METHODOLOGY FEEDBACK REQUEST CSA 2027

Community Relations

DEADLINE FOR FEEDBACK:

27th November 2026

As part of the methodology development process for the 2027 CSA, we kindly invite you to review a draft proposal for new and updated questions impacting your industry.

Please review this document and provide your feedback by completing the online survey.

The question texts and methodology presented may be subject to change at any time before the end of March 2027. In addition, questions may look different in the Online Assessment Tool in terms of question structure and layout

Introduction

Criterion Rationale

The rise of civil society, and the resulting increase in the availability of and access to information, has increased awareness of the impact of corporate activities on societies. New communication technologies and social media have improved stakeholders' ability to connect and coordinate, increasing the impact that local stakeholders can have on companies. These circumstances call for the implementation of policies and programs that adequately address the crux of good local stakeholder management. This includes identifying stakeholders beyond the traditional boundaries of shareholders, employees and customers. By engaging with local stakeholders, companies can minimize reputational risks (e.g., being the target of a high-profile activist campaign), improve operational efficiency via smooth collaboration with local communities and authorities, and strengthen their social license to operate by gaining greater respectability and credibility.

In this criterion, companies are assessed on whether it has a stakeholder engagement policy in place, whereby the company commits to identifying key local stakeholders, including them in their strategy and providing a grievance mechanism to streamline concerns. Companies are also assessed on whether it has a stakeholder engagement program to assess if the company’s strategy is executed in an efficient and balanced manner.

Please note that the Community Relations criterion focuses on local stakeholder groups such as communities, authorities, media, associations and nongovernmental organizations that are not covered in other general or industry-specific parts of the questionnaire, such as investors (covered in the "Corporate Governance" criterion), employees (covered in "Human Capital Management") and customers (covered in "Customer Relations").

Furthermore, for certain industries there are specific issues related to community relations:

For companies in the homebuilding and real estate industries, Regulations increasingly require a certain quota of new developments to be designed specifically for lower-income groups or disadvantaged individuals. This impacts a company's reputation and its license to operate with regard to planning and construction permits. For these industries, the questions focus on the percentage of the building portfolio that currently meets social housing requirements and the process the company has adopted to integrate these considerations in planning and investment decisions.

Companies involved in mining activities own or operate assets often located in remote areas with limited development potential. However, by training local people or engaging with other organizations in order to improve local development opportunities, companies can contribute to local development, strengthening their

license to operate. For these industries, the questions aim to assess how a company manages societal and environmental impacts of asset closures, and which key elements are included in their mine closure plans.

For extractive industries (e.g., mining, oil & gas) and companies producing basic materials (e.g., steel, aluminum) operating plants and facilities that are potentially hazardous to neighboring areas, negatively impacting the environment, cultural heritage and the health of local people. In some cases, such projects might even require local communities' relocation. To avoid the possibility of conflict, protest, or the cancellation of companies' operating licenses, it is critical to engage with communities at an early stage of the site's activities. For these industries, the questions focus on the extent of environmental and social impact assessments conducted by companies for new operations or the extensions of existing operations, their relocation programs and their efforts to prevent social unrest.

Reason for update and summary of changes

The document contains proposals under the Community Relations criterion.

The question *Affordability & Access* has been updated to focus on the social dimension of affordability and accessibility for utility companies. The name has changed from Affordability and Access to Access and Affordability.

Update Question

Question: ACCESS AND AFFORDABILITY

INDUSTRIES IMPACTED:

ELC Electric Utilities
GAS Gas Utilities
MUW Multi and Water Utilities

QUESTION RATIONALE

The purpose of this question is to assess how utility companies are addressing the critical issues of access and affordability to essential services like energy and water, particularly for underserved communities. Utility companies providing these services are increasingly expected to implement social programs that improve access to energy and/or water, ensuring equitable service delivery for all.

Access and affordability to basic utility services are fundamental social imperatives that align with global regulatory frameworks, such as the European Union's Energy Poverty directives and the UN Sustainable Development Goals (specifically SDG 7: Affordable and Clean Energy). By addressing these challenges, companies can mitigate reputational and regulatory risks, foster stakeholder trust, and enhance their long-term sustainability practices.

KEY DEFINITIONS

Access: The ability of individuals, particularly in underserved communities to obtain reliable and safe energy or water. Access can be improved through infrastructure investments or service expansions.

Underserved communities: Local, low-income, rural, remote, or otherwise underserved communities that may face barriers to accessing reliable, affordable, or safe services.

Engagement to implement grid reliability improvements or close access gaps: Company efforts to engagement with underserved communities through outreach, workshops or campaigns, to identify service reliability improvement opportunities or potential access gaps in their serviced territories.

Investments in expansion or new infrastructure to address access gaps in serviced territories. Long-term projects to expand physical infrastructure (e.g., energy grids, water systems), to address access gaps in services territories. Examples include rural grid expansion, renewable energy installations for off-grid populations or micro-grid installation post-disaster.

Affordability: The financial accessibility of utility services, ensuring underserved or low-income groups can pay for essential services without hardship.

Provision of financial support, bill assistance, or social tariffs: Financial relief through subsidies, bill discounts, payment waivers, seasonal or temporary rate reductions or debt forgiveness to reduce the utility cost burden in underserved communities.

Customer outreach for financial assistance or disconnection prevention: Company efforts to communicate with customers and raise awareness of available financial assistance programs to prevent disconnection.

Flexible payment options or tools to help customers manage expenses: Programs that allow customers to pay bills in smaller instalments or over an extended period, to better manage their expenses, improve customer satisfaction and reduce financial strain. Examples include 'pay-as-you-go', deferred payments, instalment plans or interest-free options.

NOT APPLICABLE GUIDANCE

Companies that do not have either transmission or distribution networks should mark "The question is not applicable to the company" and provide an explanation in the comment box.

DATA REQUIREMENTS

Access

1. **Investments in expansion or new infrastructure to address access gaps in serviced territories.**

Acceptable

- Investments need to be specific for expansion or new infrastructure in serviced territories
- This option may also be selected when a company has conducted an assessment demonstrating that no access gaps relevant to its industry exist and, therefore, infrastructure expansion is not required.

Not acceptable:

- Investments purely aimed at increasing reliability of the service (i.e. grid updates for reliability) or increasing access in other non-serviced territories are not valid.

Affordability

Companies that do not have end-users as customers cannot apply such measures and can therefore use the “not applicable” option for the Affordability section. The **Access** section will remain applicable.

DISCLOSURE REQUIREMENTS

This question requires supporting evidence from the public domain.

- The document(s) attached will be used to verify the response.

- The supporting documents must be available on the company's public reports or website.
- Any response that cannot be verified in the attached public document(s) or web link will not be accepted.

REFERENCES

n/a

QUESTION LAYOUT

Notice: *The question requires publicly available information.

Does the company have programs to improve affordability and/or access to clean energy and/or water?

- ○ Yes, the company has programs to improve affordability and/or access to clean energy and/or water. Please indicate where this information is available in public reporting or corporate website.

References (max 3 allowed, public URLs only)

- ☐ Engaging with local communities to promote access to clean energy or water.
- ☐ Investing in infrastructure to improve access to reliable and clean energy or water.
- ☐ Developing projects that address the interconnected needs of water and energy use.
- ☐ In case the company has end-users as customers
  - ○ Providing financial support or bill assistance to customers.
  - ○ Offering flexible payment options or digital tools to help customers manage their expenses.

Access

- ☐ Engagement with underserved communities to implement grid reliability improvements or close access gaps
- ☐ Investments in expansion or new infrastructure to address access gaps in serviced territories

Affordability

- ☐ Provision of financial support, bill assistance, or social tariffs
- ☐ Proactive outreach to inform customers of financial assistance options and prevent disconnection
- ☐ Flexible payment options or tools to help customers manage expenses
- ☐ Not applicable; the company does not have end-users as customers hence cannot apply such affordability measures

- ○ No, the company does not publicly report on its labor practice programs.
- ○ The question is not applicable to the company.

Contact Us

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