworks

AASB ASRS 1 - 25(a), 27(a), 27(a)(iii), 27(b)(i)
ESG Disclosure Standards (China) - G.3.3.1 Integrate ESG into corporate strategy
GRI Disclosure - 11.2, 12.2
ISSB - IFRS S2 - 6
TCFD - Governance a), Governance b)
UNGC Questionnaire - E1.1

TCFD Disclosure

Public: this question requires publicly available information

Assessment Focus



Question Rationale

This question focuses on whether a company applies the TCFD framework in the management of climate-related risks and opportunities. Demand for climate-related disclosure from investors has increased significantly since the release of the TCFD recommendations in 2017. In addition, public sector leaders have also noted the importance of transparency on climate-related issues within financial markets. Climate-related risk is increasingly the subject of new reporting requirements, such as the European Non-financial Reporting

Directive 2014/95/EU, which embeds regulatory guidance based on the TCFD recommendations. Many national governments and public sector organizations formally support the TCFD and some have started to issue regulation making TCFD disclosure mandatory.

Delay in applying the TCFD framework can not only result in **not meeting investors' needs but also in compliance costs.**

Question Layout

Does the company apply the TCFD framework in the management of climate-related risks and opportunities and is it available publicly?

- Yes, the company integrates the TCFD framework or are in the process of integrating it and publicly address the following requirements: Please indicate where this information is available in public reporting or corporate website.

Governance

- a) Describe the board's oversight of climate related risks and opportunities.
- b) Describe management's role in assessing and managing climate-related risks and opportunities.

Strategy

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
- c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk Management

- a) Describe the organization's processes for identifying and assessing climate-related risks.
- b) Describe the organization's processes for managing climate-related risks.
- c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Metrics & Targets

- a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
 - b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
 - c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
- The company publicly commits to integrate the TCFD framework, but it does not yet report on any of the requirements. Please indicate the timeframe when you plan to disclose the requirements:
 - No, the company does not apply the TCFD framework in its risk management. Please explain the reason.

Data Requirements

This question requires public evidence. Please indicate where in your public reporting you report information about applying the TCFD framework.

Standards & frameworks

AASB ASRS 1 - 25(a), 25(b), 25(c), 25(d), 27(a), 27(b)(i), 29(a),

29(c), 30(a), 30(b), 33, 44(b), 44(c), 46(b)(i), 46(b)(ii)

AASB ASRS 2 - 22(b)(i)(1), Aus10.1, Aus9.1(a)

CSRD - E1.SBM-3 19(b) AR 7a, ESRS 2 BP-2 15, ESRS 2 GOV-1

22a AR 3, ESRS 2 GOV-1 22c AR 3, ESRS 2 MDR-M 77c

GRI Disclosure - 14.2

ISSB - IFRS S2 - 10, IFRS S2 - 15, IFRS S2 - 22, IFRS S2 - 25, IFRS S2 - 6

TCFD - Governance a), Governance b) , Metrics & Targets a), Metrics & Targets b), Metrics & Targets c), Risk Management a), Risk Management b), Risk Management c), Strategy a), Strategy b), Strategy c)

UNGC Questionnaire - G12

UNPRI - PGS 17

WEF Metrics - TCFD implementation

Climate-Related Management Incentives

Public: this question requires publicly available information

Assessment Focus



Question Rationale

This question aims to capture how rewards are associated with the management of climate change issues, including attainment of targets.

This ensures that climate-related ambitions and goals are embedded throughout the company and that management is held accountable for the achievement of these goals.

Question Layout

Does your company provide incentives for the management of climate change issues, including the attainment of targets? Please indicate where this information is available in your public reporting or corporate website.

- Yes, we provide details on the climate change-related incentives starting from the highest management level and the information is publicly available.

Who is entitled to benefit from this incentive? Select each option only once	Type of incentive	Incentivized KPIs Please provide a description of the KPI and how it is incentivized
Drop-down menu:	Drop-down menu:	Drop-down menu:
Chief Executive Officer (CEO)	Monetary	Emissions reduction
Other Named Executives Officers	Recognition (non-monetary)	Energy reduction
Business Unit Managers	Other	Efficiency
Employees		Purchasing
Other, please specify _____		Supply chain engagement
		Other, please specify _____
2.	2.	2.
3.	3.	3.

Question Specific Guidance & Definitions

Incentives: Please note that incentives can be positive (i.e. giving access to something) or negative (preventing access to something). Examples of incentive types include:

- Monetary: a bonus or some form of financial remuneration.
- Recognition (non-monetary): employee award (e.g. employee of the year) or career progression scheme, but not tied directly to any form of financial remuneration.
- Other non-monetary rewards: including increased holiday allowances, special assignment, etc.

Data Requirements

If several types of incentives are used in your company, please select the incentive that is most commonly employed and include the fact that your company also uses other incentives in the comment box.

Each employee group should only be selected once.

When you select an incentive for a certain employee group, it is not necessary for all employees in this group to be entitled to benefit from this incentive. For example, you can select the category "Business Unit Managers" even if only one manager is entitled to the incentive.

Supporting evidence:

- This question requires supporting evidence from the public domain. The information provided has to be

included in your public reporting (e.g. annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website.

- Any response that cannot be verified in the attached public document(s) will not be accepted.

ESG Disclosure Standards (China) - G.2.5.3 Linkage between executive performance and ESG goals

GRI Disclosure - 11.2, 12.2

IRIS+ - OI4953

ISSB - IFRS S2 - 29, IFRS S2 - 6

TCFD - Metrics & Targets a)

UNGC Questionnaire - G10

WEF Metrics - Remuneration

Standards & frameworks

AASB ASRS 1 - 27(a)(v)

AASB ASRS 2 - 29(g)(i)

CSRD - E1-1 14 AR 1, E1.GOV-3 13, ESRS 2 GOV-3 29b AR 7

Climate Risk Management

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to assess whether your company has a climate risk management process – that is, a process for identifying, assessing, and responding to climate-related risks. Although nearly all organizations are affected by climate change-related risks, the most significant effects of climate change are likely to emerge over the medium to longer term, while the precise timing and magnitude of these impacts remain uncertain. Climate risk assessments covering different climate risk types, different value chain stages and time-horizons can be helpful to understand the potential effects of climate change on companies' businesses, strategies, and financial performance.

This question is aligned with the TCFD Risk Management recommendations which include recommended disclosures

on the organization's processes for identifying and assessing climate-related risks, and on how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

This question is also aligned with the European Non-financial Reporting Directive 2014/95/EU, which demands that when reporting on their climate-related risks and opportunities, companies consider their whole value chain. Risks of negative impacts on an organization and risks of negative impacts on **the climate may arise from companies' own operations** and may also occur throughout the value chain, both upstream in the supply chain and downstream.

Question Layout

Does the company have a Climate Risk Management process and is it available publicly?

- Yes, the company has a climate risk management process. Please indicate where this information is available in public reporting or corporate website.

Climate Risk Management

- Integrated into multi-disciplinary company-wide risk management processes, i.e. a documented process where **climate change risks and opportunities are integrated into the company's centralized enterprise risk management program covering all types/sources of risks and opportunities**
- A specific climate change risk management process, i.e. a documented process which considers climate change risks and opportunities separate from other business risks and opportunities

Types of climate-related risk included in risk assessment

- Current Regulation
- Emerging Regulation
- Technology Risk
- Legal Risk
- Market Risk
- Reputational Risk
- Acute Physical Risk
- Chronic Physical Risk

Value chain stages covered by climate risk assessment

- The assessment includes our own operations
- The assessment includes our upstream activities
- The assessment includes our downstream activities and/ or clients

Time horizon(s) covered by climate risk assessment

- Short-term
- Medium-term
- Long-term

Question Specific Guidance & Definitions

Risk Assessment: Systematic process for an organization to evaluate potential risks that may impact its assets and operations.

(TCFD (2017), Recommendations of the Task Force on Climate-related Financial Disclosures)

Physical risks: Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption.

Organizations' financial performance may also be affected by changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting **organizations' premises, operations, supply chain, transport needs, and employee safety.**

- Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.
- Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

TCFD (2017)

<https://www.tcfhub.org/Downloads/pdfs/E06%20-%20Climate%20related%20risks%20and%20opportunities.pdf>

Transition risks: Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations.

Transition risks can be divided into four categories: policy and regulatory risks, technological risks, market risks, and reputational risks.

- Policy, regulation, and legal risks include implementing carbon-pricing mechanisms to

reduce GHG emissions, shifting energy use toward lower-emission sources, and adopting energy-efficiency solutions. The risk associated and financial impact of policy changes depend on the nature and timing of the policy change. Another important risk is litigation risk, which can occur as a result of litigation by for example property owners, municipalities, states, insurers, shareholders, and public interest organizations.

- Current regulations include current laws and regulation related to carbon pricing mechanisms, emissions reporting, existing products and services, the supervision of climate risks in the financial sector (Financial services only)
- Emerging regulations include emerging laws and regulation related to carbon pricing mechanisms, emissions reporting, existing products and services, the supervision of climate risks in the financial sector (Financial services only)
- Technological risks result from technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economy. For example, the development and use of emerging technologies such as renewable energy, battery storage, energy efficiency, and carbon capture and storage will affect the competitiveness of certain organizations, their production and distribution costs, and ultimately the demand for their products and services from end-users.
- Market risks can impact companies in various ways. One of the major ways is through shifts in supply and demand for certain commodities, products, and services.
- Reputational risks may arise from changing customer or community perceptions of an **organization's contribution to or detraction from the transition to a lower-carbon economy.**

TCFD (2017), Technical Supplement: The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities)

Value Chain: Terminology used to describe the upstream and downstream life cycle of a product, process, or service,

including material sourcing, production, consumption, and disposal/recycling.

- Upstream activities include operations that relate to the initial stages of producing a good or service, e.g. material sourcing, material processing, and supplier activities.
- Own operations include operations related to the direct stages of producing a good or service, such as manufacturing or processing the materials into a finished product.
- Downstream activities include operations that relate to processing the materials into a finished product, delivering it to the end user, and the customer use phase (e.g. transportation, distribution and consumption).

(TCFD (2017), Technical Supplement: The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities)

Time Horizon: Terminology used to describe what your organisation considers to be short-, medium- and long-term horizons (from year to year) considering the expected lifetime of the assets or activities.

Data Requirements

For the first part of the question, please select the option that best describes the risk management procedures with regard to climate change risks and opportunities.

If you have more than one climate risk management process in place in your organization, please select the one that is most commonly employed.

Please include in your response which types of physical and transition risks are considered in your risk assessment, along with the value chain stages covered and the time horizons considered.

Value chain stages considered may differ depending on which types of physical and transition risks are considered. Please select all the value stages considered and time horizons included if they were used to assess at least one of the physical or transition risk types selected. Time horizons must

be available for at least one of the physical or transition risk types selected.

Supporting evidence:

- The document(s) you attached will be used to verify your response.
- The supporting documents must be available in the public domain.
- Any response that cannot be verified in the attached document(s) will not be accepted

References

TCFD (2017), Technical Supplement: The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities

<https://www.fsb-tcf.org/publications/final-technical-supplement/>

CDP (2017), CDP Technical Note on Scenario Analysis – Conducting and disclosing scenario analysis

EU, Technical Expert Group (TEG)(2020) Technical Annex on technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation. https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

European Commission, Guidelines on reporting climate-related information https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf

Standards & frameworks

AASB ASRS 1 - 25(b), 31, 44(a)(i), 44(c)

AASB ASRS 2 - 22(b)(i)(6), 22(b)(i)(7), Aus10.2

CSRD - E1-1 14 AR 1, E1.IRO-1 20(b)i AR 11, AR 13-AR 14, E1.IRO-1 21 AR 13-AR 14, E1.IRO-1 AR 11a, AR 13-AR 14, E1.IRO-1 AR 12a, AR 13-AR 14, E1.SBM-3 18, ESRS 2 IRO-1 53e, ESRS 2 IRO-1 53f, ESRS 2 SBM-3 48f

ESG Disclosure Standards (China) - G.2.2.4 Climate risk identification and prevention

EU Taxonomy - Appendix A - Climate Change Adaptation
IRIS+ - OI2092

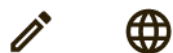
ISSB - IFRS S2 - 10, IFRS S2 - 22, IFRS S2 - 25

TCFD - Risk Management a), Risk Management c), Strategy a)
WEF Metrics - Integrating risk and opportunity into business process

Financial Risks of Climate Change

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

With this question we aim to find out if companies have identified the risks where there is the potential for

substantive changes in business operations, revenue or expenditure to arise.

Question Layout

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditures?

- Yes, we have identified climate change-related risks with potential impact. Please estimate the financial impact for the most significant risk from each category and provide supporting evidence:

Risks driven by changes in regulation:

Currency:

- Information is available publicly for the description and estimated financial implications of the risk
- Brief description of the most significant risk and methods used to manage this risk:
- Estimated financial implications of the risk before taking action:

Average estimated time frame (in number of years) for financial implications of this risk:

- Estimated costs of these actions:

Risks driven by change in physical climate parameters or other climate-change related developments

Currency:

- Information is available publicly for the description and estimated financial implications of the risk:
- Brief description of the most significant risk and methods used to manage this risk:
- Estimated financial implications of the risk before taking action:

Average estimated time frame (in number of years) for financial implications of this risk:

- Estimated costs of these actions:

- We have conducted an analysis of our climate change risk, but our company is not exposed to climate change risks that have the potential to generate a substantive change in business operations, revenue, or expenditure. Please specify:

Question Specific Guidance & Definitions

Climate change risks: can include, but are not limited to:

- Currently being experienced or expected to arise in the future
- Already managed and therefore not expected to generate negative residual impacts (e.g. because of an insurance policy)
- Newly identified
- Risks which cannot be managed

- Well understood or with high levels of uncertainty with regard to the likelihood of the risk materializing and the extent to which it will impact the business

Regulatory risks: arise from current and/or expected city, state, regional, national or global governmental policy related to climate change. Risks include, but are not limited to, the imposition of emissions limits, energy efficiency standards and carbon trading schemes.

Physical risks: may arise from dramatic extreme weather events or subtle changes in weather patterns.

Other climate-related risks: include, but are not limited to: reputation, changing consumer behavior, induced changes in human and cultural environments, fluctuating socio-economic conditions and increasing humanitarian demands.

Under financial implications: you are asked to provide quantitative estimates of the inherent financial impacts of the risks before taking into consideration any controls you may have in place to mitigate the impacts. An example would be the cost of destruction of facilities from extreme weather before taking into consideration how much insurance coverage you have. It is acknowledged that these will be estimates.

The methods: you are using or plan to use to manage the risk could include diversification of product/service offering, research and development in new product lines or lobbying of decision makers. In all cases please identify how this action has affected (or is expected to affect) the likelihood and/or magnitude of the risk (i.e. the residual risk) and over what timeframe the risk is expected to or has been reduced.

The costs associated: with the management actions you have described can be annual or capital costs. Where there is no additional cost for action, please explicitly state this is the case. Where the cost is integrated into existing budgets, please provide some estimate of the scale of those costs.

Timeframe: the time frame refers to the time when you expect the risks are likely to materialize. It is acknowledged that risks further into the future are likely to have a higher degree of uncertainty associated with them.

For companies submitting to CDP: please use the average between the two numbers of the time frame range. E.g. if the estimated time frame for financial implications of this risk is **between 0 and 3, please disclose '1.5' years** ($(0+3)/2 = 1.5$) in the estimated time frame field.

Data Requirements

Please describe and provide figures concerning the most significant risk from each category (i.e. the risk which has the most potential to generate a substantive change in your business operations, revenue or expenditure). Please provide quantification of climate change risks for those parts of the business where such analysis has been conducted. If this assessment does not cover all business operations, please provide data for those measured areas only and provide an explanation of which areas are covered in the comment box.

Disclosure Requirements

Disclosure requirements for partially public question: Additional credit will be granted for relevant publicly available evidence for the following:

- Description of risks driven by changes in regulation
- Description of risks driven by changes in physical climate parameters or other climate-change related developments
- Estimated financial implication of the risk(s)

Supporting evidence:

- The document(s) you attached will be used to verify the qualitative part of your response. If a question text field is available, a comprehensive answer in that field can be accepted instead of a supporting document. Any qualitative response that cannot be verified in the attached document(s) or via the information provided in the related question text field (if available) will not be accepted.
- Quantitative figures provided in the response do not need supporting evidence. You may still provide a reference using the reference clip. This could include examples of the underlying calculations or approaches to data aggregation used to compile the provided quantitative information.

Standards & frameworks

AASB ASRS 1 - 17, 18, 29(a), 29(b), 30(a)

AASB ASRS 2 - 14(a)(i), 29(e), Aus9.1(a), Aus9.1(b)

CSRD - E1.IRO-1 20(b)ii AR 13-AR 14, E1.IRO-1 20(c)ii AR 13-AR 14, E1.IRO-1 21 AR 13-AR 14, ESRS 2 SBM-3 48c AR 17

ESG Disclosure Standards (China) - G.2.2.4 Climate risk identification and prevention

GRI Disclosure - 201-2

ISSB - IFRS S2 - 10, IFRS S2 - 13, IFRS S2 - 14, IFRS S2 - 15, IFRS S2 - 29

TCFD - Strategy a), Strategy b)

WEF Metrics - Integrating risk and opportunity into business process

Financial Opportunities Arising from Climate Change

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

When a company faces risks associated with climate change (reported in previous question) it is possible that they may also experience opportunities. Both arise from changes in the operating environment of a company and as some changes

can represent additional costs, others (or even the same changes) represent opportunities to exploit new markets or products. This question aims to find out if companies have identified climate change related opportunities that have the potential to generate positive change in their business operations, revenue generation and expenditure.

Question Layout

Have you identified any climate change-related opportunities (current or future) that have the potential to generate a substantive positive change in your business operations, revenue, expenditure (i.e. opportunities driven by changes in regulation, physical, or other climate change-related developments)?

- Yes, we have identified climate change-related opportunities. Please briefly describe the most significant opportunity resulting from climate change on your business operations, revenue growth, or expenditures and provide supporting evidence:

Currency:

- Information is available publicly for the description and estimated financial implication of the opportunity:
- Please provide description below:
- Please estimate the annual financial positive implications of this opportunity:

Estimated time frame (in number of years) for positive financial implications of this opportunity:

- Please estimate the current annual costs associated with developing this opportunity:
- We do not consider climate change related opportunities (current or future) to be relevant to our business, please explain why:

Question Specific Guidance & Definitions

Climate Change Opportunities: can include, but are not limited to:

- Currently being experienced or expected to arise in the future
- Being managed or newly identified
- Well understood or with high levels of uncertainty with regard to the likelihood of the opportunity materializing and the extent to which it will impact the business

Opportunities can be related to any of the following categories:

Regulation: on climate change related issues may present opportunities for your organization if it is better suited than its competitors to meet those regulations, or more able to help others to do so. Possible scenarios would include a company whose products already meet anticipated standards designed to curb emissions, those whose products will enable

its customers to meet mandatory requirements or those companies who provide services assisting others in meeting regulatory requirements. Regulation may also create new markets such as emission trading markets leading to new opportunities.

Physical changes: related to climate change may present opportunities in a variety of ways. Reduced sea ice may allow access to new areas for vessels. Changing temperature and rainfall may extend growing seasons for farmers. Alternatively, your organization may have goods and services that enable others to adapt to physical changes.

Other climate-related opportunities: include those posed by changes in consumer attitude or improved standing due to **your organization's stance or action on climate change.**

The financial implications: of the opportunity should be expressed quantitatively. It is acknowledged that these will be estimates and where possible the assumptions made in arriving at a financial impact figure should be stated in the comment box.

The costs associated: with developing the opportunities refer to the cost arising from the actions needed to exploit the opportunity and maximize its potential realization. Where there is no cost for action, please explicitly state this in the **comment box, and in this case insert "0" to the text box** provided.

Time frame: - the timeframe refers to the time when you expect the opportunities to materialize. It is acknowledged that opportunities further into the future are likely to have a higher degree of uncertainty associated with them.

For companies submitting to CDP: please use the average between the two numbers of the time frame range. E.g. if the estimated time frame for positive financial implications of **this opportunity is between 4 and 8, please disclose '6' years** $((4+8)/2 = 6)$ in the estimated time frame field.

Data Requirements

Please describe and provide figures concerning the most significant opportunity identified.

Disclosure Requirements

Disclosure requirements for partially public question: Additional credit will be granted for relevant publicly available evidence for the following:

- Description of relevant financial opportunities arising from climate change
- Estimated financial implication and estimated cost

Supporting evidence:

- The document(s) you attached will be used to verify the qualitative part of your response. If a question text field is available, a comprehensive answer in that field can be accepted instead of a supporting document. Any qualitative response that cannot be verified in the attached document(s) or via the information provided in the related question text field (if available) will not be accepted.
- Quantitative figures provided in the response do not need supporting evidence. You may still provide a reference using the reference clip. This could include examples of the underlying calculations or approaches to data aggregation used to compile the provided quantitative information.

Standards & frameworks

AASB ASRS 1 - 17, 18, 29(a), 29(b), 30(a)

AASB ASRS 2 - 14(a)(i), 29(e), Aus9.1(a), Aus9.1(b)

CSRD - E1.IRO-1 20(c)ii AR 13-AR 14, E1.IRO-1 21 AR 13-AR 14, E3-5 33a AR 34, E3-5 33b, E3-5 33c, ESRS 2 SBM-3 48c AR 17

ISSB - IFRS S2 - 10, IFRS S2 - 13, IFRS S2 - 14, IFRS S2 - 15, IFRS S2 - 21, IFRS S2 - 29

TCFD - Strategy a), Strategy b)

WEF Metrics - Integrating risk and opportunity into business process

Climate-Related Scenario Analysis

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Companies need to consider a broad range of assumptions, uncertainties, and potential effects of climate change on their businesses, strategies, and financial performance across different time horizons and different temperature pathways. One way to do this is through conducting climate-related scenario analysis.

This question is aligned with the TCFD recommendations, which include a recommended disclosure on the resilience of **the organization's strategy, taking into consideration** different climate-related scenarios, including a 2°C or lower scenario.

Question Layout

Does the company conduct climate-related scenario analysis and is this information available publicly?

- Yes, the company conducts climate-related scenario analysis. Please indicate where this information is available in public reporting or corporate website.
 - We use qualitative climate-related scenario analysis
 - We use quantitative climate-related scenario analysis
 - We use qualitative and quantitative climate-related scenario analysis

Please select any climate-related scenarios your organization has used in their climate-related scenario analysis

Scenario Type	2°C or below 2°C	Above 2°C
Transition Scenario	<input type="checkbox"/> IEA NZE 2050 <input type="checkbox"/> IEA 2DS <input type="checkbox"/> IEA B2DS <input type="checkbox"/> IEA 450 <input type="checkbox"/> IEA SDS <input type="checkbox"/> IEA APS or Nationally determined contributions (NDCs) <input type="checkbox"/> Greenpeace <input type="checkbox"/> DDP <input type="checkbox"/> IRENA <input type="checkbox"/> BNEF NEO <input type="checkbox"/> NGFS (2°C and below scenarios)	<input type="checkbox"/> IEA STEPS (previously IEA NPS) <input type="checkbox"/> IEA CPS <input type="checkbox"/> NGFS (Above 2°C scenarios)
Physical Scenario	<input type="checkbox"/> RCP 1.9 (or SSP1 1.9) <input type="checkbox"/> RCP 2.6 (or SSP1 2.6)	<input type="checkbox"/> RCP 3.4 (or SSP4 3.4) <input type="checkbox"/> RCP 4.5 (or SSP2 4.5) <input type="checkbox"/> RCP 6.0 (or SSP4 6.0) <input type="checkbox"/> RCP 7.0 (or SSP3 7.0) <input type="checkbox"/> RCP 8.5 (or SSP5 8.5)

- Our analysis covers at least one 2°C or below 2°C scenario that is not listed in the table, please provide further details.
- Our analysis covers at least one above 2°C scenario that is not listed in the table, please provide further details.

Question Specific Guidance & Definitions

Scenario Analysis: Process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty. In the case of climate change, for example, scenarios allow an organization to explore and develop an understanding of how the physical and transition risks of climate change may impact its businesses, strategies, and financial performance over time. Climate-related scenario analysis should consider climate risks that are material to companies' operations and value chain.

(TCFD (2017), Recommendations of the Task Force on Climate-related Financial Disclosures)

Qualitative scenario analysis explores relationships and trends for which little or no numerical data is available. This is generally a high-level, narrative approach to scenario analysis, suitable for organizations that are familiarizing themselves with the process. For example, relying on industry trends and applying them to a specific organization or business activity, or undertaking quantitative research into a specific trend.

Quantitative scenario analysis assesses measurable trends and relationships using quantitative models, data sets and other analytical techniques to illustrate potential pathways or outcomes. This is a more detailed approach to conducting scenario analysis. External, third-party scenarios or data sets can be used, or companies can develop in-house modeling capabilities considering specific assumptions or parameters.

2°C or below 2°C, and above 2°C: Under the 2015 Paris Agreement, nearly 200 countries agreed to limit global warming to no more than 2 degrees Celsius by 2100, and to aim for a no more than 1.5 degrees Celsius increase. The **2-degree scenario is widely seen as the global community's accepted limitation of temperature growth to avoid significant and potentially catastrophic changes to the planet. 2-degree or below scenarios can also be referred to as 'Paris Aligned'. Scenarios for above 2°C warming show a potential situation where this agreement is not met.**

<https://www.spglobal.com/en/research-insights/articles/what-s-the-deal-with-the-2-degree-scenario>

IPCC RCP/SSP: The United Nations Intergovernmental Panel on Climate Change (IPCC) produces physical risk scenarios under a variety of warming pathways. Within its sixth-assessment report (AR6), new scenarios were developed

called 'Shared Socio-Economic Pathways' (SSPs), which aim to replace Representative Concentration Pathways (RCPs) although RCPs still form the basis of SSPs and are widely used.

<https://www.ipcc.ch/assessment-report/ar6/>

International Energy Agency (IEA): The IEA produces various energy and transition risk-related scenarios, details of which can be used for transition risk scenario analysis.

<https://www.iea.org/reports/global-energy-and-climate-model>

Other listed transition scenarios:

- Network for Greening the Financial System (NGFS): <https://www.ngfs.net/ngfs-scenarios-portal/>
- Greenpeace: <https://www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/report/2009/4/energy-r-evolution-a-sustain.pdf>
- Deep Decarbonization Pathways (DDP): <https://ddpinitiative.org/display/>
- International Renewable Energy Agency (IRENA): <https://www.irena.org/publications/2020/Sep/Scenarios-for-the-Energy-Transition-Global-experience-and-best-practices>
- BloombergNEF New Energy Outlook (BNEF NEO): <https://about.bnef.com/new-energy-outlook/>

Data Requirements

Please select all the climate scenarios you have used to assess physical and transition risks. In line with the TCFD recommended disclosure, at least two scenarios are required for full scoring. One of these scenarios should be a 2 °C or lower scenario, the other should be an above 2 °C scenario.

If your company conducts climate scenario analysis with scenarios that are not listed in the question table, please describe the following elements in the text box below the selected option. Please note that this information should be available in the public domain.

- A description of the scenarios used, and whether the scenarios used are 2°C or lower scenarios or above 2°C scenarios.

Please note: for companies which use NGFS scenarios for **physical risks as well as transition, please select the 'Our analysis covers at least one [...] scenario that is not listed in the table'** option depending on the temperature used.

Supporting evidence:

- The document(s) you attached will be used to verify your response.
- The supporting documents must be available in the public domain.
- Any response that cannot be verified in the attached document(s) will not be accepted

References

TCFD (2017), Technical Supplement: The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities

<https://www.fsb-tcf.org/publications/final-technical-supplement/>

CDP (2017), CDP Technical Note on Scenario Analysis – Conducting and disclosing scenario analysis

European Commission, Guidelines on reporting climate-related information

https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf

Standards & frameworks

AASB ASRS 1 - 44(a)(iii)

AASB ASRS 2 - 22(b)(i)(1), 22(b)(i)(2), 22(b)(i)(3), 22(b)(i)(4), Aus22.1

CSRD - E1-1 14 AR 1, E1-4 AR 30c, E1.IRO-1 20(b)i AR 13-AR 14, E1.IRO-1 20(c)i AR 13-AR 14, E1.IRO-1 21 AR 13-AR 14, E1.IRO-1 AR 11d, AR 13-AR 14, E1.IRO-1 AR 12c, AR 13-AR 14, E1.SBM-3 19(b) AR 7b, ESRS 2 SBM-3 48f

EU Taxonomy - Appendix A - Climate Change Adaptation

ISSB - IFRS S2 - 22, IFRS S2 - 25

TCFD - Strategy a), Strategy b), Strategy c)

UNGC Questionnaire - G6

Physical Climate Risk Adaptation

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The climate risk assessment of physical and transition risks builds the basis for companies to plan adaptation and mitigation measures in response to those risks. Adaptation and mitigation measures are ideally planned so that context specific factors are considered for all relevant assets and operations, since climate-related hazards are location and context specific.

This question focuses specifically on adaptation measures for physical risks. Climate change adaptation can be understood as anticipating the adverse effects of climate change and taking appropriate action to prevent or minimize the damage they can cause. It includes business opportunities such as new technologies to use scarce water resources more efficiently, or the building of new flood defenses.

Climate change mitigation and adaptation is a central part of the EU taxonomy for sustainable activities. The information on risk assessment of physical impacts is required for evaluating compliance with the EU Taxonomy Do No Significant Harm criteria on climate change adaptation. The EU taxonomy demands that an activity integrates physical and non-physical measures aimed at reducing all material risks that have been identified through a climate risk assessment. For existing activities, the implementation of those physical and non-physical measures may be phased and executed over a period of time of up to five years. For new activities, implementation of these measures must be met at the time of design and construction. (EU Technical Expert Group, Taxonomy Report, Technical Annex).

Question Layout

Based on your climate risk assessment, has your company set up a plan to adapt to the identified physical climate risks? Please provide supporting evidence and indicate where this is available in the public domain.

- Yes, we have a context-specific plan to adapt to physical climate risks in existing and/or new operations. Please provide supporting evidence and indicate if this is available in the public domain.
- We publicly report on our context-specific plan to adapt to physical risks
- The risk assessment and plan to adapt to physical climate risks cover the following share of our existing operations (Percentage of total revenues):

The plan includes a target to implement relevant adaptation measures within the following timeline for existing operations:

- Less than 5 years
- 5 to 10 years
- More than 10 years
- The risk assessment and plan to adapt to physical climate risks cover the following share of our new operations (Percentage of new operations):
- We have no new asset planned.
- Yes, we have an overall plan to adapt to potential physical climate risks. Please provide supporting evidence and indicate if this is available in the public domain.
- We publicly report on overall plan to adapt to physical risks

The plan includes a target to implement relevant adaptation measures within the following timeline:

- Less than 5 years
- 5 to 10 years
- More than 10 years

Question Specific Guidance & Definitions

Adaptation: Anticipating the adverse effects of climate change and taking appropriate action to prevent or minimize the damage they can cause or taking advantage of opportunities that may arise.

Context specific: Adaptation responds to physical climate risks that are mostly location and context specific. Due to this nature, organizations can best assess climate related risks and mitigate them based on a context specific plan. For example, there are in principle several engineering and non-engineering options available to a coastal city to respond to the risk resulting from increased sea level. Responses will vary according to where the city is located, its size, the institutional and financial capacity of the city administration to deal with climate risk, the technical and engineering expertise available, the priority of the city, the perception of the citizens, and other factors. The adaptation responses will benefit the city that adopts them and possibly the systems that depend or interact with the city.

A context-specific plan integrates physical and non-physical measures aimed at reducing - to the extent possible and on a best-effort basis - all material risks that have been identified through a climate risk assessment

(EU Technical Expert Group, Taxonomy Report, Technical Annex)

New operations: refers to assets planned, under construction or put in use after the current reporting cycle (i.e. after 2021 for the 2022 CSA).

Data Requirements

Additional credit will be granted for public disclosure of a context-specific or an overall plan to adapt to physical climate risks.

If your company has performed a climate risk assessment for physical risks and no material physical risks were identified, **please select “not applicable” to this question and provide a detailed explanation.**

References

EU, Technical Expert Group (TEG)(2020) Technical Annex on technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation.

https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf

European Commission, Guidelines on reporting climate-related information

https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf

Standards & frameworks

CSRD - ESRS 2 MDR-A 68a, ESRS 2 MDR-A 68c

ESG Disclosure Standards (China) - G.2.2.4 Climate risk identification and prevention

EU Taxonomy - Appendix A - Climate Change Adaptation

GRI Disclosure - 14.2

IRIS+ - OI2092

TCFD - Strategy b), Strategy c)

WEF Metrics - Integrating risk and opportunity into business process

Emissions Reduction Targets

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Most industries are likely to be impacted by climate change, albeit to a varying degree. Consequently, they need to design strategies which are adapted to the size of the challenge for their industry. Whilst the majority of the companies focus on risks associated with the changing climate, some seek to identify and seize the business opportunities linked to these

global challenges. Setting emission reduction targets enables companies to adopt a systematic and disciplined approach towards reducing their emissions. With this question, we aim to find out if a company has set absolute or relative corporate targets to reduce greenhouse gas emissions.

Question Layout

Does your company have any corporate-level emissions reduction targets publicly available?

If your company also answers the question Net-Zero Commitment, please do not provide your Net-Zero target in this question, but provide details of your related near-term emissions reduction target.

- Yes, we have a company-wide absolute emissions target and/or an emissions intensity target publicly available that covers Scope 1, Scope 2, and/or Scope 3 emissions. Please provide details in the table below.

Target Type and Metric

- Absolute targets
 Intensity targets

Intensity Metric

- Metric tons CO₂e per square meter
- Metric tons CO₂e per metric ton of aluminum
- Metric tons CO₂e per metric ton of steel
- Metric tons CO₂e per metric ton of cement
- Metric tons CO₂e per metric ton of cardboard
- Grams CO₂e per kilometer
- Metric tons CO₂e per unit revenue
- Metric tons CO₂e per unit FTE employee
- Metric tons CO₂e per unit hour worked
- Metric tons CO₂e per metric ton of product
- Metric tons of CO₂e per liter of product
- Metric tons CO₂e per unit of production
- Metric tons CO₂e per unit of service provided
- Metric tons CO₂e per square foot
- Metric tons CO₂e per kilometer
- Metric tons CO₂e per passenger kilometer
- Metric tons CO₂e per megawatt hour (MWh)
- Metric tons CO₂e per barrel of oil equivalent (BOE)
- Metric tons CO₂e per vehicle produced
- Metric tons CO₂e per metric ton of ore processed
- Metric tons CO₂e per ounce of gold
- Metric tons CO₂e per ounce of platinum
- Metric tons of CO₂e per metric ton of aggregate

- Metric tons of CO2e per billion (currency) funds under management
- Grams CO2e per revenue passenger kilometer
- Metric tons CO2e per USD(\$) value-added

Scope covered by the target	Target Timeframe	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year	Is this target validated by the Science-based Targets Initiative?
<input type="checkbox"/> Scope 1 + 2 combined <input type="checkbox"/> Scope 1 + 2 + 3 combined <input type="checkbox"/> Not Known	Base Year	Base year emissions		<input type="checkbox"/> Yes <input type="checkbox"/> No, but we have publicly committed to seek validation to the target by the SBTi
	Target Year	Percentage of total base year emissions		<input type="checkbox"/> No, but we consider the target to be science-based <input type="checkbox"/> No, the target is not science-based
<input type="checkbox"/> Scope 1	Base Year	Base year emissions		<input type="checkbox"/> Yes <input type="checkbox"/> No, but we have publicly committed to seek validation to the target by the SBTi
	Target Year	Percentage of total base year emissions		<input type="checkbox"/> No, but we consider the target to be science-based <input type="checkbox"/> No, the target is not science-based
<input type="checkbox"/> Scope 2	Base Year	Base year emissions		<input type="checkbox"/> Yes <input type="checkbox"/> No, but we have publicly committed to seek validation to the target by the SBTi
	Target Year	Percentage of total base year emissions		<input type="checkbox"/> No, but we consider the target to be science-based <input type="checkbox"/> No, the target is not science-based
<input type="checkbox"/> Scope 3	Base Year	Base year emissions		<input type="checkbox"/> Yes <input type="checkbox"/> No, but we have publicly committed to seek validation to the target by the SBTi
	Target Year	Percentage of total base year emissions		<input type="checkbox"/> No, but we consider the target to be science-based <input type="checkbox"/> No, the target is not science-based

Question-Specific Guidance & Definitions

Absolute target: a target that describes a reduction in actual emissions in a future year when compared to a base year.

Intensity target: a target that describes a future reduction in emissions that have been normalized to a business metric when compared to normalized emissions in a base year.

Intensity measure: Grams CO₂e or Metric tons CO₂e per kilometre, per USD(\$) value-added, square meter, per unit revenue, per unit FTE employee, per unit hour worked, per unit of production, per unit of service provided etc.

Science-based targets: “**Targets are considered ‘science-based’** if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to **1.5°C.**” **Source:** Science-based targets Initiative

Data Requirements

- We expect companies to set absolute or intensity emission targets. If your company has both absolute and intensity targets, please prioritize your absolute target.
- If you provide the intensity target in this question, please select the intensity measure used (metric).

Scopes covered by the target: Scopes covered by the **company’s emissions reduction** target and reduction of emissions to be achieved in the target year compared to the base year.

- If you report a target which covers Scope 1+2 combined, please complete the first row and tick “**Scope 1+2 combined**”. **You can also add a separate Scope 3 target** in the last row.
- If you report a target which covers Scope 1+3 combined, please complete the first row and tick “**Scope 1+3 combined**”. **You can also add a separate Scope 2 target.**
- If you report a target which covers Scope 1+2+3 combined, please complete the first row, tick “**Scope 1+2+3 combined**” and **leave the last 3 rows blank.**

- If you report a target which covers Scope 1, 2 and 3 separately, please complete the Scope 1, Scope 2 and Scope 3 rows.
- If you report a target which only covers Scope 3, please complete the last row only.
- If you report both combined and individual targets for all 3 scopes, please only provide individual targets in the table.

Supporting evidence:

- The document(s) you attached will be used to verify your response.
- The supporting documents must be available in the public domain.
- Any response that cannot be verified in the attached document(s) will not be accepted

Industry-Specific Guidance:

Financial Institutions (BNK/FBN/INS)

- We expect short-term emission targets to focus on operational emissions.
- Category 15 Financed emissions targets should be accounted for under the Net-Zero Targets for Financed Emissions under the Decarbonization Strategy Criteria.

References

<https://sciencebasedtargets.org/>

Standards & Frameworks

AASB ASRS 2 - 33(a), 33(b), 33(d), 33(e), 33(g), 34(a), 36(a), 36(b)

CSRD - E1-1 14 AR 1, E1-1 16(a), E1-1 16(b), E1-4 33, E1-4 34(a) AR 23-AR 24, E1-4 34(b) AR 23-AR 24, E1-4 34(e) AR 26, ESRS 2 MDR-T 80b AR 24 - AR 26, ESRS 2 MDR-T 80d AR 24 - AR 26, ESRS 2 MDR-T 80e AR 24 - AR 26, ESRS 2 MDR-T 80g AR 24 - AR 26

EDCI - Net Zero

GRI Disclosure - 11.2, 12.2, 305-5

IRIS+ - OD4091, OI8237

ISSB - IFRS S2 - 33, IFRS S2 - 34, IFRS S2 - 36

TCFD - Metrics & Targets c)

UNGC Questionnaire - E4.1

WEF Metrics - Paris-aligned GHG emissions targets

Net-Zero Commitment

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Companies are increasingly adopting net-zero targets in order to align their activities with the aim of limiting global temperature rise to 1.5°C above pre-industrial levels. Due to the lack of common understanding of the definition of net-zero, the Science Based Targets initiative (SBTi) has developed a global science-based standard for companies to set net-zero targets.

The purpose of this question is to find out if a company has made a net-zero commitment, how well it is aligned with the science-based targets and what activities are planned to reach the target. This question follows the criteria and definitions of the SBTi Net-Zero Standard.

Question Layout

Has your company publicly committed to reaching net-zero GHG emissions and set targets and programs to fulfil the commitment? Please note that this question should only be answered if a near-term absolute or relative emission reduction target is reported in the previous question Emissions reduction targets.

- Yes, we have publicly committed to reaching net-zero emissions across our value chain. Please provide details of a long-term emission reduction target linked to your net-zero commitment and indicate where this is available in your public reporting.

Target Time Frame	Target scope & related emission reduction target (as % of base year emissions)	Is the target validated by Science-Based Targets initiative?
Base Year	Scope 1 & 2	<input type="checkbox"/> Yes <input type="checkbox"/> No, but we have publicly committed to seek validation to the target by SBTi
Target Year	Scope 3	<input type="checkbox"/> No, but we consider the target to be science-based <input type="checkbox"/> No, the target is not science-based

Net-zero Strategy:

- We have defined or already implemented programs or activities to achieve the emission reduction targets.
 - Scope 1 & 2
 - Scope 3
- We intend to neutralize residual emissions and/or further mitigate emissions beyond our value chain with the following activities:
 - Offsetting, e.g., purchasing carbon credits
 - Investing in permanent carbon removal

Question-Specific Guidance & Definitions

Net-zero commitment: A credible corporate net-zero commitment includes commitments to:

- Reducing scope 1, 2, and 3 emissions to zero or to a level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C-aligned pathways.
- Neutralizing any remaining emissions that could not be reduced at the net-zero target year and any GHG emissions released into the atmosphere thereafter.

Science-based targets: **“Targets are considered ‘science-based’ if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.” Source: SBTi**

Science Based Targets initiative (SBTi): A global body that defines and promotes best practices in emissions reductions and net-zero targets in line with climate science. It provides technical assistance, expert resources to companies who set science-based targets, and independent assessment and validation of those targets. The SBTi process for target setting and validation is as follows:

- Committing to a Science Based Target via a letter of intent
- Developing a target in line with SBTi criteria
- Presenting target to SBTi for official validation (within 2 years of committing)
- Communicating this validation to stakeholders
- Reporting progress against these targets annually

Base Year: Companies should use the same base year for near-term targets and long-term net-zero targets.

Target Year: To limit global warming to 1.5°C above pre-industrial levels we must reach net-zero GHG emission by 2050. Hence, companies are expected to set their own net-zero targets by 2050 or sooner.

Residual emissions: Emissions sources that remain after a company has included all technically or economically feasible emission reductions to their target.

Beyond value chain mitigation: Mitigation action or investments that fall outside a company’s value chain. This includes activities outside of a company’s value chain that avoid or reduce greenhouse gas emissions, such as carbon

credits or other “offsetting”, or measures that remove greenhouse gases from the atmosphere and permanently store them.

Data Requirements

- This question should only be answered if a near-term emission reduction target is reported in the previous question.
- We will not accept targets without a Target Year specified.

Target scope & related emission reduction target (as % of base year emissions):

- We require data on gross emissions targets as a percentage of the base year emissions before any deductions or other adjustments that take into account offset credits, avoided emissions or reduction attributable to sequestration of GHG.
- If you have a target that will partly met by offsetting or CO2 removal, please report only the proportion of the target that relates to emission reduction.

Disclosure Requirements

This question requires public evidence. As public evidence, **we can accept the company’s own website and reporting, public CDP reports, or information disclosed in the Science Based Targets initiative’s website:**

<https://sciencebasedtargets.org/companies-taking-action>

Standards & frameworks

AASB ASRS 2 - 14(a)(v), 33(a), 33(b), 33(d), 33(e), 34(a)
 CSRD - E1-1 14 AR 1, E1-1 16(a), E1-1 16(b), E1-4 33, E1-4 34(e) AR 26, E1-7 60, ESRS 2 MDR-T 80b AR 24 - AR 26, ESRS 2 MDR-T 80d AR 24 - AR 26, ESRS 2 MDR-T 80e AR 24 - AR 26, ESRS 2 MDR-T 80g AR 24 - AR 26
 EDCI - Net Zero
 ESG Disclosure Standards (China) - E.3.2.1 Greenhouse gas emission reduction management
 IRIS+ - OD4091, OI2436, OI6774, OI8237, OI9839
 ISSB - IFRS S2 - 33, IFRS S2 - 34, IFRS S2 - 36
 TCFD - Metrics & Targets c)
 UNGC Questionnaire - E1, E1.1
 WEF Metrics - Paris-aligned GHG emissions targets, TCFD implementation

Biodiversity

Biodiversity forms the foundation for all of life. It plays a critical role in maintaining the quality, quantity, and resilience of ecosystems and provides services that the planet relies upon. Businesses have long utilized nature's resources and services without having to pay a full price for the privilege. The externalities of these actions have brought us to a turning point—either continue elevated levels of dependency and impact on nature or follow a path to a more holistic approach. The world—humans, businesses, economies—face a risk of collapse if we continue to exceed nature's boundaries. The only foreseeable option is a transformative path where businesses deeply consider their relationship with nature and work collaboratively with stakeholders to achieve mutually beneficial outcomes.

This criterion focuses on the ability of companies to recognize the importance of biodiversity and the impact- and dependency-related risks and opportunities. Risks must be identified in order to alleviate pressure on ecosystems and to help them thrive, while still working within the parameters of

business operations. This criterion also seeks a high-level of industry collaboration with external stakeholders—to create meaningful policies, operate within supply chains and to transform existing systems.

Biodiversity Risk Assessment

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

The purpose of this question is to determine to what extent companies are taking inventory of biodiversity risks. Biodiversity forms the foundation for all of life. Businesses have long utilized **nature's resources without having to pay a full price** for the privilege. The externalities of these actions have brought the planet to a turning point—either continue elevated levels of dependency and impacts on nature or follow a path towards a more holistic approach. The world—humans, businesses, economies—face a risk of collapse if we **continue to exceed nature's boundaries. The only foreseeable option** asking businesses to deeply consider their relationship

with nature and work collaboratively with stakeholders to achieve mutually beneficial outcomes.

This question focuses on the ability of companies to recognize the importance of biodiversity and related risks and opportunities. This includes identifying risks to alleviate pressure on ecosystems while still working within the parameters of business operations. The risk assessment should then be used to inform a company-wide risk management process, ideally through a location-specific approach. This question also asks for a high level of industry collaboration with external stakeholders—to create meaningful processes; operate sustainably within upstream and downstream activities; and transform existing systems.

Question Layout

Has your company assessed dependency- and impact-related biodiversity risks covering all relevant activities?

Yes, we have completed a biodiversity risk assessment.

Please provide supporting evidence for options selected below and indicate if the evidence is publicly available.

Process Description

Describe the processes used for identifying and assessing dependency- and impact-related biodiversity risks covering the elements below and indicate if this information is reported in the public domain. Please provide supporting evidence:

- We publicly report on the process steps of our biodiversity risk assessment
- Use of location-specific approach
- References to methodologies or frameworks used for assessment
- Integrated into multi-disciplinary company-wide risk management processes

- Dependency-related biodiversity risks considered in risk assessment
- Impact-related biodiversity risks considered in risk assessment

Scope of biodiversity risk assessment

Please indicate the scope of your biodiversity risk assessment, and indicate if this information is reported in the public domain.

Please provide supporting evidence:

- We publicly report on the scope of our biodiversity risk assessment
- Own operations
- Adjacent areas to own operations
- Upstream activities
- Downstream activities

Risks identified

Indicate if biodiversity risks were identified, and indicate if this information is reported in the public domain. Please provide supporting evidence:

- We publicly report on the biodiversity-related risks which were identified.
- Biodiversity-related risks identified
- No biodiversity-related risks

Question-Specific Definitions & Guidance

Location-specific approach: Refers to any dependencies or impacts that are occurring at a particular place in a company's value chain.

Methodologies and Frameworks: A methodology refers to a system of methods used for assessing biodiversity-related risks, to assess the reliability of the assessment. A framework provides a structure intended to guide the development of an assessment. A framework is intended to assure stakeholders that the biodiversity assessment is guided by a reliable foundation. Acceptable methodologies may include:

- TNFD LEAP Nature Risk Assessment Approach
- Integrated Biodiversity Assessment Tool (IBAT)
- Species Threat Abatement and Restoration Metric (STAR)
- **Natural Capital Finance Alliance's Encore**
- WWF Biodiversity Risk Filter

Impact: Can be a positive or negative contribution of a company toward the state of nature. Examples might include pollution of air, water, soil; the fragmentation or disruption of systems and natural habitats; and the alteration of ecosystems.

Dependency: Aspects of nature's contributions to people that a person or organization relies on to function. This might include water flow and quality regulation; regulation of hazards like floods and fires; pollination; and carbon sequestration.

Own Operations: Includes any business activity which directly impacts natural capital through its own operations—own employees, business, subsidiaries, products and services, business units, regions, sites, plants, and facilities. This also includes indirect impacts that depend on critical commodities in its supply chain. Such activities may include production, extraction, plantation, construction, power generation, transmission, or development activities.

Adjacent Areas: Value chain sites which are adjacent (between 0 and 2km from nearest site) to landscapes, seascapes, and watersheds critical to biodiversity.

Upstream Activities: Activities that include operations that relate to the initial stages of producing a good or service, e.g. material sourcing, material processing, and supplier activities. This includes brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent contractors, manufacturers, primary producers, sub-contractors, tier-1 and 2 suppliers and wholesalers.

Downstream Activities: Activities that include operations that relate to processing materials into a finished product and delivering it to the end user (e.g. transportation, distribution and consumption).

Data Requirements

Additional credit will be granted for the public disclosure of the section elements listed below:

- Process description
- Use of a location-specific approach

- References to methodologies or frameworks used for assessment

- Scope of the biodiversity risk assessment

- All options need to be verifiable from public documents

- Risk identified

- All options need to be verifiable from public documents

This question may be marked “Not applicable” for companies that can credibly demonstrate in a comprehensive comment that their company has:

- No impact on biodiversity in its own operations
- **No impact on biodiversity in the company’s key raw material supply chains**
- No impact at the use-phase or end-of-life of products/services use
- No financing activities which impact or depend on biodiversity

Industry-Specific Guidance:

Utilities (ELC, GAS, MUW)

- ELC & GAS: Utilities that have no power generation or transmission business or are only in **electricity/gas distribution should mark “Not Applicable” and provide an explanation in the comment box.**
- MUW industry: Pure water utilities should mark **“Not Applicable” and provide an explanation in the comment box.**

Real Estate (REI and REM)

- Companies that have not marked 'Development of major renovation and new construction' as one of the main activities of the business in question '0.1 Denominator Area' **should mark “Not Applicable”.**
- Companies that have marked 'Development of major renovation and new construction' as one of the main activities of the business in question '0.1 Denominator Area' but are only operating in **urban environments should mark “Not Applicable” and provide an explanation in the comment box.**

Consumer Discretionary (CNO, REX, TRT)

Companies in the following industries that are only providing **online services should mark “Not Applicable” and provide an explanation in the comment box.**

- CNO Casinos & Gaming industry
- REX Restaurants & Leisure Facilities
- TRT Hotels, Resorts & Cruise Lines

Industrials (ICS)

Companies that are not involved in waste management **activities should mark “Not Applicable” and provide an explanation in the comment box.**

References

TNFD- LEAP: <https://framework.tnfd.global/the-leap-nature-risk-assessment-process/evaluate/identification-environmental-assets/>

Nature Positive: <https://naturepositive.com/baseline-biodiversity-assessments/>

Integrated Biodiversity Assessment Tool (IBAT): <https://www.ibat-alliance.org/>

Natural Capital Finance Alliance’s Encore:

<https://encore.naturalcapital.finance/en>

STAR (Species Threat Abatement and Restoration Metric):

<https://www.iucn.org/resources/conservation-tool/species-threat-abatement-and-recovery-star-metric>

WWF Risk Biodiversity Filter:

<https://www.wfse.cdn.triggerfish.cloud/uploads/2022/05/wf-a-biodiversity-guide-for-business.pdf>

Standards & Frameworks

CSRD - E4 IRO-1 17(a) AR 4-AR9, E4 IRO-1 17(b) AR 8, E4-1 13(a) AR 2-AR 3, E4-1 13(b) AR 2-AR 3, E4-1 13(e) AR 2-AR 3

EU Taxonomy - Appendix D - Protection and Restoration of Biodiversity and Ecosystems

WEF Metrics - Integrating risk and opportunity into business process

Biodiversity Commitment

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to evaluate the disclosure of a company's public policy or commitment to biodiversity, covering aspects to systematically address its dependency and impact-related biodiversity risks. This includes commitments to engage with its stakeholders, conduct risk assessments, and disclose its priority areas identified, as well as a commitment to setting targets to work towards no

net loss. Furthermore, companies are expected to commit to disclosing mitigating actions they take as well as setting a long-term net positive impact commitment. All aspects covered are expected to be applied to its entire value chain and be endorsed by either a member of the board of directors or executive management.

Question Layout

Does the company have a policy, commitment, or pledge on biodiversity and is it available publicly?

- Yes, the company has a policy, commitment, or pledge on biodiversity. Please indicate where this information is available in public reporting or corporate website.

Policy or Commitment aspects

The policy or commitment covers the following aspects:

- Achievement of a net positive impact (NPI) on biodiversity

Please indicate the target year:

- Definition of biodiversity-related targets for priority areas to work towards no net loss
- Commitment required of value chain to avoid operational activities near sites containing globally or nationally important biodiversity
- Application of a mitigation hierarchy
- Conducting a biodiversity risk assessment
- Engagement with stakeholders on biodiversity

Scope of Commitment

Which parts of operations, corporate processes, and supply chain are covered by your biodiversity policy or commitment?

- Own Operations
- Suppliers
- Partners

Policy Endorsement

- Please select the highest endorsing decision-making body
 - Board of Directors
 - Executive Management

Question-Specific Definitions & Guidance

Net Positive Impact (NPI): Is a commitment, aligned with the ‘Post-2020 Global Biodiversity Framework’, for outcomes in which the impacts on biodiversity across a company’s value chain are stabilized in the next 10 years (by 2030) and allow for the recovery of natural ecosystems in the following 20 years with net improvements by 2050 to achieve the Convention’s vision of “living in harmony with nature by 2050”.

Mitigation Hierarchy: A framework to help companies minimize negative impacts on nature with a long-term outlook. This prioritized approach guides companies to first, avoid the impacts, and if not possible, to limit or reduce impacts on nature, and next, to hold themselves accountable for restoring areas and ecosystems adversely impacted by business operations. Additionally, the option to offset or compensate aims to compensate for any residual, adverse impacts after full implementation of the previous three steps of the mitigation hierarchy. Building on this, companies might take transformative actions that address the socio-economic systems in which organizations are embedded and currently accelerate biodiversity loss.

Targets to work towards no net loss: Must be linked to a company’s biodiversity commitment/strategy and reduce dependency- and impact-related biodiversity risks for priority areas identified through the biodiversity risk assessments.

Targets may be related to:

- Avoidance or reduction of sourcing from areas of critical biodiversity
- Reduction of land use change (e.g. Deforestation)
- Reduction of resource exploitation (e.g. water use in water-stressed areas, fisheries with stocks outside biologically sustainable levels)
- Restoration or regeneration in critical value chain locations related to ecological integrity, connectivity, soil quality, etc.
- Compensation through reforestation programs / creation of protected areas or reserves

No Net Loss (NNL): It is defined as the point at which project-related impacts on biodiversity are balanced by measures taken to avoid and minimize the project’s impacts, to undertake on-site restoration, and finally to offset significant residual impacts, if any, on an appropriate geographic scale (e.g., local, landscape-level, national, regional).

Priority Areas: Are identified based on risk assessment data on dependencies and impacts across a company’s value chain to determine the relative contribution of different locations to a company’s overall biodiversity-related risk exposure.

Criteria for identifying priority areas may include:

- High-priority sites, inputs, or product lines based on environmental and financial materiality

- Contribution of different locations, commodities, suppliers to total impact of the company
- State of nature in value chain locations
- Needs of value chain stakeholders, such as dependency on ecosystem services

Risk Assessment: Businesses should carry out risk assessments of their dependencies and impacts on biodiversity and ecosystem services. From global risk mapping that allows companies to identify operations with a high degree of exposure to potential biodiversity and ecosystem service risks, to further site-level risk assessments, aimed at mitigating potential environmental and social risks.

Stakeholders: Persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/ or the ability to influence its outcome, either positively or negatively. Examples of stakeholder engagement may include any of the following:

- If the company collaborates with experts (consultants and NGOs) to create their own biodiversity strategy
- Suppliers
- Local community engagement
- NGOs on specific conservation or restoration projects
- Investee companies

Natural Capital: Is another term for the stock of renewable and non-renewable natural resources on earth (e.g., plants, animals, air, water, soils, minerals) that combine to yield a flow of **benefits or “services” to people. These flows can be ecosystem services or abiotic services, which provide value to businesses and to society.**

Ecosystem services: Are defined as the direct and indirect contributions of ecosystems to human wellbeing and have an impact on survival and quality of life. There are four types of ecosystem services: provisioning (oil, timber, fiber, etc.), regulating (pollination, flood control, climate regulation, etc.), cultural (recreation, aesthetic values) and supporting services (photosynthesis, water/ nutrient cycles, etc.).

Abiotic services: Are benefits to people that do not depend on ecological processes but arise from fundamental geological processes and include the supply of minerals, metals, and oil and gas, as well as geothermal heat, wind, tides, and the annual seasons.

Biodiversity: Is the total variety of all Earth’s species, their genetic information, and the ecosystems they form. It is critical to the health and stability of natural capital as it provides resilience to shocks like floods and droughts, and it supports fundamental processes such as the carbon and

water cycles as well as soil formation. Therefore, biodiversity is both a part of natural capital and also underpins ecosystem services.

Critical Commodities: Raw materials which have either been extracted (i.e. hard commodity) or grown (i.e. soft commodity). These critical commodities either have a significant impact on biodiversity in their production process or depend on functioning biodiversity to achieve an optimal output. Examples of such critical commodities (such as defined by the EU rules for deforestation-free products) may include:

- Beef
- Wood
- Palm oil
- Soya
- Coffee
- Cocoa

Additionally, considering their high potential impact on biodiversity, we consider rubber and cotton as potential supply chain risks.

Areas: Refers to land, sea, or any other natural environment which is used, owned, leased, operated, or permitted by the company

Site Proximity: Value chain sites which either contain (i.e. overlapping) or are adjacent (between 0 and 2km from nearest site) to landscapes, seascapes, and watersheds critical to biodiversity.

Sites containing globally or nationally important biodiversity: Also referred to in the criteria as 'Critical Biodiversity' and can include:

- Species classified as Critically Endangered, Endangered, or Vulnerable on the IUCN Red List, endemic species
- Internationally recognized areas: World Heritage sites, Ramsar Wetlands, UNESCO MAB, Biodiversity Hotspots
- Nationally important biodiversity can include legally protected areas, habitats, and species.

Companies are expected to have a position or commitment on biodiversity and the impact of their operations, even if they do not currently operate in sites containing globally or nationally important biodiversity.

Own Operations: Own employees, own business, subsidiaries, own products and services, business units, regions, sites, plants, facilities

Suppliers: Include brokers, consultants, contractors, distributors, franchisees or licensees, home workers,

independent contractors, manufacturers, primary producers, sub-contractors, tier-1 and 2 and wholesalers

Partners: Include agents, lobbyists and other intermediaries, joint venture and consortia partners, customers, clients

Data Requirements

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g.: annual report, sustainability report, integrated report, company publications) or corporate website.

This question may be marked "Not applicable" for companies that can credibly demonstrate in a comprehensive comment that their company has:

- No impact on biodiversity in its own operations
- **No impact on biodiversity in the company's key raw material supply chains**
- No impact at the use-phase or end-of-life of products/services use
- No financing activities which impact or depend on biodiversity

Industry-Specific Guidance:

Utilities (ELC, GAS, MUW)

- ELC & GAS: Utilities that have no power generation or transmission business or are only in **electricity/gas distribution should mark "Not Applicable" and provide an explanation in the comment box.**
- MUW industry: Pure water utilities should mark **"Not Applicable" and provide an explanation in the comment box.**

Real Estate (REI and REM)

Companies that have not marked 'Development of major renovation and new construction' as one of the main activities of the business in question '0.1 Denominator Area' should **mark "Not Applicable"**.

Companies that have marked 'Development of major renovation and new construction' as one of the main activities of the business in question '0.1 Denominator Area' but are only operating in **urban environments should mark "Not Applicable" and provide an explanation in the comment box.**

Consumer Discretionary (CNO, REX, TRT)

Companies in the following industries that are only providing **online services should mark "Not Applicable" and provide an explanation in the comment box.**

- CNO Casinos & Gaming industry
- REX Restaurants & Leisure Facilities
- TRT Hotels, Resorts & Cruise Lines

Industrials (ICS)
Companies in the Commercial Services and Supplies (ICS) industry that are not involved in waste management activities **should mark “Not Applicable” and provide an explanation in the comment box.**

References

Natural Capital

Coalition: www.naturalcapitalcoalition.org/protocol

Science-based Targets for Nature (SBTN) Initial Guidance for Business: <https://sciencebasedtargetsnetwork.org/wp-content/uploads/2020/09/SBTN-initial-guidance-for-business.pdf>

Taskforce on Nature-Related Financial Disclosure (TNFD)

NATURE IN SCOPE: <https://tnfd.global/wp-content/uploads/2021/07/TNFD-Nature-in-Scope-2.pdf>

European Supervisory Authorities (ESAs) Joint Committee (JC)

draft Regulatory Technical Standards (RTS) on non-financial disclosures: https://www.esma.europa.eu/sites/default/files/library/jc_2021_03_joint_esas_final_report_on_rts_under_sldr.pdf

UN Convention on Biological Diversity: <https://www.cbd.int>

Convention on International Trade in Endangered Species of

Wild Fauna and Flora: <https://www.cites.org/>

UNESCO World Heritage Centre: <https://whc.unesco.org/>

International Union for Conservation of

Nature: <https://www.iucn.org/>

International Council on Mining & Metals (ICMM)

guidance: <https://www.icmm.com/en->

[gb/publications/biodiversity/mining-and-biodiversity-good-practice-guidance](https://www.icmm.com/en-gb/publications/biodiversity/mining-and-biodiversity-good-practice-guidance)

International Petroleum Industry Environmental Conservation Association

(IPIECA): <https://www.ipieca.org/resources/good-practice/biodiversity-and-ecosystem-services-fundamentals/>

Cross-Sector Biodiversity Initiative (CSBI)

guidance: <http://www.csbi.org.uk/>

Cement Sustainability Initiative (CSI)

guidance: <https://www.wbcscd.org/content/wbc/download/3055/38872/1>

Post-2020 Global Biodiversity

Framework: <https://www.cbd.int/article/draft-1-global-biodiversity-framework>

Standards & frameworks

CSRD - E4-2 AR 12 a, E4-2 AR 16, E4-4 32(d), ESRS 2 MDR-P 65a, ESRS 2 MDR-P 65b, ESRS 2 MDR-P 65c, ESRS 2 MDR-P 65d, ESRS 2 MDR-T 80c AR 24 - AR 26, ESRS 2 MDR-T 80e AR 24 - AR 26

EU Taxonomy - Appendix D - Protection and Restoration of Biodiversity and Ecosystems

GRI Disclosure - 101-1

IRIS+ - OD4091, OI1618

UNGC Questionnaire - E1, E1.1, E3, E4.1

No Deforestation Commitment

Public: this question requires publicly available information

Assessment Focus



Question Rationale

No deforestation commitments are voluntary sustainability initiatives adopted by companies to signal the intention to end all deforestation in their supply chains. Commitments to end all deforestation that have targets set with immediate deadlines and clear sanction-based implementation mechanisms in biomes with a high risk of forest commodity

conversion can be effective tools to achieve deforestation-free value chains. Engagement with external stakeholders and with the entire supply chain exposed to deforestation risks, as well as monitoring and disclosure of compliance, further support effective implementation of no-deforestation commitments.

Question Layout

Does the company have a policy or commitment on no-deforestation and is it available publicly?

- Yes, the company has a policy or commitment on no-deforestation. Please indicate where this information is available in public reporting or corporate website.

Extent of Policy or Commitment

Indicate the extent of the policy or commitment to no-deforestation:

- End all deforestation (no gross deforestation)
- Compensate with future reforestation (no net deforestation)

Our targets are time-bound. Planned year for full implementation:

Scope of commitment

Which parts of operations, corporate processes and supply chain are covered by your no-deforestation policy or commitment?

- Own Operations
- Suppliers
- Partners

Policy Endorsement

- Please select the highest endorsing decision-making body:
 - Board of Directors
 - Executive Management

Question-Specific Definitions & Guidance

No gross deforestation: Also referred to as zero or zero-gross deforestation, it refers to voluntary commitments to stop or reduce all deforestation associated with commodities that they produce, trade, and/or sell.

No net deforestation: Also referred to as zero-net deforestation, these are promises of future reforestation to compensate current forest loss, while future implementation deadlines allow for preemptive clearing.

Scope of commitment: Effective commitments to end deforestation must cover all products & services, and be

applicable to all suppliers and partners. Failure to indicate complete coverage and applicability to the value chain results in uncertainty.

Own Operations: Own employees, own business, subsidiaries, own products and services, business units, regions, sites, plants, facilities

Suppliers: Include brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent contractors, manufacturers, primary producers, sub-contractors, tier-1 and 2 and wholesalers.

Partners: Include agents, lobbyists and other intermediaries, joint venture and consortia partners, customers, clients.

Commitment and oversight: A statement that the commitment/policy is approved, overseen, reviewed, or adopted by the board of directors or executive management. A policy can also be signed by the respective director.

Data Requirements

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g.: annual report, sustainability report, integrated report, company publications, etc.) or corporate website.

This question may be marked “Not applicable” for companies that can credibly demonstrate in a comprehensive comment that their company has:

- No impact on deforestation in its own operations
- **No impact on deforestation in the company’s key material supply chain**
- No impact on deforestation through its partner relationships

Industry-Specific Guidance:

Utilities (ELC, GAS, MUW)

- ELC & GAS: Utilities that have no power generation or transmission business or are only in

electricity/gas distribution should mark **“Not Applicable”** and provide an explanation in the comment box.

- MUW industry: Pure water utilities should mark **“Not Applicable”** and provide an explanation in the comment box.

Real Estate (REI and REM)

Companies that have not marked 'Development of major renovation and new construction' as one of the main activities of the business in question '0.1 Denominator Area' should mark **“Not Applicable”**.

Companies that have marked 'Development of major renovation and new construction' as one of the main activities of the business in question '0.1 Denominator Area' but are only operating in urban environments should mark **“Not Applicable”** and provide an explanation in the comment box.

Consumer Discretionary (CNO, REX, TRT)

Companies in the following industries that are only providing online services should mark **“Not Applicable”** and provide an explanation in the comment box.

- CNO Casinos & Gaming industry
- REX Restaurants & Leisure Facilities
- TRT Hotels, Resorts & Cruise Lines

Industrials (ICS)

Companies in the Commercial Services and Supplies (ICS) industry that are not involved in waste management activities should mark **“Not Applicable”** and provide an explanation in the comment box.

Standards & frameworks

CSRD - E4-2 24(d), E4-4 32(d), ESRS 2 MDR-P 65a, ESRS 2 MDR-P 65b, ESRS 2 MDR-P 65c, ESRS 2 MDR-T 80c AR 24 - AR 26, ESRS 2 MDR-T 80e AR 24 - AR 26

EU Taxonomy - Multiple Objectives & Activities - DNSH (6)

IRIS+ - OD4091

UNGC Questionnaire - E1, E1.1, E17, E4.1

05

Social Dimension

Labor Practices

Employees represent one of a company's most important assets. Maintaining good relations with employees is essential for the success of businesses' operations, particularly in industries characterized by organized labor. Beyond providing a safe and healthy working environment, companies should support fair treatment practices such as guaranteeing diversity, ensuring equal remuneration and supporting freedom of association. In accordance with international standards on labor and human rights,

companies are increasingly expected to adhere to and apply these standards equally across all operations within the organization. Furthermore, growing customer awareness leads to higher expectations from companies in their role as global corporate citizens and their ability to drive sustainable business practices forward.

The key focus of the criterion is on gender diversity in management, equal remuneration, and freedom of association.

Discrimination & Harassment

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to evaluate the quality of the **company's non-discrimination** and anti-harassment policy. According to the International Labor Organization (ILO), discrimination based on the mentioned identity markers is a violation of human and labor rights. Furthermore, diverse

companies with strong non-discriminatory practices have been proven to perform better in terms of innovation, efficiency, productivity, employee engagement and talent attraction and retention, thus making anti-discrimination practices a key strategic topic for companies.

Question Layout

Does the company have a policy on non-discrimination and anti-harassment at a group level and is it available publicly?

- Yes, the company has a group-wide policy on non-discrimination and anti-harassment and it covers the following measures. Please indicate where this information is available in public reporting or corporate website.
 - Explicit statement prohibiting harassment:
 - Sexual harassment
 - Non-sexual harassment
 - Zero tolerance policy for discrimination
 - Trainings for all employees on discrimination or harassment in the workplace
 - Defined escalation process for reporting incidents specific to discrimination and/or harassment
 - Corrective or disciplinary action taken in case of discriminatory behavior or harassment

Question-Specific Definitions & Guidance

Discrimination: Discrimination is defined as the act and the result of treating people unequally by imposing unequal burdens or denying benefits, instead of treating each person

fairly on the basis of individual merit. Discrimination can also include harassment.

Harassment: Harassment is defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed. Non-sexual harassment includes but is not exclusive to mobbing and bullying, while sexual harassment includes a sexual component.

Zero tolerance: Zero-tolerance policies against harassment and discrimination dictate that any allegations are taken seriously and handled confidentially and sympathetically. If allegations are confirmed, remedial action, disciplinary action, dismissal, or legal action will be taken.

Defined escalation process: System consisting of specific procedures, roles and rules for receiving complaints and providing remedy. Grievance mechanisms are also accepted here. It should be specifically specified in the company's public domain that discrimination and harassment incidents are to be reported through the defined escalation process.

Corrective action: Corrective action is a process of communicating with the employee and taking active measures to improve unacceptable behavior.

Disciplinary action: A disciplinary action is a reprimand or corrective action in response to employee misconduct, rule violation, or poor performance. Depending on the severity of the case, a disciplinary action can take different forms, including a verbal warning, a written warning, a poor performance review or evaluation, a reduction in rank or pay and termination.

Data Requirements

This question requires publicly available information.

We expect companies to have a statement explicitly prohibiting both sexual and non-sexual harassment.

We expect the company's policies and measures to be explicitly relevant to discrimination and harassment. A simple mention of discrimination in the Codes of Conduct is not considered sufficient. If discrimination and harassment are included in trainings, escalation processes and disciplinary actions together with other breaches of the Codes of Conduct, it should be mentioned that each aspect also covers discrimination and harassment specifically.

Please note: If you have less than 100 employees or no employees in your organization, then please mark the question as 'Not applicable'.

References

- ILO: Convention no. 111
- ILO: Business, Discrimination and Equality

Standards & frameworks

CSRD - S1-1 24a, S1-1 24d, S1-3 32b

ESG Disclosure Standards (China) - S.1.1.2 Employee diversity and equality

IRIS+ - OI5102, OI9088, OI9331

UNGC Questionnaire - G2, G8, L1.1, L3, L4

UNGP - A1, A2.3, C1, C6, C6.1, C6.2, C6.3

Workforce Breakdown: Gender

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

We assess various Labor KPIs of an organization to determine not only the quality, but also the transparency of its reporting on diversity issues. Gender diversity can improve a company's performance as it increases the likelihood of bringing people with different types of knowledge, views and perspectives together. This diversity results in better innovative and problem-solving skills, improves talent attraction and retention, increases employee engagement and results in higher efficiency. Several initiatives have already been taken by shareholders and governments to increase the share of women in the workforce and in leadership positions. Companies who are early adopters of inclusive hiring and

retention practices will therefore benefit from positive recognition and lower compliance costs in the future.

This question specifically assesses workforce gender diversity by asking about the proportion of women at different levels of responsibility. We expect companies to also commit to gender balance across the talent pipeline by setting targets for the levels of representation where they face the greatest challenges. This question looks at the companies' ability to disclose this data, as well as its performance compared to its industry peers and its ability to retain women talent.

Question Layout

Does your company monitor the following indicators regarding workforce gender diversity? If so, please complete the table. Please provide the coverage reported on as a percentage of FTEs and attach supporting public evidence where indicated if available. Please also indicate whether you have set a public target for women representation. We expect companies to have set at least one public target for one representation level in order to meet our requirements for the targets. We do not expect companies to have targets for each level of representation.

- Yes, we monitor the following indicators:

Please select the coverage of the data reported on as a % of FTEs:

Diversity Indicator	Percentage (0 - 100 %)	Public Target
Share of women in total workforce (as % of total workforce)	<input type="checkbox"/> Public reporting available:	Target year: <input type="checkbox"/> Public reporting:
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	<input type="checkbox"/> Public reporting available:	Target year: <input type="checkbox"/> Public reporting:
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	<input type="checkbox"/> Public reporting available:	Target year: <input type="checkbox"/> Public reporting:
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	<input type="checkbox"/> Public reporting available:	Target year: <input type="checkbox"/> Public reporting:
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	<input type="checkbox"/> Public reporting available:	Target year: <input type="checkbox"/> Public reporting:

Share of women in STEM-related
positions (as % of total STEM positions)

Public reporting available:

Target year:

Public reporting:

Question-Specific Definitions & Guidance

The definitions provided below are guidelines that should be followed as closely as possible. If a different definition is used, this should be explained accordingly, and a consistent definition should be used in any other questions that may require information about organizational structures.

Gender identity: Each person's deeply felt internal and individual experience of gender, which may or may not correspond to the sex assigned at birth, including the personal sense of the body (which may involve, if freely chosen, modification of bodily appearance or function by medical, surgical or other means) and other expressions of gender, including dress, speech and mannerisms (European Institute for Gender Equality). In this question, we refer to employees who self-identify as women, i.e., who consider their gender identity to be woman.

Management positions: This refers to all levels of management, including junior, middle, and senior level management.

Junior management positions: refer to first-line managers, junior managers, and the lowest level of management within a **company's management hierarchy. These individuals are typically responsible for directing and executing the day-to-day operational objectives of organizations, conveying the directions of higher-level officials and managers to subordinate personnel.**

Middle management positions: refer to managers who head specific departments (such as accounting, marketing, production) or business units, or who serve as project managers in flat organizations. Middle managers are responsible for implementing the top management's policies and plans and typically have two management levels below them.

Top management positions: refer to management positions with a reporting line at most two levels away from the CEO. They include individuals who plan, direct, and formulate policies, set strategy, and provide the overall direction of enterprises/organizations for the development and delivery of products or services, within the parameters approved by boards of directors or other governing bodies.

Revenue-generating functions: refer to line management roles in departments such as sales, or that contribute directly to the output of products or services. It excludes support

functions such as HR, IT, Legal. May also be referred to as roles that have P&L responsibility.

STEM: Science, Technology, Engineering, and Mathematics. STEM workers use their knowledge of science, technology, engineering, or mathematics in their daily responsibilities. To be classified as a STEM employee, the employee should have a STEM-related qualification and make use of these skills in their operational position. Positions include, but are not limited to, the following: Computer programmer, web developer, statistician, logistician, engineer, physicist, scientist.

Coverage: The coverage corresponds to the scope of the data reported on. For example, if a company only reports on its employees in one country, and these employees represent X% of the total workforce, then the company should select the bracket which includes this X%. Please use a consistent coverage for all the indicators.

Data Requirements

Disclosure requirements for partially public question. Additional credit will be granted for relevant publicly available evidence covering each of the following aspects of this question:

- Women in the total workforce
- Women in all management positions
- Women in junior management positions
- Women in top management positions
- Women in revenue-generating positions
- Women in STEM-related positions

We expect companies to have set at least one public target for one representation level in order to meet our requirements for the targets. We do not expect companies to have public targets for each level of representation, but only for one level. This target needs to be publicly available or will not be considered as relevant in the scoring of this question.

Please note: If you have less than 100 employees or no employees in your organization, then please mark the question as 'Not applicable'.

References

- The gender equality questions were developed in collaboration with EDGE, leveraging its robust research on gender equality. EDGE is the leading global assessment methodology and business certification standard for gender equality. It measures where

organizations stand in terms of gender balance across their pipeline, pay equity, effectiveness of policies and practices to ensure equitable career flows as well as inclusiveness of their culture. Launched at the World Economic Forum in 2011, EDGE has been designed to help companies not only create an optimal workplace for women and men, but also benefit from it. EDGE stands for Economic Dividends for Gender Equality and is distinguished by its rigor and focus on business **impact**. **EDGE Certification's diverse customer base** consists of 200 large organizations in 44 countries across five continents, representing 29 different industries and employing globally more than 2.4 million employees.

- ILO convention No. 111

Standards & frameworks

CSRD - ESRS 2 MDR-T 80b AR 24 - AR 26, ESRS 2 MDR-T 80e AR 24 - AR 26, S1-6 50a AR 57, S1-9 66a

ESG Disclosure Standards (China) - S.1.1.2 Employee diversity and equality

GISD - Diversity and inclusion (%), Proportion of women in managerial positions

GRI Disclosure - 2-7, 405-1

IRIS+ - OD4091, OI1571, OI2444, OI6213

UNGC Questionnaire - L7

WEF Metrics - Diversity and inclusion (%)

Workforce Breakdown: Race/ Ethnicity & Nationality

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Provisions on equality and non-discrimination are enshrined in international human rights law and in the constitutions and legislations of most countries. Nonetheless, many people continue to face prejudice, harassment, and discrimination because of their ethnic or racial origins. According to the OECD, the collection of accurate and comprehensive data on diversity is therefore central to providing information on the racial and ethnic breakdown to implementing, monitoring, and evaluating practices and policies that aim to address disadvantages and promote equal opportunities in all sectors of society.

To achieve the optimum mix of skills, backgrounds and experience, workforce diversity needs to go beyond discussing the percentage of women to also include other diversity indicators. Collecting and analyzing data on racial

and ethnic diversity is difficult but not impossible. This question seeks to encourage companies to measure the racial and ethnic composition of their workforce in order to understand whether it fairly represents the broader demographic composition of their geographical locations. Collecting and disclosing this data is key to identifying any practices of discrimination or unequal opportunities and provides an important indicator to shareholders that diversity and inclusion are considered as high on the corporate agenda. Indeed, the attention of shareholders and regulatory agencies is now expanding to include diversity factors such as ethnic and racial diversity. Companies that are early adopters of inclusive hiring and retention practices and are transparent about these indicators will therefore benefit from positive recognition and lower compliance costs in the future.

Question Layout

Does your company provide a breakdown of its workforce according to racial and ethnic self-identifications, or nationality? Please refer to the information button for further guidance on which option to select.

Please provide the coverage reported on as a percentage of FTEs and attach supporting public evidence where indicated, if available.

- At least 20% of our workforce is based in the US and we monitor the breakdown of our workforce according to ethnic and racial indicators.

Please select the coverage of the data reported on as a % of FTEs:

Breakdown	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Asian		
Black or African American		
Hispanic or Latino		
White		
Indigenous or Native		
Other, please specify		

This information is publicly available. Please provide supporting evidence:

- Less than 20% of our workforce is based in the US and we monitor the breakdown of our workforce according to under-represented and structurally disadvantaged ethnic and racial minorities. If you are not able or allowed to provide such a breakdown, please report on the breakdown of your workforce based on nationality. Please fill in the table below with the relevant categories used.
 - We report on the breakdown of our workforce based on ethnic and racial minorities. Please specify the ethnic and racial categories in the table below.
 - We are not able or allowed to report on ethnic and racial minorities, and therefore provide a breakdown based on nationality. Please specify the nationalities which make up the highest percentage of your workforce in the table below.
 - This information is publicly available. Please provide supporting evidence:

Please select the coverage of the data reported on as a % of FTEs:

Breakdown based on, please specify:	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Category Name:		
Category Name:		
Category Name:		
Category Name:		
Category Name:		
Category Name:		

Question-Specific Definitions & Guidance

Self-identification: This refers to the assigning of a particular characteristic or categorization to oneself. In this question, we ask for the proportion of employees who self-identify as such, meaning that they have expressed their identification with this characteristic rather than having been assigned it by others based on physical or other attributes.

Structurally disadvantaged racial and ethnic minorities: Minorities that experience a higher risk of poverty, social exclusion, discrimination, and violence than the general population, based on race or ethnicity. Structural disadvantage refers to disadvantage experienced as a result of the way society functions, for example how institutions are organized, who has power, how resources are distributed, how people relate to each other, etc. This question focuses on such minorities.

Race: In the absence of any internationally agreed definition, race is most often statistically characterized in terms of phenotype and appearance (e.g., skin colors), or with regard to ancestry. This should not be understood as an attempt to trace the definition of race to biological, anthropological, or genetic factors but rather to (somewhat artificially) distinguish it from the concept of ethnicity. (OECD, 2018)

Ethnicity: Describes a shared culture: the practices, values, and beliefs that characterize those belonging to a community. This multidimensional concept acts as an umbrella term encompassing language, religion traditions and others (United Nations, 2017). A number of related concepts, including ancestry, citizenship, and nationality, may overlap with ethnicity. However, ethnicity is not the same as nationality or citizenship, nor it is a measure of biology or genes. (OECD, 2018)

Indigenous identity: While no universal definition exists in international law, the term is used to refer to “tribal peoples whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated (wholly or partially) by their own customs or traditions or by special laws or regulations; and to peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country (or a geographical region thereof) at the time of conquest, colonization or establishment of present state, and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions” (ILO, 1989).

Migrant background/origin: A person who has migrated into their present country of residence; and/or previously had a different nationality from their present country of residence; and/or at least one of their parents previously entered their present country of residence as a migrant (European Commission). In some countries, migrant origins are used as a proxy for ethnicity.

Foreign origin: A person who was born outside of the country of residence; and/or holds another nationality from their present country of residence; and/or at least one of their parents were born outside of the country of residence or hold nationality from another country. In some countries, foreign origins are used as a proxy for ethnicity.

Nationality: Generally defined as being a member of a given state. Nationality can be acquired by birth or adoption, marriage, descent, or naturalization. Based on international conventions, every sovereign state is entitled to determine who can be a national of their country.

Coverage: The coverage corresponds to the scope of the data reported. For example, if a company only reports on its employees in one country, and these employees represent X% of the total workforce, then the company should select the bracket which includes this X%. If the company gave the opportunity to self-report to its employees, but a proportion of these employees have actively decided to refrain from providing this personal data, the proportion of these employees can still be included as part of the coverage.

Data Requirements

In Europe, according to the Article 9 of the GDPR, it is prohibited to process personal data revealing racial or ethnic origin, except if the data subject has given explicit consent to the processing of those personal data, provided this is not prohibited by national law. Other exemptions exist, such as reasons of substantial public interest which might include statistical research purposes for equality of opportunity and treatment. However, if as a result, your company does not collect racial or ethnic data, please report on the nationalities which make up the highest percentage of your employees, **providing the name of each nationality in each “category name” text box.** “Not Applicable” will not be accepted, as we expect companies to report on the breakdown of nationalities.

We expect companies to report on at least three distinct categories (racial or ethnic categories, or nationalities) in order to score full points for this question. The coverage provides an indication of the scope of the data reported on but is not considered in the scoring of this question as we recognize that the data is complex to consolidate at the global level.

Disclosure requirements for partially public question: Additional credit will be granted for relevant publicly available evidence covering at least one level of responsibility for at least three minority groups.

If your company has more than 20% of its workforce in the US, then we require you to select the first option and report according to the categories defined in the table. We expect public disclosure on at least three categories. If more than 20% of your workforce is in the US, but you also have employees in other parts of the world, please select the coverage bracket which covers your employees in the US. You will not be penalized for not reporting on the full coverage of your FTEs as we recognize that the data is complex to consolidate at the global level.

If your company has less than 20% of its workforce in the US, please select the second option and fill in the table according to the relevant categories for the highest share of your workforce. We expect public disclosure on at least three categories. Please select the coverage bracket which covers the scope of employees you are reporting on. You will not be penalized for not reporting on the full coverage of your FTEs as we recognize that the data is complex to consolidate at the global level.

If your company has less than 20% of its workforce in the US and you are unable or not allowed to report on ethnic and racial indicators, please select the second option and report on the nationalities which make up the highest share of your workforce. Please note that this is not the preferred option as nationality is an imperfect proxy for the diversity indicator assessed in this question. We do not accept disclosure on the geographical spread of the workforce, here we refer to the nationalities of the employees rather than their geographical location. We expect disclosure on at least three different nationalities.

Please note: If you have less than 100 employees or no employees in your organization, then please mark the question as 'Not applicable'.

References

ILO convention No. 111
GDPR Article 9

Standards & frameworks

GISD - Diversity and inclusion (%)
GRI Disclosure - 405-1
IRIS+ - OI3140, OI3236, OI8147
WEF Metrics - Diversity and inclusion (%)

Gender Pay Indicators

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

This question assesses a **company's pay practices** by evaluating the results of its gender pay assessments. An increasing number of countries are adopting regulations which require companies to conduct such pay assessments and to disclose the results, making this topic of high strategic

importance. Furthermore, unequal remuneration and gender **pay gaps pose a threat to the company's ability to attract and retain women talent**, lowers employee engagement and can lead to reputationally damaging controversies.

Question Layout

Does your company monitor and disclose the results of your gender pay gap or equal pay assessment? If your company conducts both, please select the option with the highest coverage.

- We monitor and disclose the results of our equal pay analysis.

Currency:

Please provide the coverage reported on (as a % of FTEs):

Employee Level	Average Women Salary	Average Men Salary
Executive level (base salary only)		
Executive level (base salary + other cash incentives)		
Management level (base salary only)		
Management level (base salary + other cash incentives)		
Non-management level (base salary only)		

- If the equal pay information (or the ratio) is publicly reported, please provide the relevant URL.
- Our equal pay assessment is third-party verified. Please provide supporting evidence:
 - We monitor and disclose the results of our gender pay gap analysis.
 - If the gender pay gap information is publicly reported, please provide the relevant URL.

Please provide the coverage reported on (as a % of FTEs):

Indicator	Difference between men and women employees (%)
Mean gender pay gap	
Median gender pay gap	
Mean bonus gap	
Median bonus gap	

- Our gender pay gap assessment is third-party verified. Please provide supporting evidence:
- We conduct gender pay assessments but do not disclose the results. Please provide supporting qualitative evidence:

Question-Specific Guidance & Definitions

Executive level: Employees who have an executive function and play a strategic role within an organization. They hold senior positions and impact company-wide decisions. Executives usually report directly to the CEO and the CEO is included in the definition of executive level.

Management level: All management-level positions from first-line/junior managers up to top/senior managers with a reporting line 2 levels or less from the CEO, but excluding executive-level positions. Managerial functions are those that involve planning, policy making, strategizing, leading and controlling.

Non-management level: Employees in charge of executionary functions, such as production and administrative positions. These employees have limited or no managerial role.

Other cash incentives: These are monetary incentives paid **on top of the employee's regular salary to reward employees** for job performance or longevity. These incentives have an explicit monetary value and can include rewards such as bonuses and stock options.

Equal pay: Equal pay compares the salary of men and women who have the same or equivalent positions to assess whether they are paid the same for equal work.

Gender pay gap: The gender pay gap is the difference in average gross hourly earnings between women and men – it therefore assesses the difference in pay at the aggregated level. Calculated this way, the gender pay gap does not take in to account all the different factors that may play a role, for example, education, hours worked, type of job, career breaks or part-time work. However, it reflects the work that women do and their position in the company hierarchy, therefore also providing an indicator of equality of opportunities to develop **one's career and access higher-paid positions.**

Mean gender pay gap: The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

Median gender pay gap: The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.

Mean bonus gap: The difference between the mean bonus paid to male relevant employees and that paid to female relevant employees.

Median bonus gap: The difference between the median bonus paid to male relevant employees and that paid to female relevant employees.

Coverage: Please select the coverage range on which you are reporting. For example, if you are reporting on your employees in country ABC, and these employees make up 80% of your total workforce, please select the coverage range ">75%".

Data Requirements

Disclosure requirements for partially public question: Additional credit will be granted for relevant publicly available evidence disclosing the metrics requested either for equal remuneration or for the gender pay gap.

If your company conducts both equal pay and gender pay gap assessments, please select the option for which you have data for the highest proportion of your employees.

Please note: If you have less than 100 employees or no employees in your organization, then please mark the question as 'Not applicable'.

References

International standards: ILO convention No. 111

The gender equality questions were developed in collaboration with EDGE, leveraging its robust research on gender equality. EDGE is the leading global assessment methodology and business certification standard for gender equality. It measures where organizations stand in terms of gender balance across their pipeline, pay equity, effectiveness of policies and practices to ensure equitable career flows and inclusiveness of their culture. Launched at the World Economic Forum in 2011, EDGE has been designed to help companies not only create an optimal workplace for women and men, but also benefit from it. EDGE stands for Economic Dividends for Gender Equality and is distinguished by its rigor and focus on business impact. EDGE

Certification's diverse customer base consists of 200 large organizations in 44 countries across five continents, representing 29 different industries and employing globally more than 2.4 million employees.

The study “Do Firms Respond to Gender Pay Gap Transparency?” (January 2019) examined the effect of pay transparency on the gender pay gap and firm outcomes by examining a 2006 policy change in Denmark that required firms to provide gender dis-aggregated wage statistics. Using detailed data and a differences-in-differences statistical approach, Bennedsen et al found that the law indeed reduced the gender pay gap.

Standards & frameworks

CSRD - S1-16 97a AR 98-AR 100, S1-16 98

GISD - Gender pay equality (%)

GRI Disclosure - 2-5, 405-2

IRIS+ - OI1855, OI3819

UNGC Questionnaire - L8

WEF Metrics - Pay equality (%), Pay gap (%)

Freedom of Association

Public: this question requires publicly available information

Assessment Focus



Question Rationale

We assess various Labor KPIs at an organization to determine the quality and transparency of its reporting. In line with ILO Convention No. 87 and No. 98, this question assesses if your

company allows employees to join an independent trade union.

Question Layout

What percent of your total number of employees are represented by an independent trade union or covered by collective bargaining agreements? Please indicate where this is available in your public reporting.

Please note: employees who are eligible but are not actually covered by collective bargaining agreements should be excluded from the count.

% of employees represented by an independent trade union or covered by collective bargaining agreements:	Link to public reporting
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Question Specific Guidance & Definitions

Collective bargaining agreements: Written legal contracts between an employer and a union representing the employees. These agreements can be at the sector, national, regional, organizational, or workplace level.

An independent trade union: A trade union which is not under the control of an employer or group of employers or of one or more employers' associations, and is free from interference by an employer or any such group or association.

Data Requirements

Percentage of employees covered by collective bargaining agreements: Employees who are eligible but are not actually covered by collective bargaining agreements should be excluded from the count.

This question requires public evidence.

Please note: If you have less than 100 employees or no employees in your organization, then please mark the question as 'Not applicable'.

Standards & frameworks

- CSRD - S1-8 60a AR 66
- ESG Disclosure Standards (China) - S.1.2.1 Democratic management of employees
- GISD - Percentage of employees covered by collective agreement
- GRI Disclosure - 2-30
- IRIS+ - OI3703
- UNGC Questionnaire - L6
- WEF Metrics - Freedom of association and collective bargaining at risk (%)

Human Rights

The questions in this criterion aim to assess whether or not companies are meeting the implementation requirements of the UN guiding principles for business and human rights.

Human Rights Commitment

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to identify companies that have an active commitment to respect human rights in their business relationships in line with the UN Guiding Principles or another internationally accepted standard. The policy needs to be company-specific with a company-wide commitment and not just for a single site, business unit, or project.

Following the most recent international developments in the field of corporate non-financial disclosures, we want to know not only the coverage of businesses human rights policies but what are the specific human rights issues considered within

them and whether they highlight particular human rights for attention, whether the commitment is limited to a particular set of rights, encompasses all internationally recognized human rights, or encompasses all internationally recognized human rights but highlights some as needing particular attention according to the context in which the company operates.

This input will reinforce the understanding of a company's approach to human rights, building increased trust with different stakeholders and demonstrating international good business practice.

Question Layout

Does the company have a policy on its commitment to respect human rights at a company-wide level and is it available publicly?

- Yes, the company has policy on its commitment to respect human rights at a company-wide level. Please indicate where this information in public reporting or corporate website.
- A statement of commitment to respect human rights in accordance with internationally accepted standards
- A statement of commitment to prevent/respect at least:
 - Human trafficking
 - Forced labor
 - Child labor
 - Freedom of association
 - The right to collective bargaining
 - Equal remuneration
 - Discrimination
 - Other rights:

The policy also covers the following:

- Requirements for our own operations (employees, direct activities, products, or services)
- Requirements for our suppliers
- Requirements for our partners

Question-Specific Guidance & Definitions

Respecting human rights:

- Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur
- Seek to prevent or mitigate adverse human rights impacts that are linked to their operations, products, or services by their business relationships, even if they have not contributed to those impacts.

Suppliers: Include brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent contractors, manufacturers, primary producers, sub-contractors, and wholesalers.

Partners: Include agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, clients, local communities.

Human trafficking: The recruitment, transport, transfer, harboring, or receipt of a person by such means as threat or use of force or other forms of coercion, abduction, fraud, or deception for the purpose of exploitation.

Forced labor: Forced labor can be understood as work that is performed involuntarily and under the menace of any penalty. It refers to situations in which persons are coerced to work through violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities.

Child labor: Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:

- is mentally, physically, socially, or morally dangerous and harmful to children; and/or
- interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

Freedom of association: The right of workers and employers to form and join organizations of their own choosing

Right to collective bargaining: The right of workers to bargain freely with employers is an essential element in freedom of association. Collective bargaining is a voluntary process through which employers and workers discuss and negotiate their relations, particularly terms and conditions of work.

Equal remuneration: This means principle of equal remuneration for men and women workers for work of equal value.

Right to non-discrimination: The principle of non-discrimination seeks “to guarantee that human rights are exercised without discrimination of any kind based on race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status such as disability, age, marital and family status, sexual orientation and gender identity, health status, place of residence, economic and social situation.

Data Requirements

This question requires supporting evidence from the public domain. The information provided must be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications) or corporate website.

Only referring to or being a signatory to external entities such as the UN Global Compact (UNGC) or International Labour Organization (ILO) is not sufficient for the statement of commitment. A letter from your company to the UNGC is also not sufficient. We require a company-specific statement of commitment.

Also, Modern Slavery Statements will not be accepted as human rights commitments.

References

Office of the High Commissioner for Human Rights: http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
 Business & Human Rights Resource Center: <https://www.business-humanrights.org/en/big-issues/un-guiding-principles-on-business-human-rights/>
 UN Global Compact guide to developing a policy: https://www.unglobalcompact.org/docs/issues_doc/human_rights/Resources/HR_Policy_Guide_2nd_Edition.pdf

Standards & frameworks

CSRD - ESRS 2 MDR-P 65a, ESRS 2 MDR-P 65b, S1-1 20a, S1-1 21 AR 12, S1-1 22, S1-1 24a, S1-2 AR 25 e, S1-4 AR 35, S2-1 17a, S2-1 18, S2-1 19 AR 14, S2-2 22d AR 19-AR 20, S2-4 AR 30, S3-1 17 AR 10, S3-4 AR 27, S4-1 16(a), S4-1 17 AR 11
 GISSD - Alignment with the UN Guiding Principle for Business and Human Rights
 IAST APAC - Core Modern Slavery Metrics
 IRIS+ - OI4432, OI5102, OI9650
 UNGC Questionnaire - G2, G3, HR2, HR2.1, L1, L1.1
 UNGP - A1, A1.3, C1, C1.1

Human Rights Due Diligence Process

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to assess whether your company has a due diligence process to proactively and systematically identify potential human rights impacts and where they could occur. Here we ask about the scope of your due diligence risk identification process, whether it covers only your own operations or also your value chain and other activities, and whether you perform a human rights due diligence process before entering into new business relationships (mergers, acquisitions, joint ventures, etc.). We also focus on the type of issues you have specifically addressed when carrying out the due diligence process and what type of vulnerable groups you have clearly considered throughout the process.

A passive approach such as whistle blowing, or confidential reporting system is not sufficient for this question.

There is an increasing number of studies addressing the link between good corporate performance, human rights, and financial returns. For example, some studies indicate that businesses that properly address human rights issues are likely to have a more productive and more profitable workforce and avoid costly risks. (Baglayan, Basak & Landau, Ingrid & McVey, Marisa & Wodajo, Kebene. Good Business: The Economic Case for Protecting Human Rights, 2018)

Question Layout

Does the company have a company-wide human rights due diligence process to proactively identify and assess potential impacts and risks relating to respecting human rights and is it available publicly?

- Yes, the company has a company -wide human rights due diligence process. Please indicate where this information is available in public reporting or corporate website.
 - Risk identification in our own operations
 - Risk identification in our value chain or other activities related to our business
 - Risk identification in new business relations (mergers, acquisitions, joint ventures...)
 - We do a systematic periodic review of the risk mapping of potential issues

Please indicate the issues and vulnerable groups covered in your due diligence risk identification process. Please attach public supporting evidence for all of the aspects covered.

Actual or potential human rights issues covered/identified:

Check all that apply and provide relevant evidence for each issue covered. We expect at least four issues to be covered.

- Human trafficking
- Forced labor
- Child labor
- Freedom of association
- The right to collective bargaining
- Equal remuneration
- Discrimination
- Others, please specify:

Groups at risk of human rights issues covered/identified:

Check all that apply and provide evidence for each group covered. We expect at least four groups to be covered.

- Own employees
 - Women
 - Children
 - Indigenous people
 - Migrant workers
 - Third-party employees
 - Local communities
 - Others, please specify:
- No, the company has yet to conduct any assessments but is developing a human rights due diligence process. Please provide information indicating the status and expected completion date.

Question-Specific Guidance & Definitions

Adverse human rights impact: An “adverse human rights impact” occurs when an action removes or reduces the ability of an individual to enjoy his or her human rights.

Human rights risks: The risks that a company's operations/activities/products pose to people's fundamental human rights.

Human rights due diligence: Understood as the process through which enterprises can identify, prevent, mitigate, and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems. Due diligence can be included within broader enterprise risk management systems, provided that it goes beyond simply identifying and managing material risks to the enterprise itself, to include the risks of adverse impacts related to human rights.

Data Requirements

Supporting documentation should be recent, provide a clear description of the due diligence process, indicate the coverage of business activities and demonstrate that it is an ongoing activity.

The information should be available in the public domain. The information provided must be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications, etc.) or corporate website.

For the actual or potential human rights issues identified, we expect evidence that some of the listed issues were identified or covered as part of the risk identification process.

For the groups at risk, we expect public evidence on the vulnerable groups you have taken into account in the risk identification process (we expect public proof of having considered the specific risks faced by those groups or of having considered them as relevant stakeholders through the process). We do not expect all issues and all groups to be covered.

The outcomes of conducting the risk identification process should be provided in the following “Human Rights Assessment” question. A passive approach such as a whistleblowing or confidential reporting system is not sufficient for this question.

References

OECD Guidelines for Multinational Enterprises, Chapter IV. <https://www.oecd.org/daf/inv/mne/48004323.pdf>
 OECD Due Diligence Guidance for Responsible Business Conduct. <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>

Standards & frameworks

CSRD - ESRS 2 GOV-4 30 AR 8 - AR 10, ESRS 2 GOV-4 32 AR 8 - AR 10, S1-2 AR 25 e, S1-4 AR 35, S2-4 AR 30, S3-1 16a, S3-4 36, S3-4 AR 27
 GRI Disclosure - 2-23, 407-1, 408-1, 409-1, 414-2
 UNGC Questionnaire - G6, G7, HR1, HR3, L2
 UNGP - A1, A1.2, A2, B1, B2, C1

Human Rights Assessment

Assessment Focus



Question Rationale

The purpose of this question is to assess the extent your company is proactively identifying where risks are and managing them. The process should consider the country contexts in which the organisation operates, the potential and actual human rights impacts resulting from the

organisation's activities, and the relationships connected to those activities.

(Source: https://www.unglobalcompact.org/docs/news_events/8.1/human_rights_translated.pdf)

Question Layout

Has your company conducted an assessment of potential human rights issues across your business activities in the past three years?

- Yes, We have proactively conducted an assessment of potential human rights issues in the last 3 years.

Please complete the table below related to the portion of activities assessed, the portion of activities where risks have been identified, and the portion of activities with mitigation actions taken. If any of the business categories are not material to your company, select "Not relevant" and provide an explanation.

If an entity has been assessed multiple times in the last three years, it should only be counted once.

Category	A. % of total assessed in last three years	B. % of total assessed (column A) where risks have been identified	C. % of risk (column B) with mitigation actions taken
<input type="checkbox"/> Own Operations (including Joint Ventures where the company has management control) Please select the basis for reporting (denominator): as a % of:			
<input type="checkbox"/> Not relevant			
<input type="checkbox"/> Contractors and Tier I Suppliers (as a % of contractors or Tier I Suppliers)			
<input type="checkbox"/> Not relevant			
<input type="checkbox"/> Joint Ventures (including stakes above 10%) (as a % of joint ventures)			
<input type="checkbox"/> Not applicable. We do not have any joint ventures at stakes above 10%.			

Question-Specific Guidance & Definitions

Own Operations: Includes direct activities, own employees, own sites, own products/services

manufacturers, primary producers, sub-contractors, and wholesalers.

Contractors and Tier 1 Suppliers: Include brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent contractors,

Joint ventures (including stakes above 10%): all joint ventures not included in Own Operations as defined above.

Percentage of suppliers assessed in the last 3 years: This refers to the number of entities across the different categories of business activities that have been assessed in the last three years, divided by the total absolute number of entities within the different categories of business activities in the current year. If an entity has been assessed multiple times in the last three years, it should only be counted once.

Data Requirements

For information on their own operations, companies may choose the basis for reporting from the following options: % of FTEs, % of revenues, % of clients, % of investment portfolio, % of sites or % of products.

For information on contractors and Tier I suppliers, the basis for reporting should be the % of contractors and Tier I suppliers.

For information on joint ventures, the basis for reporting should be the % of joint ventures.

Supporting evidence: No document is required to support your response. You may still provide a reference using the reference clip. This could include examples of the underlying calculations or approaches to data aggregation used to compile the provided quantitative information.

References

Office of the High Commissioner for Human Rights:
https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

Business & Human Rights Resource Center:
<https://www.business-humanrights.org/en/big-issues/un-guiding-principles-on-business-human-rights/>

Standards & frameworks

CSRD - S1-2 AR 25 e, S1-4 AR 35, S2-1 19 AR 14, S2-4 36, S2-4 AR 30, S3-4 AR 27

GRI Disclosure - 408-1, 414-2

UNGP - A2

WEF Metrics - Human rights review, grievance impact and modern slavery (#, %)

Human Rights Mitigation & Remediation

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to know through concrete examples, what the reporting company has done during the reporting period to reduce the likelihood of negative impacts related to each human rights risk and what actions has it taken when the impact has already happened.

In assessing human rights impacts, companies will have search for both actual and potential adverse impacts. Potential impacts should be prevented or mitigated through the horizontal integration of findings across the business enterprise, while actual impacts—those that have already occurred – should be a subject for remediation.

Question Layout

Does the company have measures to mitigate and remediate the negative impacts of human rights risks and is it available publicly?

- Yes, the company has measures to mitigate and remediate negative impacts of human rights risks. Please indicate where this information is available in public reporting or corporate website.
 - Processes implemented to mitigate human rights risks
 - The number of sites with mitigation plans
 - The type of remediation actions taken

Question-Specific Guidance & Definitions

Mitigation actions: The mitigation of a negative human rights impact refers to actions taken to reduce the extent of the impact. The mitigation of a human rights risk refers to actions taken to reduce the likelihood that a potential negative impact will occur.

Remediation actions: Here they are understood as processes that apply when the company has caused or contributed to a negative human rights impact (an actual violation has already happened) and through which it is able to help ensure that the people who were impacted receive an effective remedy. The remediating action aims to restore individuals or groups that **have been harmed by a business's activities to the situation** they would have been in had the impact not occurred. Where this is not possible, it can involve compensation or other forms of remedy that try to make amends for the harm caused. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.

This should not be confused with 'remediation' in the context of social audits, where the concept includes and typically focuses on forward-looking actions to prevent a non-compliance from recurring.

Data Requirements

Information should be specifically related to human rights issues, general information on ESG or sustainability would not be accepted unless it concretely states the specific human rights topics considered within a more general approach.

We require supporting evidence to be available in the public domain.

Note: For the number of sites with mitigation plans, information on the general number of mitigation plans or number of mitigation plans for operations/business units/business operations/products/investment portfolio/clients will also be accepted.

For remediation actions, in case the company has been involved directly or indirectly in a human rights impact, information should be provided on the type of remediation actions taken. The information should always be linked with

an existing impact or violation. In case the company has not caused nor contributed to any human rights violation, this should be stated in the public domain. In this case, the option can be ticked as no remediating actions would be expected.

Note for companies in BNK, FBN, INS:

Number of sites:

The number of sites can be interpreted as the number of portfolios, client relationships or products with mitigation actions in place.

Mitigation actions:

The following types of mitigation actions could also be considered when they specifically refer to human rights in case of indirect involvement in a potential adverse human rights impact:

- specific human rights requirements in investment mandates or clear human rights conditions precedent to investments,
- due diligence requirements with respect to investee companies,
- use of leverage in case of investee company breach of covenants,
- exclusions (maintaining a no-go list) of high-risk companies or companies that are in breach/violation of human rights principles,
- active engagement with investee,
- divestment decisions.

Remediation actions:

As for remediation actions, companies within the BNK, FBN and INS would frequently only be indirectly linked with the adverse impact. In those cases, where the company has not contributed to the impact, but is still linked to the harm through its business relationships, information about the

efforts to persuade the investee company/business relationship to remediate the harm and about its participation in dialogue or mediation processes regarding the remediation of the adverse impact is expected. Also, information about co-operation with judicial and non-judicial mechanisms would be expected for companies involved in judicial or non-judicial proceedings related to human rights issues. Besides, an entity acknowledging the harm suffered and demonstrating efforts to improve its processes to ensure that similar adverse impacts will not reoccur is also acceptable.

In addition, information on direct mitigation and remediation actions is expected when the company has directly caused or may have caused an adverse human rights impact.

References

Doing business with respect for human rights, A guidance tool for companies, 2nd edition, 2016, Shift, Global Compact Network Netherlands, Oxfam.
https://www.businessrespecthumanrights.org/image/2016/10/24/business_respect_human_rights_full.pdf

Standards & frameworks

CSRD - S1-1 20c, S1-2 AR 25 e, S1-3 32a, S1-4 37, S1-4 40a AR 44-AR 45, AR 47, S2-1 17c, S2-3 27a AR 21, S2-4 34a AR 40-41, AR 43, S3-1 16c, S4-1 16(c)
GRI Disclosure - 407-1, 408-1, 409-1, 411-1
IRIS+ - OI9077
UNGC Questionnaire - HR7, HR8, L11, L3
UNGP - A2.5, C3.2, C4.3, C6

Human Capital Management

Human capital can make up a significant part of a company's intangible assets and for many industries, human capital development is one of the most financially material sustainability factors. Considering the drivers in technological disruption and innovation, demographic shifts, and societal developments, companies need to focus on

developing their human capital and make sure that their employees have the necessary skill set needed to perform well and execute the business strategy. To address the skills gap challenge, companies must carefully consider their investments in training, upskilling, and reskilling their workforce.

Training & Development Inputs

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

To address the skills gap challenge and remain competitive in attracting and retaining talents, companies must carefully assess their investments in training, upskilling, and reskilling their workforce. Training & development can lead to positive outcomes such as reduced turnover, reduced external hiring

costs and a more engaged and committed workforce. This question assesses whether companies are leveraging their current workforce capabilities by investing in their training & development, and whether these investments are made fairly across the entire employee base.

Question Layout

Please fill out the following table for the related training & development data for the last fiscal year and attach supporting evidence of where this information is reported.

- Please indicate the percentage of global FTEs the data in the table below represents:

FY 2023

Average hours per FTE of training and development

- This data is publicly available. Please provide supporting evidence or web link:

Average amount spent per FTE on training and development.

- This data is publicly available. Please provide supporting evidence or web link:

Data breakdown

We break down the data for either of the KPIs above based on the following categories. Please select any that apply and attach supporting evidence:

- Age group
- Gender
- Management level (e.g., junior/low level, middle, senior/top level management)
- Race, ethnicity, nationality, country of origin, cultural background
- Type of training

Question-Specific Guidance & Definitions

FTEs: Full-Time Equivalents is the number of working hours that represents one full-time employee during a fixed time period, such as one month or one year. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees.

Average hours of training and development per FTE: it refers to the total number of hours of training and development provided in the last fiscal year divided by the total number of FTEs.

Average amount spent on training and development per FTE: it refers to the total amount spent on training and development in the last fiscal year divided by the total number of FTEs. **This figure should not include 'learning and development' team operational cost like this team's employee salaries.**

By type of training: Here different types of training may include but are not limited to "on-the-job" training, coaching, mentorship, leadership trainings, compliance trainings, cultural diversity training, IT training, OHS training etc.

Data Requirements

Please note: If you have 25 or less FTEs in your organization, then please mark the question as "Not Applicable".

Disclosure Requirements

- Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question: "Average hours of training spent per FTE" and/or "Average amount spent per FTE on training and development programs"
- Difference in coverage of the different KPIs: This question asks for two different KPIs. In case the reporting coverage of this KPIs is different e.g., a company can provide data for "Average hours of training spent per FTE" for 70% of their FTEs but only 30% of their FTEs for "Average amount spent per FTE", then for consistency reasons, the company should provide data for both KPI for 30% of their FTEs.
- Difference between publicly and privately available data: Companies should report information in line with their public reporting. That means in case a

company publicly reports on "Average hours of training and development per FTE" for 50% of FTEs but could answer the question with a larger coverage that it is only privately available (e.g., for 100% of FTEs), the company should fill out the question only based on the information publicly reported and hence verifiable.

Data breakdown

- Companies can provide data breakdown for either of the two KPIs asked, i.e., "Average hours of training spent per FTE" and/or Average amount spent per FTE on training and development programs
- We do not expect companies to break down the data by all the categories mentioned in the question, but full points for this section will be granted for having a breakdown for at least 2 categories. The purpose of this section is to assess whether companies can track these KPIs in a way that allow them to evaluate and reassure fair treatment of all employees.
- In Europe, according to the Article 9 of the GDPR, it is prohibited to process personal data revealing racial or ethnic origin, except if the data subject has given explicit consent to the processing of those personal data, provided this is not prohibited by national law. Other exemptions exist, such as reasons of substantial public interest which might include statistical research purposes for equality of opportunity and treatment. We therefore expect companies to report on only two different categories, to not penalize companies that do not report data breakdown on race.
- For this section, companies can attach either private or public evidence and we expect to see the specific data broken down by these categories e.g., "x% "Average hours of training spent per FTE" for junior employees, y% for mid-level managers and z% for senior managers"

Standards & frameworks

CSRD - S1-13 83b AR 78

ESG Disclosure Standards (China) - S.1.2.1 Democratic management of employees, S.1.4.2 Employee training

GRI Disclosure - 404-1

IRIS+ - 0I7390, 0I7877

WEF Metrics - Training provided (#)

Employee Development Programs

Public: this question requires publicly available information

Assessment Focus



Question Rationale

One of the challenges companies' faces is to fully understand the positive business and financial effects of investing in employees and whether the investments they are making are having the desired impact on their people and their organizations. This question measures how and to what degree companies can measure the benefits to their business of their investments in human capital by describing two examples of employee development programs, demonstrating

their benefits to the business, and asking whether companies are able to quantify these benefits. For investors, understanding whether companies are maximizing the benefits of their investments in people can be key to understanding how efficiently capital is deployed across the organization and how companies are making forward looking, strategic investments in their people.

Question Layout

Does your company have employee development programs that have been developed to upgrade and improve employee skills? Please indicate where this information is available in your public reporting or corporate website.

For further clarifications on the information asked below, please consult the information text.

- Yes, We have employee development programs that have been developed to upgrade and improve employee skills and are publicly available.

	Program 1	Program 2
Name & Description of the program	<input type="checkbox"/> Please provide description of the program	<input type="checkbox"/> Please provide description of the program
Business benefits of the program	<input type="checkbox"/> Please provide business benefits of the program	<input type="checkbox"/> Please provide business benefits of the program
Quantitative impact of business benefits (monetary or non-monetary)	<input type="checkbox"/> Please provide quantitative impact of business benefits:	<input type="checkbox"/> Please provide quantitative impact of business benefits:
% of FTEs participating in the program		
Supporting Evidence		

Question-Specific Guidance & Definitions

Employee development programs: these refers to programs that have been developed to enhance or improve your **employees' skills. They can be functional, leadership, on the job-trainings** such as leadership or management development programs, young talent development programs, sales training for sales executives, green or black belt certifications, project management training etc. This does not cover programs providing employees with the basic skills they need to carry out their daily work or to help them reach certain minimum requirements, such as mandatory compliance training, annual recertification programs, basic

OHS or workplace security training, board training for new board members, training programs that are necessary to bring new employees up to a minimum standard in order to fulfil their job requirements, graduate/ trainee or apprenticeship programs.

Name & Description of the program: companies are expected to provide specific example of programs and explain how they can provide business benefit. General reference to the existing of a Learning Academy or Institute or purchase of LinkedIn Learning license is not sufficient.

Description of program objective/business benefits: it refers to the benefits that the company derives as a result of providing the training, not the benefits for the employee undertaking the training. Of course, programs may result in benefits to both the company and the employees. This should not be a description of the employee development program but rather an explanation of how the program aids the **company's overall performance or helps it meet its strategic targets**.

Quantitative impact of business benefits: they refer to either monetary or non-monetary metrics that a company uses to track and measure the impacts of its development programs. These metrics should be linked to the employee development program described in terms of a measurable outcome as a relevant indicator of more effective business performance. Examples include but are not limited to quantitative information showing changes in employee engagement, employee turnover, efficiency, productivity, revenue generation cost savings, sales, internal employee promotions, employee retention etc. (i.e., specific statements of x% increase in employee engagement, x% decrease in employee turnover etc.) This does not refer to the number of trainees/ participants or any qualitative description of the beforementioned metrics (i.e., **statements like "increased number of trainees," "increase in employee engagement"** etc.)

FTEs: Full-Time Equivalents is the number of working hours that represents one full-time employee during a fixed time period, such as one month or one year. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees.

Percentage of FTEs participating in the program: it refers to percentage of FTEs actively participating/ made use of the program, not the number of people that are eligible or have access to the program, out of the total amount of FTEs in the latest reporting year.

Data Requirements

- Companies should select the programs they will report on based on their strategic importance. Companies should select programs that can sufficiently demonstrate their business impact than select the programs that have simply higher **employee coverage; "% of FTEs participating in the program" field is appraised only on disclosure and therefore greater values of employee coverage will not necessarily lead to a better scoring performance for this question.**
- Quantitative impact of business benefits: The quantitative impact reported should be linked to the **program's business benefit described in the previous field and not unrelated.**
- Supporting Evidence: Please share a public document or weblink and indicate the relevant page where the information related to selected programs are described.

Disclosure Requirements

- The public document(s) or weblink(s) you attached will be used to verify the qualitative part of your response. Any qualitative response that cannot be verified in the attached public document(s) will not be accepted.
- Quantitative figures provided in the response also require public supporting evidence. This could include examples of the underlying calculations or approaches to data aggregation used to compile the provided quantitative information..

Please note: If you have 25 or less FTEs in your organization, then please mark the question as "Not applicable".

Standards & frameworks

CSRD - S1-1 AR 17 h)

ESG Disclosure Standards (China) - S.1.2.1 Democratic management of employees

IRIS+ - OI3368

WEF Metrics - Monetized Impacts of Training - Increased earning capacity as a result of training intervention (% , \$)

Human Capital Return on Investment

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The Human Capital Return on Investment provides a means of measuring a **company's** profitability in relation to total employee costs. It is derived by removing non-employee costs from overall operating costs and deriving the resulting

operating profitability. This metric provides a view into the degree to which economic value is derived looking at profitability solely in relation to human capital costs.

Question Layout

Does the company publicly report the following information on a standard human capital return on investment metric, serving as a global measure of the return of the Human Capital programs.

- Yes, the company publicly reports on the following human capital return on investment metrics. Please indicate where the information is available in public reporting or corporate website.

	FY 2020	FY 2021	FY 2022	FY 2023
a) Total Revenue, as specified in the "Denominator" question				
Currency:				
b) Total Operating Expenses				
Currency:				
c) Total employee-related expenses (salaries + benefits)				
Currency:				
Resulting HC ROI (a - (b-c))/c				
Total Employees, as specified in the "Denominator" question				

Question-Specific Guidance & Definitions

Total Revenue: it refers to the amount your company has received in revenues before any deductions are made.

Total operating expenses: it refers to all the expenses your company has from its operations. It should be in line with accepted financial accounting and reporting standards, including everything a company will have defined in its income statement.

Total employee-related expenses (salaries + benefits): this includes training and development programs, pensions, hiring, etc., as it covers all costs related to employees.

Data Requirements

- By subtracting Total Operating Expenses (b) less Total employee-related expenses (salaries + benefits) (c) from Total Revenue (a), **your company's** profitability prior to human capital costs is calculated. Dividing this figure by Total employee-related expenses (salaries + benefits) (c) then leads to the ratio

that examines your company's level of profitability in relation to the total human capital expenses.

Supporting evidence:

- This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g. annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website.
- Any response that cannot be verified in the attached public document(s) will not be accepted.

Please note:

- If you have 25 or less FTEs in your organization, then please mark the entire criterion as 'Not applicable'.
- If you have 26-100FTEs, then also this question will be marked as NAP.

Standards & frameworks

GRI Disclosure - 201-1
IRIS+ - FP1001, FP4831

WEF Metrics - Economic contribution, Monetized Impacts of Training - Increased earning capacity as a result of training intervention (% , \$)

Hiring

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Employees are one of the most important intangible assets for companies. The ability to attract qualified and talented employees, as well as retain and nurture internal talents is pivotal for corporate success. Companies focused on attracting the best talents should not forget about their internal talents who have grown with the company, understand the organization, its mission and culture.

Companies need to build organized internal career mobility processes to retain talents and reduce external hiring costs. This question asks for the number of new employee hires, the percentages of positions filled by internal candidates, the hiring cost, and data breakdown by age, gender, race/ethnicity, and management level.

Question Layout

Please indicate the total number of new employee hire rates and the percentage of open positions filled by internal candidates. Please also report the average hiring cost/FTE for the last fiscal year.

Please note: The average hiring cost/FTE should specifically relate to the number of employees hired last year, not average cost for all employees.

	FY 2020	FY 2021	FY 2022	FY 2023
Total number of new employee hires				
<input type="checkbox"/> This data is publicly available. Please provide supporting evidence or web link:				
Percentage of open positions filled by internal candidates (internal hires)				
<input type="checkbox"/> This data is publicly available. Please provide supporting evidence or web link:				
Average hiring cost/FTE				
Currency:				

Data breakdown

We break down the new employee hires and/or internal hires data based on the following categories. Please provide supporting evidence:

- Age group
- Gender
- Management level (e.g. junior/low level, middle, senior/top level management)
- Race, ethnicity, nationality, country of origin or cultural background

Question-Specific Guidance & Definitions

FTEs: Full-Time Equivalents is the number of working hours that represents one full-time employee during a fixed time period, such as one month or one year. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees.

Total number of new employee hires: refers to the number of new full-time equivalents (FTEs) hired in the reporting year. It should not include internal candidates i.e. existing employees that have been hired in different positions or internally promoted.

Percentage of open positions filled by internal candidates (or internal hires or promotions): refers to the total number of **open positions filled by a company's own employees divided** by the total number of vacancies in the company in the reporting year. This metric provides a mean of determining the effectiveness of human capital development by providing employees with the skills required for promotion, and it also demonstrates how proactive organizations are in providing their employees with new challenges for growth and development throughout their careers.

Average hiring cost/FTE: refers to the average cost of hiring a new full-time equivalent (FTE) in the reporting year. This figure should be calculated based on the costs of hiring all new FTEs in the reporting period and not based on the costs of hiring FTEs who were already at the company before the last fiscal year started. The average hiring cost includes internal and external recruiting cost e.g. recruiter salaries, interviews, agency fees, advertising, job fairs, travel and relocation costs.

Disclosure requirements:

Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question, for at least the most recent reported year.

- Total number of new employee hires
- Percentage of open positions filled by internal candidates (internal hires)

IMPORTANT if you are prefilling data from previous assessments: Please note that for technical reasons, the

data from the fiscal year 2019 is being pre-filled in all 4 years for the **“percentage of open positions filled by internal candidates”** and the **“average hiring cost/FTE”**. Please make sure to review the pre-filled data and update it accordingly for each fiscal year. Duplicated data which is not supported by an explanation in the comment box will be removed.

Data breakdown:

- **We don't expect companies to break down the data** by all the categories mentioned in the question, but full points will be granted for this section for having a breakdown for at least 2 categories. The purpose of this section is to assess whether companies are able to track these metrics in a way to be able to evaluate and reassure fair treatment of all employees.
- In Europe, according to the Article 9 of the GDPR, it is prohibited to process personal data revealing racial or ethnic origin, except if the data subject has given explicit consent to the processing of those personal data, provided this is not prohibited by national law. Other exemptions exist, such as reasons of substantial public interest which might include statistical research purposes for equality of opportunity and treatment. We therefore expect companies to report on only two different categories, in order to not penalize companies that do not report data breakdown on race.
- For this section, companies can attach either private or public evidence and we expect to see the specific quantitative data broken down by these categories

Please note: If you have 25 or less FTEs in your organization, then please mark the question as “Not applicable”

Standards & frameworks

EDCI - Organic Net New Hires, Total Net New Hires
 ESG Disclosure Standards (China) - S.1.4.3 Employee career planning and position change support
 GRI Disclosure - 401-1
 IRIS+ - OI3547, OI5479, OI8251
 WEF Metrics - Absolute number and rate of employment

Type of Performance Appraisal

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to assess the various methods that companies use to measure performance and how often performance appraisals take place. This aids the personal development of individual employees and ensures a holistic approach to team management. It also contributes to skills

management and to the development of human capital within the organization. Regular performance and career development reviews can also enhance employee satisfaction, which correlates with improved business performance

Question Layout

Does the company conduct individual and/or team-based performance management appraisals and is this information available publicly?

Yes, the company has individual and/or team-based performance management appraisals. Please indicate where this information is available in public reporting or corporate website.

- Management by objectives
- Multidimensional performance appraisal (e.g. 360 degree feedback)
- Team-based performance appraisal
- Agile conversations

Performance Appraisal Frequency:

Please indicate the frequency at which performance appraisals take place, for at least one type of performance appraisal

- Ongoing
- Quarterly/ Twice a year
- At least yearly
- Not reported

Question-Specific Guidance & Definitions

Employees: Refers to full-time and part-time employees.

Management by objectives: Refers to a systematic process in which employees have pre-defined and measurable goals that are set in a collaborative manner on at least a yearly basis together with their line manager and routinely followed up on.

Multidimensional performance appraisal: Refers to a system in which the employee's performance is assessed using a variety of inputs, not just the targets set by a manager. This can include an assessment of how the employee meets the values and objectives of the department or company, receiving feedback from their peers, direct reports, and other employees where a "360 degree" view of the employee's

performance is provided and/or receiving client or external feedback.

Team-based performance appraisal: Refers to a system where employees are assessed as part of a team rather than only as individuals. It is likely that companies will use a two-pronged approach e.g. team goals and employees' personal goals are set and weighting applied to an individual review and team review.

Agile conversations: Agile performance management is an unstructured approach to managing employee performance and development throughout the year as opposed to on an annual or bi-annual basis. It is collaborative, involving regular conversations and continuous feedback. Agile performance management isn't solely focused on the destination (i.e. an annual performance outcome or rating) — it is more about the

process of getting there, which involves regularly re-addressing objectives and barriers to effective performance.

Ongoing: Refers to “more than quarterly”. Having a conversation with a superior/manager/senior leader about professional development. These can be formal reviews and regular check-ins. We can also accept this if the company is carrying them out for the first time but with the explicit intention of conducting them on an ongoing basis.

Data Requirements

Supporting evidence can be provided to support your response. This can be reference to an integrated report, sustainability report or weblink.

This question requires publicly available evidence covering the following aspects of this question, for at least the most recent reported year.

- The type of performance appraisal.
- How often a type of performance appraisal was carried out

Please note: If you have 25 or less FTEs in your organization, then please mark the question as 'Not Applicable'.

Standards & Frameworks

ESG Disclosure Standards (China) - S.1.2.3 Employee compensation and benefits

GRI Disclosure - 404-3

Long-Term Incentives for Employees

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Long-term incentive programs can be essential for companies to retain well-qualified employees over time. Such programs serve to orient key decisions throughout the organization around longer-term goals and strategic objectives, giving companies a greater likelihood of success over time. This

question assesses the long-term incentive programs the company has in place, the time frame for which performance incentives are paid out, the extent to which these programs apply to employees across the organization, and the extent to which they are associated with sustainability principles.

Question Layout

Does your company provide long-term incentives for employees below the senior management level? Long-term incentive programs are programs tied to an employee's performance. The performance can be measured during one or multiple years. These incentive programs do not include employee benefits (please see the information button definitions for more information).

Please note: senior management includes employees that are at most two management levels from the CEO (or equivalent). Below senior management level refers to all employees that are more than two management levels away from the CEO. If your company uses a different definition for "below senior management level" please provide the definition in your answer.

Long-term incentives for the executive management and/or senior management are not accepted in this question.

<p>Please describe the following aspects (both):</p> <p>1) the type of long-term incentive program (e.g. stock options, restricted stock units, cash incentives, etc.);</p> <p>2) the type of employees below the senior management level the program applies to:</p>	<p>Our long-term incentives for employees below the senior management level are on average paid out after:</p>	<p>Please report the percentage of your workforce below senior management level (max. two levels from the CEO) that this program applies to:</p>	<p>Do the long-term incentives include targets associated with sustainability performance? Please explain in the comment box below:</p>	
<p><input type="checkbox"/> Please provide relevant information below::</p>	<p><input type="checkbox"/> Description Publicly available</p>	<p><input type="checkbox"/> 2 years <input type="checkbox"/> 3 years <input type="checkbox"/> Longer than 3 years</p>	<p><input type="checkbox"/> % of our employees</p>	<p><input type="checkbox"/> Please provide relevant information below:</p>

Question-Specific Guidance & Definitions

Long-term incentives: Variable compensation that is tied to the performance of an employee. The performance can be measured during one or multiple years. This can include deferred cash bonuses, stock options and restricted stock units. Employee benefits, such as pension contributions (whether mandatory or voluntary) or extra vacation days,

should not be included as these are not linked to employee performance.

Sustainability performance: It can relate to any sustainability goals set by your company, whether they are related to environmental issues, social issues such as occupational

health and safety, or any other sustainability issue defined as material by your company.

Senior management level refers to employees that are within **two levels of the CEO as a maximum**. **“Employees below senior management” thus refers to all employees that are below the “senior management level”**. Please note that the definition of “senior management level” is up to the company as we allow the company to choose the best definition according to its business plan and company structure. If your definition differs from our definition due to your business model, please explain this in the question.

Data Requirements

Average time period for performance: The average pay-out time period on which these incentive programs are based. If different pay-out time periods are used for different employee categories, please use a weighted average of the pay-out time periods for long-term incentive programs that exist.

Percentage of your workforce below senior management level (max. two levels from the CEO): Refers to the percentage of employees that are not considered senior management that are part of the long-term incentives program. For example, if your company has 100 employees, 10 are senior management (a maximum of two level from the CEO in the organizational structure) and 90 employees below senior management are part of the long-term incentives program, then 11% ($=10/90 \times 100$) of employees below senior management level are covered in the program.

Long-term incentives for executive management and/or senior management are not accepted in this question.

Please note: If you have 25 or less FTEs in your organization, then please mark the question as 'Not Applicable'.

Disclosure Requirements

Disclosure requirements for the partially public question: Additional credit will be granted for the publicly disclosing information on long-term incentive program offered to employees below senior management level.

Supporting evidence:

- The document(s) you attached will be used to verify the qualitative part of your response. If a question text field is available, a comprehensive answer in that field can be accepted. Any qualitative response that cannot be verified in the attached document(s) or via the information provided in the related question text field (if available) will not be accepted.
- You may provide a reference using the reference clip. This could include examples of the underlying calculations or approaches to data aggregation used to compile the provided quantitative information.

Standards & Frameworks

IRIS+ - OD4091

Employee Support Programs

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Employee health and well-being are essential to ensuring employee satisfaction, productivity, and retention. While flexible work arrangements allow employees to adapt their work schedule to their individual needs and personal commitments, paid parental and care leave, as well as childcare facilities and lactation rooms, ensure that employees have the possibility to balance work and care responsibilities. This flexibility and these benefits boost employee morale, increase productivity, reduce absenteeism, and help to attract and retain top talent while reducing

turnover. As a result, companies can improve their financial and non-financial performance indicators.

This question assesses the company's programs and policies that aim to foster employee health & well-being. To reward greater flexibility and equality for both caregivers, the question considers the % of parental leave for the non-primary caregiver compared to the total number of weeks provided for the primary caregiver.

Question Layout

Does the company **have employee support programs to foster employees' health and well-being** in the following areas and are they available publicly?

- Yes, the company has employee support programs. Please indicate where this information is available in public reporting or corporate website.

Employee Benefits

- Workplace stress management
- Sport & health initiatives

Work Conditions

- Flexible working hours
- Working-from-home arrangements
- Part-time working options

Family Benefits

- Childcare facilities or contributions
- Breast-feeding/lactation facilities or benefits
- Paid parental leave for the primary caregiver (please enter total number of paid leave in weeks offered to the majority of your employees):
- Paid parental leave for the non-primary caregiver (please enter total number of paid leave in weeks offered to the majority of your employees):
- Paid family or care leave beyond parental leave (care for a child, spouse, partner, dependent, parent, sibling, or other designated relation with a physical or mental health condition)

Question-Specific Guidance & Definitions

Workplace stress management: This refers to programs, information, or trainings offered, targeted at helping employees manage their stress levels. This relates to both work and non-work-related stress. Examples of workplace stress management programs include, for example, meditation classes, mental health benefit programs, and other wellness programs or education that aim to help employees reduce stress and improve mental wellbeing in the workplace.

Sport & health initiatives: This refers to programs or initiatives that help promote overall health of employees involving physical activity, mental wellbeing, and/or nutrition goals. Such programs could include onsite fitness facilities, virtual exercise classes, fitness tracking and biometrics, or gym reimbursement.

Flexible working hours: This refers to a schedule which allows employees to decide when to start and/or finish their workday

according to their individual needs. Flexible working hours may give the employee total freedom over their working schedule or may require employee presence for a core set of hours in the day/week and manage the rest of their working hours as best suits them.

Working-from-home arrangements: This refers to a working arrangement by which employees can work from their own homes or other locations of their choice outside of the company facilities.

Part-time work: Part-time work is a form of employment by which the employee works fewer hours in the week than what is deemed a full-time employment.

Childcare facilities: This refers to on-site childcare centres or services which allow parents to drop-off their children to qualified caregivers during their working hours.

Childcare contributions: This refers to financial support provided to parents specifically designed to ensure that they have access to qualified childcare services to take care of their children during working hours.

Breast-feeding/lactation facilities: This refers to a dedicated lactation room or facility so that new mothers can breast-feed or breast-pump for their new-born child. This space should be located at the workplace and offer privacy, comfort, storage, and hygiene.

Breast-feeding/lactation benefits: This refers to benefits provided to new mothers to ensure they have capacity and support to allow them to breast-feed or breast-pump for their new-born child at work. These benefits include, but are not limited to, paid break times for feeding or pumping (15-20 minutes every 2-3 hours depending on individual needs), subsidies for the purchase of portable breast-feeding or breast-pumping equipment.

Paid parental leave for the primary caregiver: This refers to paid leave which is offered on top of normal paid vacation time to specifically support primary caregivers during pregnancy, after birth or for the adoption or fostering of a child. This paid leave is separate from other types of leave such as sick leave or paid time off. The primary caregiver is

the person primarily responsible for the care and upbringing of a child.

Paid parental leave for the non-primary caregiver: This refers to paid leave which is offered on top of normal paid vacation time to specifically support non-primary caregivers during pregnancy, after birth or for the adoption or fostering of a child. This paid leave is separate from other types of leave such as sick leave or paid time off. A non-primary caregiver is a person with parental responsibility for a child but does not have primary responsibility for the care and upbringing of the child.

Paid family or care leave beyond parental leave: This refers to paid leave granted to the employee to take care of a spouse, domestic partner, child, dependent, parent, parent-in-law, grandparent, grandchild, sibling, or other designated relation when this person has a physical or mental health condition which requires additional care. This is separate from paid parental leave which is granted to parents which have a new child.

Data Requirements

Disclosure requirements for public questions: Supporting evidence available in the public domain is required for each aspect of this question.

Please note: If you have 25 or less FTEs in your organization, then please mark the question as 'Not Applicable'.

References

Well Certification C08, C09 and C10

Standards & frameworks

ESG Disclosure Standards (China) - S.1.3.4 Employee mental health assistance

GRI Disclosure - 401-2

IRIS+ - OI5102, OI7983

WEF Metrics - Health and safety (%)

Employee Turnover Rate

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

People are one of the main drivers of corporate growth and play an essential role in the successful execution of **companies' strategies**. In this question we assess both total and voluntary turnover. Total turnover may fluctuate and reflect industry trends or economic cycles. Voluntary turnover is a better indicator to evaluate a company's ability to retain its employees. This indicator may reflect high levels of

uncertainty or dissatisfaction among employees or structural organizational changes. High turnover may impact employee productivity and lead to increased costs due to higher expenses for employee recruitment. Finally, it is very important to evaluate turnover patterns by age, gender or other employee groups as this can be an indication of incompatibility or potential inequity in the workplace.

Question Layout

Please indicate your company's total and voluntary turnover rates for the last four years as a percentage of total number of employees in the table below.

	FY 2020	FY 2021	FY 2022	FY 2023
Total employee turnover rate				
<input type="checkbox"/> This data is publicly available. Please provide supporting evidence:				
Voluntary employee turnover rate				
<input type="checkbox"/> This data is publicly available. Please provide supporting evidence:				
Data coverage (as % of all FTEs globally)				

Data breakdown

We break down the data of the total employee turnover rate based on the following categories. Please provide supporting evidence:

- Age group
- Gender
- Management level (e.g. junior/low level, middle, senior/top level management)
- Race, ethnicity, nationality, country of origin or cultural background

Question-Specific Guidance & Definition

Total employee turnover: Refers to the proportion of employees who leave an organization over a set period (often a year), expressed as a percentage of the total employees. The figure should be calculated using the total number of employees at the end of the latest reporting year. Total employee turnover rate number should be the sum of the

Voluntary employee turnover and the involuntary employee turnover rate.

Voluntary employee turnover: Refers to the proportion of employees who choose to leave an organization (such as resignation, retirement, early retirement etc.) over a set period (often a year), expressed as a percentage of the total

employees. The figure should be calculated using the total number of employees at the end of the latest reporting year.

Data Requirements

- **If the company doesn't have a lot of FTEs** because they outsource all their activities to contractors, then contractors are to be considered employees and the question will be applicable.
- If the company's definition for the turnover rates does not match our definition, then mark 'Not Applicable' for this question

Disclosure requirements: Additional credit will be granted for relevant publicly available evidence covering the following aspects of this question, for at least the most recent reported year.

- Total employee turnover rate
- Voluntary employee turnover rate

Data Breakdown:

- **We don't expect companies to break down the data** by all the categories mentioned in the question, but full points will be granted for this section for having a breakdown for at least 2 categories. The purpose of this section is to assess whether companies are able to track these metrics in a way to be able to evaluate and ensure fair treatment of all employees.

- In Europe, according to the Article 9 of the GDPR, it is prohibited to process personal data revealing racial or ethnic origin, except if the data subject has given explicit consent to the processing of those personal data, provided this is not prohibited by national law. Other exemptions exist, such as reasons of substantial public interest which might include statistical research purposes for equality of opportunity and treatment. We therefore expect companies to report on only two different categories, in order to not penalize companies that do not report data breakdown on race.
- For this section, companies can attach either private or public evidence and we expect to see the specific quantitative data broken down by these categories

Please note: If you have 25 or less FTEs in your organization, then please mark the question as 'Not Applicable'.

Standards & frameworks

CSRD - S1-6 50c AR 59

EDCI - Annual Percent Attrition

ESG Disclosure Standards (China) - S.1.1.3 Employee turnover rate

GRI Disclosure - 401-1

IRIS+ - OI1150, OI1638, OI3653, OI4499, OI8431

WEF Metrics - Absolute number and rate of employment

Trend of Employee Wellbeing

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Employee engagement, satisfaction and wellbeing surveys are crucial tools for evaluating employee conditions and developing policies to attract, retain and develop the best employees and identify areas for improvement. In this question, we determine whether companies conduct employee surveys and in how far metrics on Job satisfaction, Purpose, Happiness and stress are addressed in the employee surveys

The four aspects Job satisfaction, Purpose, Happiness and Stress have been recommended by the World Wellbeing Movement as evidence-informed employee wellbeing outcome measures developed by the University of Oxford's Wellbeing Research Centre. They capture the complimentary dimensions of wellbeing and business outcomes such as employee productivity, retention, recruitment and firm performance.

Question Layout

Please indicate if your company conducts an employee survey.

- Yes, we conduct an annual employee survey

Please indicate in the following table the percentage of employees that are for example highly engaged, with highly positive experience or a high level of wellbeing as found through your company's scaled employee surveys. Please select only the core focus of your survey as well as its coverage. Please note: If your company only conducts its primary employee survey every two years, please duplicate the value of the previous year in the table and provide the target for the most recent year the primary survey was conducted.

Core Focus	Unit	FY 2020	FY 2021	FY 2022	FY 2023	What was your target for FY 2023?
	% of employees with top level of engagement, satisfaction, wellbeing, or employee net promoter score (eNPS)					
Data coverage	% of employees who responded to the survey					

Public Reporting

- The results of our annual employee surveys are publicly available. Please provide supporting evidence or web link.

In tracking employee metrics, which of the following aspects are addressed in your employee surveys (select all that apply). Please provide supporting evidence.

- Job satisfaction (external motivation e.g., I am satisfied with my job)
- Purpose (internal motivation, e.g., my work has a clear sense of purpose)
- Happiness (e.g., I feel happy at work most of the time)
- Stress (e.g., I feel stressed at work most of the ti

Question-Specific Guidance & Definitions

Top level engagement or score: The top level based on a **classification where for example “highly engaged” is 7-10** on a 10 point scale, or equivalent. While companies might conduct multiple surveys, in this question we ask for the top level engagement or score only on the core focus of the survey. Depending on the core focus of the survey, top level can refer to the highest category of either engagement, satisfaction, well-being, or top level of employee Net Promoter Score (eNPS).

% Of employee survey respondents: Refers to the percentage of FTE employees who responded to the survey. This should not be the percentage of employees invited to participate in the survey.

Target: Targets can be the precise, stated target for the year in which the survey was conducted, or if the target is long-term for a specific future year, it can be linearly extrapolated. For instance, if the company reported 70% of employees were engaged or satisfied in FY2015, and set a two-year target of reaching 80% by FY2017, the linearly extrapolated target for FY2016 would be 75% (e.g. 10% improvement divided by two years equals 5% per year)

Employee Engagement: definitions of employee engagement may vary, but the following are representative:

- Gallup: Those who are involved in, enthusiastic about, and committed to their work and workplace.
- Utrecht Work Engagement Scale (UWES-9): “A positive, fulfilling, work-related state of mind that is **characterized by vigor, dedication, and absorption.**”
- Grovo: “A deep, personal, and empowered investment in work.” Deep because the employee cares about the quality of their work. Personal because the work and its contribution to the success of company matters to the employee. And empowered because “the employee is capable of delivering a quality that will reward their investment of time, talents, effort, and care.”

Employee Wellbeing: Gallup: Wellbeing refers to “all of the things that are important to each of us and how we experience our lives. Key wellbeing measures include how employees rate their current and expected future lives (life evaluation) and how strongly employees believe their **organization cares about their wellbeing.**”

Employee Satisfaction: Refers to external motivation. How happy employees feel about their job: specifically concerning external incentives such as employment benefits.

Employee Net Promoter Score (eNPS): Refers to the question “on a scale of 0-10, how likely are you to recommend this company’s products and services to others?” Responses which fall in between 9-10 are considered promoters or a **company’s most positive, motivated, and satisfied people.** Those who fall between 7-8 are passives or employees who are neutral, or generally content but not fully committed to the organization. Employees who answer between 0-6 are considered detractors or those who wouldn’t recommend your company and are unhappy and disengaged to varying degrees.

Aspects addressed in employee surveys: The four aspects included in the question involve metrics related to the complementary dimensions of wellbeing at work as experienced by the employee. They align with how statistical agencies are measuring general wellbeing and how Indeed surveys workplace wellbeing.

- Job satisfaction: Refers to questions in the survey aiming at measuring evaluative wellbeing (e.g. “I feel completely satisfied with my work”)
- Purpose: Refers to questions in the survey aiming at measuring eudemonic wellbeing (e.g. “My work has a clear sense of purpose”)
- Happiness: Refers to questions in the survey aiming at measuring positive affect (e.g. “I feel happy at work, most of the time”)
- Stress: Refers to questions in the survey aiming at measuring negative affect (e.g. “I feel stressed at work, most of the time”)

Data Requirements

- If your company only conducts an employee survey every two years, please duplicate the value of the previous year in the table and provide the target for the most recent year a survey was conducted
- For the employee metric aspects section of the question, companies can attach either private or public evidence, however only information that can be verified will be accepted.

Disclosure requirements for partially public question: Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

- The results of annual employee survey (i.e., the % of employees with top level of engagement, satisfaction, wellbeing, or employee net promoter score (NPS) figure for at least the most recent reported year).

Please note:

- If you have 25 or less FTEs in your organization, then please mark the question as 'Not Applicable'.
- If you have 26-100 FTEs, then also this question will be marked as 'Not Applicable'.

Standards & Frameworks

EDCI - % employees responding to survey, Do you conduct an annual employee survey?

ESG Disclosure Standards (China) - S.1.2.5 Employee satisfaction survey

IRIS+ - OD4091

Customer Relations

Strong relationships with customers lead to increased customer loyalty. Harvard Business School research revealed that a 5% increase in retention can result in a profit increase of up to 75%, depending on the industry. The value of retaining customers makes perfect business sense when one considers that a consumer retained for life is more cost effective, requires less service, provides more business and contributes to new customer acquisition by offering positive referrals. Additionally, customer relationship management tools provide important data which allows the company to target relevant customer groups, develop specific products, and ensure that it has all relevant information to strengthen customer relationships. Online presence and channels have reshaped customer relationships: companies need to be

present on several platforms to reach out to customers, and for some sectors today it is strategic development to develop strong online capabilities. In some industries, customer data privacy and safety risks have emerged and companies need to ensure strong policies to avoid increasing costs of breaches and negative reputational impact.

The key focus of the criterion is on the tools a company has implemented or is using to manage customers, online strategy, sales and distribution channels, customer satisfaction and customer protection.

Customer Satisfaction Measurement

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Research from Harvard Business School has shown that a 5% increase in retention can result in a bottom-line profit increase of up to 75%, depending on the industry. The dramatic economic power of customer retention is revealed when viewing customers in terms of lifetime value (LTV). The value of retaining customers makes perfect business sense when one considers that a consumer retained for life is more

cost effective, requires less service, provides more business and contributes to new customer acquisition by offering positive referrals. Companies in consumer-facing industries (B2C) should therefore monitor customer satisfaction and report the results of satisfaction surveys targeting consumers (i.e. end users) of their products/services.

Question Layout

Does your company monitor and set quantitative targets to improve satisfaction and are targets and results communicated externally? Please attach documents and indicate the coverage for the data provided. Please refer to the information button for additional clarifications. For each row in the table, it is mandatory that the values provided are in the same unit.

- Yes, we measure customer satisfaction using relevant units of measurement. Please attach supporting evidence.

Satisfaction Measurement	Unit	FY2020	FY2021	FY2022	FY2023	What was your target for FY 2023?
Satisfaction measurement	Satisfaction measurement methodology					
Data coverage:	percentage of:					
	Customers					
	Operations					
	Revenues					

Tenants

- Information is available in the public domain

Question-Specific Guidance & Definitions

Customer or client: Buyer of services or goods from someone else. In the context of this questionnaire, we focus on customers/client for B2B companies.

Consumer: User of a certain product or commodity. In the field of economics, a consumer can either be a single person or an entire organization using a certain type of service. In the context of this questionnaire, we focus on consumers for B2C companies.

Data Requirements

- B2C companies should report the results of satisfaction surveys targeting consumers of their products/services (i.e. end users of the products/services instead of the distributor/retailers they sell their products through).
- B2B companies should report the results of satisfaction surveys for their customers or clients (direct buyers of their products or services)

In case your company is active in different business involving B2C activities (consumers) and B2B (customers), please report the information corresponding to the business that represents the highest share of your total revenue.

Unit: % of satisfied customers out of total number of customers responding to the survey

The percentage should be calculated as follows:

$$\frac{\text{Number of satisfied customers}}{\text{Total number of customers responding to the survey}}$$

Data Coverage: % of customers surveyed (both respondents and non-respondents) out of total customers

The data coverage should be calculated as follows:

$$\frac{\text{Number of customers surveyed (both respondents and non-respondents)}}{\text{Total number of customers}}$$

Companies may report full coverage if a statistically significant, representative sample of its customer base has been surveyed.

Target: We require the absolute target for the most recent reporting year. If your company has a multiple-year and/or relative target, please extrapolate what the target value would have to be for the last financial year to make sure you are progressing well towards achieving the target by the end of the target period.

Bi-annual satisfaction surveys: if your company only conducts a customer satisfaction survey every two years, then please copy the results from the previous year (when you did conduct a survey) into the box for the following year (when you did not conduct one). For example, if you conducted a survey in 2015 but not in 2016, copy the results from the 2015 survey in the 2016 box, so as to fill the entire table and make it possible to calculate a trend. (FY-2 – FY0).

Disclosure requirements for partially public question. Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

- Percentage of satisfied clients in the last reported year (measured through a satisfaction survey or through an alternative approach)

Guidance for utilities (ELC, MUW, GAS)

In the case of a company that has only exposure to electricity transmission and/or distribution, we expect to use this question to gather information about the satisfaction of the clients using the services provided by the company regardless of the income model. For instance we intend to capture information about the satisfaction of generators and consumers requesting connection access to the infrastructure, generators and consumers participating in markets operated by the company, participants in the network planning process if is coordinated by the infrastructure operator, etc

Guidance for Real Estate Management & Development and Equity REIT

If in the 'Denominator – Area' question, business activity **“Management of Standing Investments”** is chosen, we expect companies to choose **“tenants”** in the dropdown list for data coverage. If this activity is not chosen, i.e., only the activities **“Development of new construction and/or major renovation projects”** and/or **“Services”** are selected, we expect companies to report on **“customers.”**

Standards & Frameworks

CSRD - S4-2 20(d) AR 17
 ESG Disclosure Standards (China) - S.2.3.1 Customer Service
 IRIS+ - OD4091, PI7163

Occupational Health & Safety

Poor occupational health and safety (OHS) performance has a direct negative impact on labor costs through lower productivity. Moreover, it can also affect a company's reputation, impact staff morale or increase operating costs through fines and other contingent liabilities. Our key questions focus on Key Performance Indicators (KPIs) for a company's own operations, and for its suppliers and their

performance against industry benchmarks. Industry-specific questions additionally focus on training, audits and transparency. Industries operating in areas where HIV/AIDS is widespread are also expected to support their employees and minimize the risks of disruption to their business activities.

OHS Policy

Public: this question requires publicly available information

Assessment Focus



Question Rationale

The purpose of this question is to identify companies that have an active commitment towards occupational health and safety in line with the most relevant international OHS standards. The policy needs to be company-specific with a company-wide commitment and not just for a single site, business unit, or project.

The OHS policy should cover a set of commitments that capture the long-term direction of the organization in terms of health and safety. It sets the company's approach to health and safety and establishes in a clear way what are the company expectations towards employees and other interested parties are.

The OH&S policy provides an overall commitment, as well as a necessary framework for the organization to set its objectives

and take actions to achieve the intended outcomes of the OHS management system.

The commitments included in the policy are then reflected in the processes companies establish to ensure a robust, credible, and reliable OHS management system. Therefore, an OHS commitment is a previous and necessary step on what to build further measures.

The OHS policy should set the direction for effective health and safety management. Board members need to establish a health and safety policy that is much more than a document – **it should be an integral part of the organization's culture, of its values and performance standards.**

Question Layout

Does the company have a policy or commitment on Occupational Health and Safety (OHS) and is it available publicly?

- Yes, the company has a policy or commitment on occupational Health and Safety (OHS). Please indicate where this information is available in public reporting or corporate website.
 - Is applicable to the company's entire operations/ employees as well as contractors or individuals under the company's supervision.**
 - Compliance with relevant OHS international standards and regulations, voluntary programs and/or collective agreements on OHS.
 - Consultation with and participation of workers, and, where they exist, workers' representatives.**
 - A commitment to continually improve the performance of the OHS management system.
 - Setting up prioritization and action plans.
 - Establishment of quantitative targets for improving OHS performance metrics.
 - Endorsement of the implementation of the OHS policy. Please select the highest endorsing decision-making body:
 - Board of directors
 - Executive management

Data Requirements

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g. annual report, sustainability report, integrated report, company publications...) or corporate website.

Please note: If you have 25 or less FTEs in your organization, then please mark the question as “Not applicable”.

References

ISO 45001

ILO Occupational Safety and Health Convention, 1981 (No. 155)

Standards & frameworks

CSRD - ESRS 2 MDR-P 65a, ESRS 2 MDR-P 65b, ESRS 2 MDR-P 65c, S1-1 19, S1-1 23, S1-4 AR 35, S2-4 AR 30

ESG Disclosure Standards (China) - S.2.1.1 Production standard management policies and measures

GRI Disclosure - 2-23, 403-10, 403-8, 403-9

IRIS+ - OD4091, OI4972, OI5102, OI8001

UNGC Questionnaire - G3, L1, L1.1, L2

OHS Programs

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Poor occupational health and safety (OHS) performance has a direct negative impact on labor costs through lower productivity. Lower performance not only poses a threat to **company's reputation and staff morale but also results in** increased operating costs in form of fines and other contingent liabilities. With this question, we aim to find out how a company ensures effective management of health risks/issues and to identify companies that have dedicated programs to Occupational Health and Safety.

The OH&S programs should cover a set of actions that ensure a robust, credible, and reliable OH&S management system. It aims at providing tools to assess and improve performance in the prevention of workplace incidents and accidents via the effective management of hazards and risks in the workplace.

Question Layout

Does the company have a program on Occupational Health and Safety (OHS) and is it available publicly?

- Yes, the company has a program on Occupational Health and Safety (OHS). Please indicate where this information is available in public reporting or corporate website.
 - OHS risk and hazards assessments to identify what could cause harm in the workplace.
 - Prioritization and integration of action plans with quantified targets to address those risks.
 - Integration of actions to prepare for and respond to emergency situations.
 - Evaluation of progress in reducing/preventing health issues/risks against targets.
 - Internal inspections.
 - Independent external verification of health, safety and well-being; please provide name and standards used: (such as ISO 45001)
 - Procedures to investigate work-related injuries, ill health, diseases and incidents.
 - OHS training provided to employees and/or other relevant parties to raise awareness and reduce operational health & safety incidents.
 - OHS criteria introduced in procurement and contractual requirements.

Disclosure Requirements

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g. annual report, sustainability report, integrated report, company publications..) or corporate website.

Please note: If you have 25 or less FTEs in your organization, then please mark the question as "Not Applicable."

References

ISO 45001

ILO Occupational Safety and Health Convention, 1981 (No. 155)

Standards & frameworks

CSRD - ESRS 2 MDR-P 65d, S1-1 23, S1-14 AR 81, S1-4 AR 35, S2-4 AR 30

ESG Disclosure Standards (China) - S.1.3.1 Employee occupational health and safety management, S.1.3.2

Employee safety risk prevention and control, S.1.3.3

Response to safety accidents and work-related injuries

GRI Disclosure - 14.15, 403-10, 403-2, 403-5, 403-8, 403-9

UNGC Questionnaire - L3, L4, L5

Fatalities

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Keeping track of work-related injuries and fatalities should cover a company's entire operations, covering both internal employees and external contractors. This is crucial for ensuring that legal requirements are met, that problematic and/or dangerous operations can be identified and that safety measures can be improved.

Question Layout

Please complete the following table with the number of work-related fatalities for employees and contractors.

Fatalities	FY 2020	FY 2021	FY 2022	FY 2023
Employees				
<input type="checkbox"/> This data is publicly available. Please provide supporting evidence or web link:				
Contractors				
<input type="checkbox"/> This data is publicly available. Please provide supporting evidence or web link				

Third-Party Verification

- Our data** has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Data Consistency

- We report publicly on this information, but the data in the table above differs from our publicly reported figures. Please provide an explanation in the comment box for this difference: _____

Question-Specific Guidance & Definitions

Work-related fatalities: The death of a worker arising from an occupational disease or injury sustained or contracted while performing work that is controlled by the organization or that is being performed in workplaces that the organization controls.

Contractor: Persons or organizations working onsite or offsite on behalf of an organization. A contractor can contract their own workers directly, or contract sub-contractors or independent contractors.

Data Requirements

Disclosure requirements for partially public question.

Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

Number of work-related fatalities for employees and contractors for at least the most recent reported year.

Please note: If you have 25 or less FTEs your organization, then please mark the question as 'Not applicable'.

Standards & frameworks

- CSRD - S1-14 88b AR 82, AR 89-AR 91
- EDCI - Number of work related fatalities
- ESG Disclosure Standards (China) - S.1.3.3 Response to safety accidents and work-related injuries
- GISD - Health and safety (%)
- GRI Disclosure - 2-5, 403-10, 403-9
- IRIS+ - OI6525
- UNGP - C5.1
- WEF Metrics - Employee well-being (%), Health and safety (%)

Lost-Time Injury Frequency Rate (LTIFR) – Employees

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Poor occupational health and safety (OHS) performance has a direct negative impact on labor costs through lower productivity. Lower performance not only poses a threat to a **company's reputation and staff morale but also results in** increased operating costs in the form of fines and other

contingent liabilities. We expect companies to keep track of the lost time injuries of their employees and to prevent exacerbation of the injuries.

Question Layout

Does the company publicly report on lost-time injury frequency rate for employees (per one million hours worked)? For each row in the **table, it is mandatory that the values provided are in the same unit. If the company's LTIFR for employees is equal to zero for one or more fiscal years, this data will only be accepted if evidence of third-party verification is provided.**

If the company only tracks LTIFR on a consolidated basis, without distinguishing between employees and contractors, please use this question to report the consolidated number.

- o Yes, the company publicly reports on lost-time injury frequency rate for employees. Please indicate where this information is available in public reporting or corporate website.

LTIFR	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Employees	LTIFR (n/million hours worked)				
Dropdown:					
• LTIFR	LTIR (n/200,000 hours worked)				
• LTIR					
Data coverage (as % of employees, operations or revenues)	percentage of:				
	Dropdown:				
	• Employees				
	• Operations				
	• Revenues				

Third-Party Verification

- Our data has been third-party verified in the most recent financial year reported and is available publicly.

Data Consistency

- The company publicly reports on this information, but the data in the table above differs from our publicly reported figures. Please provide an explanation in the comment box for this difference: _____
- The company has a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal: _____
- The company only track lost-time injury frequency rate (LTIFR) on a consolidated basis. Please provide the combined figures in the table above and mark "Not Applicable" in the next question (Lost-Time Injuries Frequency Rate (LTIFR) - Contractors).

Alternative Metric

- Please provide your company's Lost Workday Rate (LWR) or Days Away/Restricted or Transfer Rate (DART) for employees (per 200,000 hours worked). For each row in the table, it is mandatory that the values provided are in **the same unit. If your company's LWR or DART for employees is equal to zero for one or more fiscal years, this data will only be accepted if evidence of third-party verification is provided.**

Alternative Metric	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Employees	n/200,000 hours worked				
Dropdown: <ul style="list-style-type: none"> • Lost Workday Rate • Days Away Restricted • Transfer Rate 					
Data coverage (as % of employees, operations or revenues)	percentage of:				
Dropdown: <ul style="list-style-type: none"> • Employees • Operations • Revenues 					

Third-Party Verification

- The data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Data Consistency

- The company publicly reports on this information, but the data in the table above differs from our publicly reported figures. Please provide an explanation in the comment box for this difference: _____
- The company has a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal: _____
- The company only tracks DART or LWR on a consolidated basis.
- Please provide the combined figures in the table above and mark "Not Applicable" in the next question (Lost-Time Injuries Frequency Rate (LTIFR) - Contractors).

Question-Specific Guidance & Definitions

Lost-time injuries frequency rate (LTIFR): Any work-related injury that results in the company employee or third-party contractor employee not being able to return to work the next scheduled work day/shift.

The LTIFR is the number of lost-time injuries per million hours worked, calculated using the formula:

$$LTIFR = (\text{Number of lost-time injuries}) / (\text{Total hours worked in accounting period}) \times 1'000'000$$

Lost-Time Injury Rate (LTIR)

Any work-related injury that results in the company employee or third-party contractor employee not being able to return to work the next scheduled workday/shift.

The LTIR is the number of lost-time injuries per 200,000 hours worked, calculated using the formula:

$$LTIR = (\text{Number of lost-time injuries}) / (\text{Total hours worked in accounting period}) \times 200'000$$

DART (Days-Away/Restricted or Transfer Rate): A mathematical calculation that describes the number of recordable injuries and illnesses per 100 full-time employees

that resulted in days away from work, restricted work activity and/or job transfer that a company has experienced in a fiscal year.

Dart rate formula: total number of DART incidents x 200,000 / number of employee labour hours worked in the fiscal year.

LOST WORKDAY RATE (LWD): A mathematical calculation that describes the number of lost workdays per 100 full-time employees in last fiscal year.

LWD Rate formula: Total Number of Lost Days x 200,000 / Number of Employee Labor Hours Worked

A Lost Workday Incident takes into account the number of days of missed work, not days that involved restricted tasks. The day the illness or injury occurred is not counted as a lost workday, and the total number possible for lost days due to a single incident is capped at 180.

Data Requirements

If your company combines LTIFR for employees and contractors, then please answer this question combining the two figures and mark the question "Lost-Time Injuries Frequency Rate (LTIFR) - Contractors" as "Not Applicable".

Disclosure requirements for public question: Publicly available evidence covering the following aspect of this question must be included:

- Employee Lost-Time Injury Frequency Rate (LTIFR) for at least the most recent reported year OR
- Employee Days Away/Restricted or Transfer Rate (DART) for least the most recent reported year OR
- Employee Lost Workday Rate (LWD) for least the most recent reported year.

Please note: if Lost-Time Injury Frequency Rate (LTIFR) is only tracked a consolidated basis (employees and contractors combined) the combined rate for at least the most recent reported year should be provided.

Please note:

- If you have 25 or less FTEs in your organization, then please mark the question as “Not Applicable”.
- If you have 26-100 FTEs, then also this **question as “Not Applicable”**.

Data Consistency

If the occupational health & safety performance data reported in the questionnaire do not correspond to the publicly reported figures, the corresponding option should be marked and the discrepancy should be explained. This option

should not be indicated if the information is not publicly reported at all.

Please note that we only expect your company to report ONE metric only. If your company reports both LTIFR and one of the alternative metrics, please use the LTIFR as this is the preferred metric.

If your company reports one metric for employees and another for contractors, this is acceptable.

Please note that Lost Time Injury Rate (200,000 hours) can be selected in the Standard Metric table as the figure can be multiplied by 5 to reach the calculation of LTIFR (1 million).

Standards & frameworks

CSRD - S1-14 88e

EDCI - Number of work related injuries

ESG Disclosure Standards (China) - S.1.3.3 Response to safety accidents and work-related injuries

GISD - Frequency of occupational injuries, Health and safety (%), Incident rate of occupational injuries

GRI Disclosure - 2-5, 403-9

IRIS+ - OI3757, OI7060

UNGC Questionnaire - L9

UNGP - C5.1

Lost-Time Injury Frequency Rate (LTIFR) – Contractors

Partially public: additional credit will be granted for relevant publicly available evidence.

Assessment Focus



Question Rationale

Poor occupational health and safety (OHS) performance has a direct negative impact on labor costs through lower productivity. Lower performance not only poses a threat to **the company's reputation and staff morale but also results in increased operating costs in the form of fines and other**

contingent liabilities. We expect companies to keep a track of the lost time injuries of their contractors to restrict the occurrence of such events and ensure overall safety across the supply chain.

Question Layout

Please provide your company's lost-time injury frequency rate for contractors (per one million hours worked). For each row in the **table, it is mandatory that the values provided are in the same unit. If your company's LTIFR for contractors is equal to zero** for one or more fiscal years, this data will only be accepted if evidence of third-party verification is provided.

If you only track LTIFR on a consolidated basis, without distinguishing between employees and contractors, please mark this question as "Not applicable" and use the LTIFR - Employees question to report the consolidated number.

LTIFR	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Contractors	LTIFR (n/million hours worked)				
Dropdown:	LTIR (n/200,000 hours worked)				
<ul style="list-style-type: none"> • LTIFR • LTIR 					
Data coverage (as % of contractors, operations or revenues)	percentage of:				
	Dropdown:				
	<ul style="list-style-type: none"> • Contractors • Operations • Revenues 				

Public Reporting

- Our data is publicly available. Please provide supporting evidence or web link.

Third-Party Verification

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Data Consistency

- We report publicly on this information, but the data in the table above differs from our publicly reported figures. Please provide an explanation in the comment box for this difference: _____

- We have a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal: _____

Alternative Metric

Please provide your company's Lost Workday Rate (LWR) or Days Away/Restricted or Transfer Rate (DART) for contractors (per 200,000 hours worked). For each row in the table, it is mandatory that the values provided are in the same unit. If your company's LWR or DART for contractors is equal to zero for one or more fiscal years, this data will only be accepted if evidence of third-party verification is provided.

Alternative Metric	Unit	FY 2020	FY 2021	FY 2022	FY 2023
Contractors	n/200,000 hours worked				

Dropdown:

- Lost Workday Rate
- Days Away Restricted
- Transfer Rate

Data coverage (as % of contractors, operations or revenues), percentage of:

Dropdown:

- Contractors
- Operations
- Revenues

Public Reporting

- Our data is publicly available. Please provide supporting evidence or web link.

Third-Party Verification

- Our data has been third-party verified in the most recent financial year reported. Please provide supporting evidence.

Data Consistency

- We report publicly on this information, but the data in the table above differs from our publicly reported figures. Please provide an explanation in the comment box for this difference: _____
- We have a temporary coverage reduction or target challenge due to corporate actions. Please briefly explain if a merger, acquisition, divestment, etc. has temporarily caused a reduction in your ability to report optimal coverage or caused your target to appear abnormal: _____

Question-Specific Guidance & Definitions

Lost-time injuries frequency rate (LTIFR): A lost-time injury is defined as any work-related injury that results in the company employee or third-party contractor employee not being able to return to work the next scheduled work day/shift.

LTIFR ONLY counts the lost time on the company's premises for contractors.

The LTIFR is the number of lost-time injuries per million hours worked, calculated using the formula:

$LTIFR = (\text{Number of lost-time injuries}) / (\text{Total hours worked in accounting period}) \times 1'000'000$

Lost-Time Injury Rate (LTIR)

Any work-related injury that results in the company employee or third-party contractor employee not being able to return to work the next scheduled workday/shift.

The LTIR is the number of lost-time injuries per 200,000 hours worked, calculated using the formula:

$LTIR = (\text{Number of lost-time injuries}) / (\text{Total hours worked in accounting period}) \times 200'000$

DART (Days Away/Restricted or Transfer Rate): A mathematical calculation that describes the number of recordable injuries and illnesses per 100 full-time employees that resulted in days away from work, restricted work activity

and/or job transfer that a company has experienced in a fiscal year.

Dart rate formula: total number of DART incidents x 200,000 / number of employee labour hours worked in the fiscal year.

LOST WORKDAY RATE (LWD): A mathematical calculation that describes the number of lost workdays per 100 full-time employees in last fiscal year.

LWD Rate formula: Total Number of Lost Days x 200,000 / Number of Employee Labor Hours Worked

A Lost Workday Incident takes into account the number of days of missed work, not days that involved restricted tasks. The day the illness or injury occurred is not counted as a lost workday, and the total number possible for lost days due to a single incident is capped at 180.

Contractor: Persons or organizations working onsite or offsite on behalf of and organization. A contractor can contract their own workers directly, or contract sub-contractors or independent contractors.

Data Requirements

If your company combines LTIFR for employees and contractors, then please answer "Lost-Time Injuries Frequency Rate (LTIFR) - Employees" combining the two figures, mark "Lost-Time Injuries Frequency Rate (LTIFR) - Contractors" as "Not Applicable" and explain in the comment box.

Disclosure requirements for partially public question. Additional credit will be granted for relevant publicly available evidence covering the following aspect of this question:

- Contractor Lost-Time Injury Frequency Rate (LTIFR) for at least the most recent reported year.

- Contractor Days Away/Restricted or Transfer Rate (DART) for least the most recent reported year OR
- Contractor Lost Workday Rate (LWD) for least the most recent reported year.

Please note:

- If you have 25 or less FTEs in your organization, then please mark the question as "Not Applicable".
- If you have 26-100 FTEs, then also this question as "Not Applicable".

Data Consistency

If the occupational health & safety performance data reported in the questionnaire do not correspond to the publicly reported figures, the corresponding option should be marked and the discrepancy should be explained. This option should not be indicated if the information is not publicly reported at all.

Please note that we only expect your company to report ONE metric only. If your company reports both LTIFR and one of the alternative metrics, please use the LTIFR as this is the preferred metric.

If your company reports one metric for employees and another for contractors, this is acceptable.

Please note that Lost Time Injury Rate (200,000 hours) can be selected in the Standard Metric table as the figure can be multiplied by 5 to reach the calculation of LTIFR (1 million).

Standards & frameworks

CSRD - S1-14 88e AR 89-AR 91, AR 95, S1-14 89
 EDCI - Number of work related injuries
 GRI Disclosure - 2-5, 403-9

Privacy Protection

Networked data and globalised corporate activities require careful handling. Insufficient database and network protection, unclear management of personal information and vague database access rules could expose companies to large risks in case of personal data leakage and misuse, or unauthorized access. For companies to avoid legal costs,

reputational risk, and exclusion from certain activities, a company-wide privacy policy is paramount. Our questions focus on the coverage of the company's privacy policy and the mechanism in place to ensure the policy's effective implementation.

Privacy Policy: Systems/ Procedures

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Networked data and globalized corporate activities require diligent information handling. In order to avoid the risks associated with these developments – such as legal costs, reputational damage, and the exclusion from certain activities – companies must endeavor to implement a

comprehensive privacy policy spanning across their businesses, along with a sound implementation framework. This question assesses whether the company has the requisite mechanisms in place to ensure that its privacy policy is effectively implemented.

Question Layout

Does the company have measures in place to ensure effective implementation of its privacy policy and is it available publicly?

- Yes, the company has measures in place to ensure effective implementation of its privacy policy. Please indicate where this information is available in public reporting or corporate website.

Aspect	Please provide supporting evidence for the aspect and indicate page numbers:
<input type="checkbox"/> Privacy policy applies to the entire operations, including suppliers	
<input type="checkbox"/> Designated person or department responsible for privacy issues	
<input type="checkbox"/> Privacy policy system embedded in group-wide risk/compliance management	
<input type="checkbox"/> Disciplinary actions in case of breach (i.e., zero tolerance policy)	
<input type="checkbox"/> We conduct third-party audits of the privacy policy compliance.	
<input type="checkbox"/> We conduct internal audits of privacy policy compliance.	

Question-Specific Guidance & Definitions

Privacy Policy: An internal statement that governs an **organization or entity's handling of personal information**. It is directed at those members of the organization who might handle or make decisions regarding personal information, instructing them on the collection, use, storage, and destruction of the data, as well as any specific rights the data subjects may have. It may also be referred to as a data protection policy. This policy is different from the privacy notice, which refers to an external statement to consumers/customers to describe how the company collects, uses, retains, and discloses personal information. This question specifically focuses on the internal statement directed at the members of the company handling private information.

Data protection is about protecting any information relating to an identified or identifiable natural (living) person, including names, dates of birth, photographs, video footage, email addresses, and telephone numbers. Other information such as IP addresses and communications content - related to or provided by end-users of communications services - are also considered personal data. (Source: European Data Protection Supervisor)

Personal data is any information that relates to an identified or identifiable living individual. Different pieces of information, which are collected together can lead to the identification of a particular person, and also constitute personal data: (Source: European Data Protection Supervisor)

Examples of personal data include

- a name and surname;
- a home address;
- an email address such as name.surname@company.com;
- an identification card number;
- location data (for example the location data function on a mobile phone)*;
- an Internet Protocol (IP) address;
- the advertising identifier of your phone;
- data held by a hospital or doctor, which could be a symbol that uniquely identifies a person

Personally identifiable information (PII) is any information that relates to an identified or identifiable living individual. It is another term for Personal data. (Source: NIST Computer Security Resource Center)

Suppliers (or service providers) are understood as any third party that provides goods or services to the company (such as a consultant, contractor, advisor, or vendor).

Data Requirements

Disclosure requirements for public question: This question requires supporting evidence from the public domain. The information provided must be included in your public reporting (e.g., annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website. Any response that cannot be verified in the attached public document(s) will not be accepted.

Privacy policy applies to the entire operations, including suppliers: **We expect the company's privacy policy to apply to all operations**. The same policy/standards should be applicable to suppliers. A mention of privacy protection or confidentiality of information in the Codes of Conduct is not sufficient, we expect a separate privacy policy or section on privacy protection.

Defined point of contact in place for escalation of privacy issues: We expect companies to have a designated person or department that employees can reach out to in case of any privacy issues or concerns. If this person/department is not dedicated to privacy policy issues but to a general escalation of concerns, there should be clear evidence that privacy policy issues should be conducted through this channel as well.

Privacy policy system embedded in group-wide risk/compliance management: Privacy policy systems and procedures should be embedded in group-wide risk/compliance management. Privacy protection should be included in the overall operational risk/compliance management structures of the company.

Disciplinary actions in case of breach: We expect the policy to cover the corrective and disciplinary actions taken in case of a breach of the policy. A general mention of disciplinary actions in the Codes of Conduct is not sufficient, we expect the statement to be specific to data privacy.

Audit of privacy policy compliance: Please specify whether you conduct internal and/or external audits of your privacy policy compliance. If your company conducts both, please tick both options. Full points will be granted if the company provides evidence that it conducts external audits (in that case, internal audits are not required).

Supporting evidence:

- This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g. annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website.

- Any response that cannot be verified in the attached public document(s) will not be accepted.

Standards & Frameworks

CSR - ESRS 2 MDR-P 65a

IRIS+ - OI5102

Customer Privacy Information

Public: this question requires publicly available information

Assessment Focus



Question Rationale

Networked data and globalized corporate activities require diligent information handling. In order to avoid the risks associated with these developments – such as legal costs, reputational damage, and the exclusion from certain activities – companies must endeavour to implement a

comprehensive privacy policy spanning across their businesses, along with a sound implementation framework. For this question, **we assess companies' transparency with customers on privacy protection issues.**

Question Layout

Does the company inform customers regarding privacy protection issues and is this information available publicly?

- Yes, the company informs its customers regarding privacy protection issues. Please indicate where this information is available in public reporting or corporate website.
 - Nature of information captured
 - Use of the collected information
 - Possibility for customers to decide how private data is collected, used, retained and processed
 - Opt-out option is available
 - Opt-in consent is required
 - Request access to data held by the company
 - Request their data to be transferred to other service providers
 - Request their data to be corrected
 - Request their data to be deleted
 - How long the information is kept on corporate files
 - How the information is protected
 - Third-party disclosure policy (private and public entities)
 - We monitor the percentage of users whose customer data is used for secondary purposes. Please indicate the percentage of customers whose data is used for secondary purposes and provide publicly available evidence.

Question-Specific Guidance & Definitions

Customer: Someone who buys services or goods from someone else. In the context of this questionnaire, we focus on customers for B2B companies.

Consumer: Someone that consumes a certain product or commodity. In the field of economics, a consumer can either be a single person or an entire organization using a certain type of service. In the context of this questionnaire, we focus on consumers for B2C companies.

Secondary purpose: Data collection for a secondary purpose is defined as the intentional use of data by a company that is outside the primary purpose for which the data was collected. Examples of secondary purposes include, but are not limited to, **selling targeted ads, improving the entity's products or**

service offerings, and transferring data or information to a third party through sale, rental, or sharing.

Data Requirements

Supporting evidence:

This question requires supporting evidence from the public domain. The information provided has to be included in your public reporting (e.g. annual report, sustainability report, integrated report, company publications, separate fuel efficiency strategy document) or corporate website.

Any response that cannot be verified in the attached public document(s) will not be accepted.

Standards & Frameworks

IRIS+ - 014753

06

GRI Mapping – Index

The table below maps the Corporate Sustainability Assessment (CSA) questions with GRI Standards. GRI topic disclosure codes are shown when there is at least one datapoint shared between the CSA question and the GRI topic

Please note that reporting according to GRI Standards is not a prerequisite for completing the CSA, but rather serves as a

disclosure. We have produced this table in order to provide participants with an extensive overview to help minimize the effort of filling in the CSA, but cannot guarantee the completeness of the mapping.

basis for structured reporting on widely accepted sustainability topics, many of which are also addressed in the CSA.

GRI Mapping - Economic Dimension

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Innovation Management	Healthcare Clinical Pipeline	
Innovation Management	Tobacco Alternatives & Reduced-Risk Products	
Market Opportunities	New Business Opportunities (Electricity & Multi-Utilities)	

Criterion	Question	GRI Standards
Market Opportunities	New Business Opportunities (Gas)	
Market Opportunities	New Business Opportunities (Water)	
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Sustainable Finance	Sustainable Financing Products & Services	
Sustainable Finance	Sustainable Advisory Products & Services	

Criterion	Question	GRI Standards
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Water	Water Risks Management of Suppliers	

GRI Mapping - Social Dimension

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Contribution to Societal Healthcare	Access to Healthcare Programs (Products)	
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