Corporate Sustainability Assessment 2024

Economic & Governance Dimension

Introduction

Charoen Pokphand Group has set a vision “To be a Leading Tech and Innovative Conglomerate, Providing Food for both Body and Mind, that Creates Shared Value and Brings Health and Well-being for All”. Sustainability is one of the foundations for C.P. Group to achieve this vision.

In today’s environment, it is essential to understand and benchmark a company’s performance against peers and industry standards to drive continuous improvement. To facilitate this, various benchmarking and rating organizations provide assessment frameworks for companies to assess their sustainability performances. One of the most respected among these is the S&P Global Corporate Sustainability Assessment or CSA. The S&P Global CSA is highly regarded by companies and investors around the world for its rigorous and transparent methodology, along with its focus on accountability. Additionally, the assessment criteria are updated annually to ensure relevance and alignment with the latest trends.

Due to its credibility and comprehensive approach, C.P. Group has adopted the S&P Global CSA criteria to evaluate sustainability performance of the business units. Using this framework not only ensures alignment with international standards but also helps each business unit improve the sustainability performances and remain competitive on a global scale.

Corporate Sustainability Assessment 2023 Dashboard

Ascend Group Company Limited

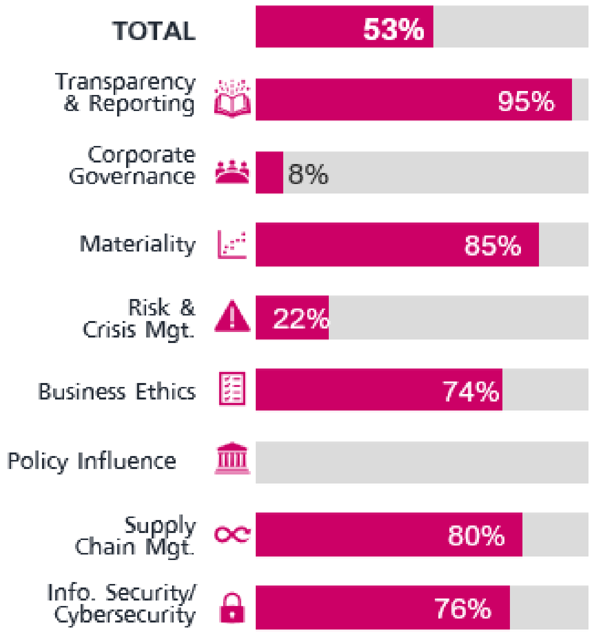
49 Total Score

53 Economic & Governance Dimension

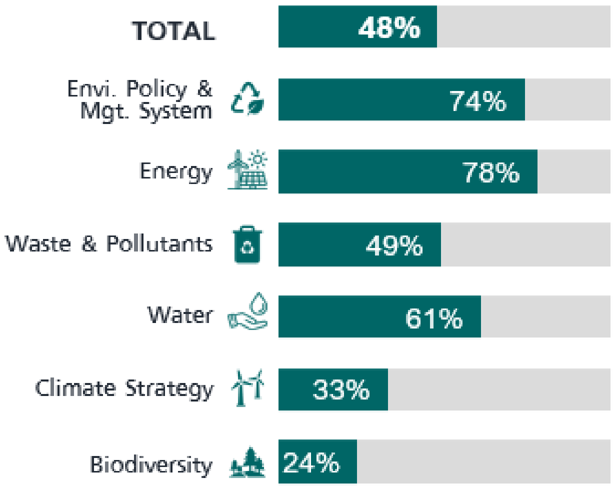
48 Environmental Dimension

45 Social Dimension

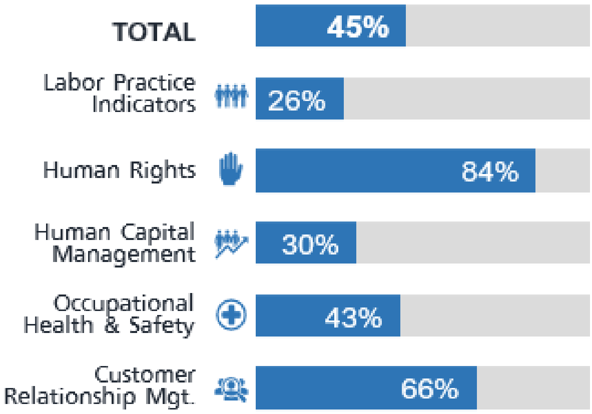
Governance & Economic Dimension



Environmental Dimension



Social Dimension



Key Improvement Area

- Data and information disclosure in the public domain, such as website and sustainability reports
- Development of policies that align with national and international standards and requirements
- Data collection according to requirements
- Development of additional reporting, such as TCFD and TNFD to respond to the current and upcoming trends

Question Scores: Governance & Economic Dimension

Questions	Score 2023
Transparency & Reporting	**95**
Sustainability Reporting Boundaries	83
Sustainability Reporting Assurance	100
Corporate Governance	**8**
Board Independence	0
Board Type	0
Non-Executive Chairperson/ Lead Director	0
Board Diversity Policy	0
Board Gender Diversity	0
Board Effectiveness	0
Board Average Tenure	0
Board Industry Experience	0
CEO Compensation - Success Metrics	0
CEO Compensation - Long-Term Performance Alignment	0
Management Ownership	0
Management Ownership Requirements	0
Government Ownership	100
Family Ownership	0
CEO-to-Employee Pay Ratio	0
Materiality	**85**
Materiality Analysis	72
Material Issues for Enterprise Value Creation	94
Materiality Metrics for Enterprise Value Creation	86
Material Issues for External Stakeholders	90
Materiality Metrics for External Stakeholders	73
Risk & Crisis Management	**22**
Risk Management	13
Emerging Risks	33

Questions	Score 2023
Business Ethics	**74**
UN Global Compact Membership	0
Codes of Conduct	100
Corruption & Bribery	100
Codes of Conduct: Systems/ Procedures	45
Reporting on breaches	86
Policy Influence	**0**
Contributions & Other Spending	0
Largest Contributions & Expenditures	0
Lobbying and Trade Associations - Climate Alignment	0
Supply Chain Management	**80**
Supplier Code of Conduct	100
Supplier ESG Programs	86
Supplier Screening	100
Supplier Assessment and Development	54
KPIs for Supplier Screening	100
KPIs for Supplier Assessment and/or Development	60
Information Security/ Cybersecurity & System Availability	**76**
IT Security/ Cybersecurity Governance	17
IT Security/ Cybersecurity Measures	100
IT Security/ Cybersecurity Process & Infrastructure	98

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Normalization Factors

Revenues will be used as the normalization factor for the data reported in the environmental dimension ("Emissions", "Waste", "Water" and "Resource Efficiency and Circularity" criteria). If available, constant currency (foreign exchange adjusted) revenues are preferred, as they eliminate the effect of fluctuations in foreign exchange rates and are thus a better indicator of business performance. However, reported revenues are acceptable as well. Please also provide information for all other requested fields.

Fiscal year-end date
Please specify your fiscal year-end date in the following format:
dd.mm.yyyy (e.g. 31.12.2023)

31/12/2023

Company Data	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023
Revenues Please indicate if figures are reported or constant currency: ○ Constant Currency ● Reported Revenues	9,656 million THB	10,905 million THB	14,252 million THB	16,645 million THB
Revenues in US Dollars Please convert your revenues in US dollars at the exchange rate of your fiscal year-end date.	319 million USD	324 million USD	410 million USD	484 million USD
Total Employees	1,805 persons	2,775 persons	2,491 persons	3,229 persons

Info Text:

Question Rationale The information asked in this question is required by us to normalize quantitative data provided in other questions and criteria (e.g., Emissions). 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.

Key Definitions

- 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., emissions) 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.

1. Governance & Economic Dimension

1.1 Transparency & Reporting

Assessment Focus

Disclosure/ Transparency	Documents	**Public Documents**	Exposure /Coverage
Trend	Performance	Awareness	**External Verification**

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.

1.1.1 Sustainability Reporting Boundaries

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

○We don't publicly state the reporting boundaries of our sustainability disclosure, nor coverage of single environment or social indicators.

○Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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.

1.1.2 Sustainability Reporting Assurance

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. AAIOOOAS, 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"

○ No, the company does not publicly report information on whether its sustainability reporting is externally assured.

○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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.

1.2 Corporate Governance

Assessment Focus

Disclosure/ Transparency	**Documents**	**Public Documents**	Exposure /Coverage
Trend	**Performance**	Awareness	External Verification

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 periodof 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.

1.2.1 Board Independence

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:

- ○ We comply with the following corporate governance code or stock exchange rules
  - ○ Australia - Australian Stock Exchange (ASX)
  - ○ Austria - Austrian Code of Corporate Governance
  - ○ Azerbaijan - Azerbaijani Economic Development Ministry
  - ○ Bahrain - Kingdom of Bahrain Ministry of Industry and Commerce
  - ○ Belgium - Brussels Stock Exchange
  - ○ Bosnia and Herzegovina - Republic of Srpska Securities Commission
  - ○ Brazil - Novo Mercado Listing Regulation (New Market Listing Regulation)
  - ○ Canada - National Instrument 58-101 – Disclosure of Corporate Governance Practices
  - ○ Chile - the Chilean Law N° 18.046 independent director definition
  - ○ Colombia - Code of Best Practices
  - ○ Croatia - Zagreb Stock Exchange
  - ○ Cyprus - Cyprus Stock Exchange
  - ○ Denmark - Recommendations on Corporate Governance
  - ○ Egypt - Egyptian Corporate Governance Code

○European Union - Recommendations of the European commission

○Finland - Helsinki Stock Exchange

○France - Paris Stock Exchange - Afep-Medef Code

○Germany - The German Corporate Governance Code

○Greece - Hellenic Corporate Governance Code For Listed Companies

○Hong Kong - Hong Kong Exchange (HKEX)

○Hungary - Budapest Stock Exchange

○Iceland - Iceland Chamber of Commerce

○India - National Stock Exchange (NSE) and SEBI(LODR)

○Ireland - Corporate Governance Code for Credit Institutions and Insurance Undertakings 2013

○Italy - Corporate Governance Code (Italy)

○Italy - Italian Consolidated Financial Act

○Japan - Tokyo Stock Exchange (TSE)

○Kenya - The Capital Markets Authority

○Lebanon - Lebanese Transparency Association (LTA)

○Luxembourg - Luxembourg Stock Exchange

○Mexico - Mexican Securities Market Law

○Netherlands - Amsterdam Exchange (AEX) - Dutch Corporate Governance Code

○New Zealand - New Zealand Corporate Governance Forum Guidelines

○Nigeria - Financial Reporting Council of Nigeria

○Norway - Oslo Børs

○Oman - Sultanate of Oman Capital Market Authority

○Philippines - Securities and Exchange Commission Philippines

○Qatar - Qatar Financial Market Authority

○Romania - Bucharest Stock Exchange

○Russian Federation - Moscow Exchange - Russian Code of Corporate Governance

○Saudi Arabia - Saudi Stock Exchange

○Singapore - Monetary Authority of Singapore (MAS)

○Slovenia- Ljubljana Stock Exchange

○South Africa - Johannesburg Stock Exchange (JSE)

○Spain - Bolsa de Madrid

○Sweden - Stockholm Stock Exchange (SSE)

○Thailand - The Stock Exchange of Thailand (SET)

○Taiwan - Taiwan Stock Exchange

○UK - London Stock Exchange (LSE)

○USA - New York Stock Exchange (NYSE) and National Association of Securities Dealers Automated Quotations (NASDAQ)

○Vietnam - The State Securities Commission of Vietnam (SSC)

○ Indonesia - Indonesia Stock Exchange

○ 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:

Max. 1,000 characters

● No, we do not have an independence statement that meets the disclosure requirements of this question for listed/non-listed companies.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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 be 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.

1.2.2 Board Type

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.

○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	

● No, we do not report on our board type.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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.

1.2.3 Non-Executive Chairperson/ Lead Director

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.

○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:

Max. 1,000 characters

○Role of chairperson and CEO is joint, but independent lead director is appointed. Please indicate the name of the lead director:

Max. 1,000 characters

○Role of chairperson and CEO is joint or chairperson is an executive director.

●We do not report this information.

○Not applicable. Please provide explanations in the comment box below.

○Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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 (of which at least 2 of the 3 first criteria) listed below:

- 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 be 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.

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.

1.2.4 Board Diversity Policy

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

○ 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

● No, the company does not publicly report on a policy for board diversity.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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.

1.2.5 Board Gender Diversity

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).

○ Number of female directors:

Numerical

● We do not report this information.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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).

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 significantly positive relationship between the fraction of women or minorities on the board and firm value.

1.2.6 Board Effectiveness

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

	Indicators/measures
Board Meeting Attendance Number of meetings attended in percentage last business/fiscal year.	☐ Average board meeting attendance: Numerical % of meetings of board of directors/supervisory board. ☐ Minimum of attendance for all members required, at least (in %) Numerical
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.	☐ Number of non-executive/independent directors with 4 or less other mandates: Numerical Please provide the names of these directors: ☐ Number of other mandates for non-executive/ independent directors restricted to: Numerical
Board Performance Review Performance assessment of board of directors/ supervisory board members.	☐ Regular self-assessment of board performance. Please specify or provide documents:

	Numerical ☐ Regular independent assessment of board performance. Please specify or provide supporting documents:
Board Election Process	☐ Board members are elected and re-elected on an annual basis ☐ Board members are elected individually (as opposed to elected by slate)

● We do not report this information.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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

1.2.7 Board Average Tenure

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.

○ Average tenure of board members in years:

Years

● We do not report this information.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

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.

1.2.8 Board Industry Experience

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.

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:	

● We do not report this information.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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.

1.2.9 CEO Compensation - Success Metrics

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

○ 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:

Max. 1,000 characters

☐ 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:

Max. 1,000 characters

● No, the company does not publicly report on corporate performance indicators for the Chief Executive Officer's variable compensation.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's

business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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.

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- 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.

1.2.10 CEO Compensation - Long-Term Performance Alignment

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

○ 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 of shares or stock options?

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

Numerical

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:

Years

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

Max. 1,000 characters

Time Vesting for Variable CEO Compensation

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

Years

● No, we do not have a performance-based variable compensation system or we do not report on this following the disclosure requirements of this question.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

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business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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 is 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.

1.2.11 Management Ownership

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 Please provide supporting evidence: ☐ For Listed companies: The information is publicly available. Please provide link to public reports or corporate website.	Max. 1,000 characters	Max. 1,000 characters

For Non-Listed companies: The information is available in internal documents, public reports or corporate website.		
Average across other executive committee members owning shares Please provide supporting evidence: ☐ 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.	Max. 1,000 characters	Max. 1,000 characters

○ No, company CEO and other executive officers do not hold company shares.

○ Not applicable. Please provide explanations in the comment box below.

● Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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: Share price at the end of the FY * number of shares held by the CEO / base salary of CEO

Other executives' multiple calculation: (share price at the end of the FY * number of shares held by the executive 1 / base salary of executive) + (share price at the end of the FY * number of shares held by the executive 2 / base salary of executive) + (…) / 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

1.2.12 Management Ownership Requirements

○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

Numerical

times the annual base salary

☐ Other members of the executive committee besides the CEO have to build up a share ownership of

Numerical

times the annual base salary

○ No, there are no share ownership requirements or we do not report on this following the disclosure requirements of this question.

○ Not applicable. Please provide explanations in the comment box below.

● Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

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.

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.

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 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

1.2.13 Government Ownership

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.

○ 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)

Numerical

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

Max. 1,000 characters

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.

○ No, we do not report on government ownership information following the disclosure requirements of this question.

● Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Ascend is a family owned company.
Max. 5,000 characters

Info Text:

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.

Key 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.

1.2.14 Family Ownership

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.

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

Total % of voting rights of the company:

Numerical

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

Max. 1,000 characters

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

○ Not applicable. Please provide explanations in the comment box below.

● We do not report on family ownership following the disclosure requirements of this question.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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.

1.2.15 CEO-to-Employee Pay Ratio

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:		

○We do not track the ratio of the median or mean employee compensation or the total annual compensation of the Chief Executive Officer.

○Not applicable. Please provide explanations in the comment box below.

●Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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 medium of the annual total with the total CEO compensation.

Key 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)

1.3 Materiality

Assessment Focus

Disclosure/ Transparency	Documents	**Public Documents**	**Exposure /Coverage**
Trend	Performance	**Awareness**	External Verification

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.

1.3.1 Materiality Analysis

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 or 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

○ No, the company does not publicly report on its materiality analysis process.

○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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 a third-party assurance provider
7. Materiality assessment results are signed off by either board of directors or senior management

Key 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 an external consultant in the materiality assessment process
- Assurance statement without a 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, and 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 involvement 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-Comprehensive-Corporate-Reporting.pdf (sasb.org) – CDP, CDSB, GRI, IIRC and SASB

1.3.2 Material Issues for Enterprise Value Creation

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 conducts 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:	Responsible Supply Chain Management Max. 200 characters Please select the category your material issue belongs to: ○ Corporate Governance & Ethics ○ Cyber Security ○ Policy Influence ○ Risk & Crisis Management ● Supply Chain Management ○ Tax Strategy ○ Biodiversity ○ Climate Transition & Physical Risks ○ Environmental Policy & Management ○ Energy ○ Waste & Pollutants ○ Water ○ Society & Community Relations ○ Customer Relations ○ Occupational Health & Safety ○ Labour Practices ○ Human Capital Management ○ Human Rights ○ Privacy Protection ○ Product / Service Quality & Safety	Climate Resilience Max. 200 characters Please select the category your material issue belongs to: ○ Corporate Governance & Ethics ○ Cyber Security ○ Policy Influence ○ Risk & Crisis Management ○ Supply Chain Management ○ Tax Strategy ○ Biodiversity ● Climate Transition & Physical Risks ○ Environmental Policy & Management ○ Energy ○ Waste & Pollutants ○ Water ○ Society & Community Relations ○ Customer Relations ○ Occupational Health & Safety ○ Labour Practices ○ Human Capital Management ○ Human Rights ○ Privacy Protection ○ Product / Service Quality & Safety	Circular Economy Max. 200 characters Please select the category your material issue belongs to: ○ Corporate Governance & Ethics ○ Cyber Security ○ Policy Influence ○ Risk & Crisis Management ○ Supply Chain Management ○ Tax Strategy ○ Biodiversity ○ Climate Transition & Physical Risks ○ Environmental Policy & Management ○ Energy ● Waste & Pollutants ○ Water ○ Society & Community Relations ○ Customer Relations ○ Occupational Health & Safety ○ Labour Practices ○ Human Capital Management ○ Human Rights ○ Privacy Protection ○ Product / Service Quality & Safety

	○Sustainable Raw Materials ○Sustainable Products & Services	○Sustainable Raw Materials ○Sustainable Products & Services	○Sustainable Raw Materials ○Sustainable Products & Services
Business Case Please provide a brief rationale for why this issue is material to your business:	☑ We report our business case for this material issue: 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 in high environmental or social	☑ We report our business case for this material issue: 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	☑ We report our business case for this material issue: 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

	costs. Investors increasingly see the importance of supply chain risk management and the negative consequences if it is not managed effectively. Max. 1,000 characters	climate but also documenting this in a way that meets disclosure requirements. Max. 1,000 characters	address stakeholder expectations. The focus of this criterion is to identify the management and trends of waste across business operations. Max. 1,000 characters
Business Impact Please select the type of impact this material issue has on your business (cost/revenue/ risk):	● Cost ○ Revenue ○ Risk	○ Cost ○ Revenue ● Risk	○ Cost ○ Revenue ● Risk
Business strategies Please specify your primary business strategies, initiatives or products that address this issue:	☑ Yes, we describe our strategy for addressing the impact on the business: Support capacity building for suppliers to improve their sustainability performance and reduce adverse impacts throughout the supply chain. Engage with suppliers and business partners to exchange knowledge and enhance responsible sourcing and manufacturing capabilities Max. 1,000 characters	☑ Yes, we describe our strategy for addressing the impact on the business: Reduce greenhouse gas emissions through better energy efficiency, greater use of renewable energy, more effective waste management. Increase carbon sequestration through reforestation and afforestation. Max. 1,000 characters	☑ Yes, we describe our strategy for addressing the impact on the business: Manage resources for their optimal efficiency, reduce waste generation, prioritize environmentally-friendly raw materials. Increase reuse, remanufacturing, and recycling to generate and capture the most value out of resources. Avoid waste disposal by landfill; incorporate sustainability criteria in packaging development.

			Max. 1,000 characters

○ No, the company does not publicly report on its material issues.

○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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 web link will not be accepted.

1.3.3 Materiality Metrics for Enterprise Value Creation

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)	Responsible Supply Chain Management Max. 1,000 characters	Climate Resilience Max. 1,000 characters	Circular Economy Max. 1,000 characters
Target/Metric Do you have a target or metric to measure your progress on this issue in a systematic way? Please specify where this target or metric is available in public reporting:	☑ Target set linked to material issue: 100% of high-risk suppliers are audited Max. 1,000 characters	☑ Target set linked to material issue: Achieve carbon neutrality (Scope 1+2) SBT near-term target for Scope 1+2, reduction by 42% SBT near-term target for Scope 3, reduction by 25% Max. 1,000 characters	☑ Target set linked to material issue: Zero waste to landfill Max. 1,000 characters
Target Year Please specify the year for the target	2030 Max. 1,000 characters	2030 Max. 1,000 characters	2030 Max. 1,000 characters
Progress Do you disclose the progress on targets/ metrics. Please specify where this target or metric is available in public reporting:	☑ Progress on target specified: The progress is available in our Sustainability Report 2023 Executive Summary	☑ Progress on target specified: The progress is available in our Sustainability Report 2023 Executive Summary	☑ Progress on target specified: The progress is available in our Sustainability Report 2023 Executive Summary

	Max. 1,000 characters	Max. 1,000 characters	Max. 1,000 characters
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.	☐ Target/metric linked to executive compensation Max. 1,000 characters	☐ Target/metric linked to executive compensation Max. 1,000 characters	☐ Target/metric linked to executive compensation Max. 1,000 characters

○No, we do not disclose targets/metrics linked to top 3 material issues.

○Not applicable. Please provide an explanation in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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. **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.
- 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) and 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 publishes its report biannually or the 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 the 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 long-term 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 publishes its report biannually or the 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 public document(s) or web link will not be accepted.

1.3.4 Material Issues for External Stakeholders

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.	Climate Resilience Max. 200 characters Please select the category your external impact belongs to: ○Corporate Governance & Ethics ○Cyber Security ○Policy Influence ○Risk & Crisis Management ○Supply Chain Management ○Tax Strategy ○Biodiversity ●Climate Transition & Physical Risks ○Environmental Policy & Management ○Energy ○Waste & Pollutants ○Water ○Society & Community Relations ○Customer Relations ○Occupational Health & Safety ○Labour Practices ○Human Capital Management ○Human Rights ○Privacy Protection ○Product / Service Quality & Safety ○Sustainable Raw Materialsง ○Sustainable Products & Services	Circular Economy Max. 200 characters Please select the category your external impact belongs to: ○Corporate Governance & Ethics ○Cyber Security ○Policy Influence ○Risk & Crisis Management ●Supply Chain Management ○Tax Strategy ○Biodiversity ○Climate Transition & Physical Risks ○Environmental Policy & Management ○Energy ●Waste & Pollutants ○Water ○Society & Community Relations ○Customer Relations ○Occupational Health & Safety ○Labour Practices ○Human Capital Management ○Human Rights ○Privacy Protection ○Product / Service Quality & Safety ○Sustainable Raw Materials ○Sustainable Products & Services
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: ☑Operations ☑Products/Services ☑Supply chain Business activity coverage: ●>50% of business activity ○<50% of business activity	Business value chain: ☑Operations ☑Products/Services ☑Supply chain Business activity coverage: ●>50% of business activity ○<50% of business activity

	○Not known	○Not known
External stakeholder(s)/impact area(s) evaluated Please select the stakeholder(s) group or impact areas evaluated.	☑Environment ☑ Society ☑ Consumers/end-users ☑ External employees (e.g. supply chain, contractors)	☑ Environment ☑ Society ☑ Consumers/end-users ☑ 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.	☑Materiality of externalized impact on stakeholders assessed. Reduce greenhouse gas emissions through better energy efficiency, greater use of renewable energy, more effective waste management. Increase carbon sequestration through reforestation and afforestation. Max. 1,000 characters ○Positive ○Negative ● Both combined ☐ Information is publicly available.	☑Materiality of externalized impact on stakeholders assessed. Manage resources for their optimal efficiency, reduce waste generation, prioritize environmentally-friendly raw materials. Increase reuse, remanufacturing, and recycling to generate and capture the most value out of resources. Avoid waste disposal by landfill; incorporate sustainability criteria in packaging development. Max. 1,000 characters Type of impact: ○Positive ○Negative ● Both Combined ☐ Information is publicly available.

○No, we do not assess our impact on external stakeholders.
○Not applicable. Please provide explanations in the comment box below.
○Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's

business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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 C02 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.

Key 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 hareholders, 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 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:

- 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/

1.3.5 Materiality Metrics for External Stakeholders

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 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.	Climate Resilience Max. 200 characters	Circular Economy Max. 200 characters
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.	☑ Quantitative output metric/s linked to material issue GHG Scope 1&2 emissions reduction Max. 50 characters	☑ Quantitative output metric/s linked to material issue Zero waste to landfill Max. 50 characters

	Impact 1	Impact 2
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.	☑ Impact valuation conducted ○ Social return on investments ● Social cost caused/avoided ○ Health costs caused/ avoided ○ Quantified quality of life impacted ○ Increase/decrease in household-level income ○ Environmental value lost/ gained ○ Net impact ratio ○ Access to product/service with positive impact provided ○ Other Description of the impact assessed Social Cost of Carbon Max. 50 characters	☑ Impact valuation conducted ○ Social return on investments ● Social cost caused/avoided ○ Health costs caused/ avoided ○ Quantified quality of life impacted ○ Increase/decrease in household-level income ○ Environmental value lost/ gained ○ Net impact ratio ○ Access to product/service with positive impact provided ○ Other Description of the impact assessed Social Cost of Waste Max. 50 characters
Impact Metric Please specify the quantitative metric used to measure your external impact.	☑ Quantitative impact metric linked to material issue Social Cost of Carbon Max. 50 characters ☐ Information is publicly available	☑ Quantitative impact metric linked to material issue Social Cost of Waste Max. 50 characters ☐ Information is publicly available

○ No, we do not assess our externalized impacts on external stakeholders.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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 C02 emissions, NOx Emissions, SOx emissions).
- Avoided C02 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 checkbox 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 are 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/

1.4 Risk & Crisis Management

Assessment Focus

Disclosure/ Transparency	Documents	Public Documents	Exposure /Coverage
Trend	Performance	Awareness	External Verification

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.

1.4.1 Risk Management

Does your company have any documented risk management procedures and positions in place?

● Yes, our company has risk management procedures and positions in place.

Risk Review

We formally review our company's risk exposure on a regular basis for at least two types of risks. Please attach your latest risk review(s) and 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 Functions

We have dedicated risk management functions in place.

Please indicate the highest level at which your company oversees the risk exposure and provide supporting evidence for the respective role or committee:

- ○ Dedicated role or committee at board level
- ○ Dedicated role or committee at executive level
- ● Dedicated role(s) at business unit level
- ○ Not specified

Structural Independence

We have a risk management function that is independent.

☐ The risk management function is structurally independent from the business lines. Please specify and provide supporting evidence (e.g., Organization chart of reporting lines)

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 has 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 organization. Please provide supporting evidence:

☐ 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

○ No, we do not have any documented risk management procedures or positions in place.
○ Not applicable. Please provide an explanation in the comment box below.
○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

Question Rationale

The purpose of this question is to obtain a better understanding of a company’s risk governance and risk review practices, which are critical for overall risk control and mitigation. For a company’s risk management procedures to be most effective, risk awareness concerns and management must be overseen by a company’s senior leadership or board of directors. Moreover, having frequent risk reviews, structurally independent risk management functions and regular audits can further improve risk management procedures and effectiveness.

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.

Key Definitions

Risk review: A risk review can constitute an assessment or reassessment of a certain risk exposure, a status update thereof, a sensitivity analysis regarding a certain risk or other procedures and processes that aim to identify hazards, determine potential negative effects, this may include stress testing, sensitivity scenario analyses. A risk review should consider the following:

- A description of how the risk affects the organization (e.g., revenues, profitability, costs)
- The likelihood of impact on the organization.
- The magnitude of the potential business impact
- Mitigation actions
- The frequency of review

Examples of risks considered in this question:

Regulatory risks, reputational risks, liquidity/cash flow risks, operational risks, climate change/natural catastrophes, political risks, cybersecurity/data stewardship, commodity price risks, foreign exchange risks, competition risks etc.

Board level responsibility: A dedicated committee at the level of highest governing body, i.e., risk committee or audit committee with explicit risk management overview tasks.

Executive level responsibility: A dedicated function at the executive level (C-suite), e.g., chief risk officer.

Responsibility at business unit level: Dedicated risk management functions below the executive level, e.g., risk managers.

Reporting line: Under reporting line, the whole reporting line from the responsible persons or committee up to the executive managers or board of directors should be considered.

Structural independence: This means the organization's risk function is independent of other business functions, departments or divisions and serves to address risks throughout the organization, not just within a specific department (e.g., if the risk management function is a separate reporting pillar altogether or reports directly to the CEO). Structural independence allows for objective monitoring and control of various risks, in the best interest of the entire organization and without the pressure of a potential conflict of interest coming from other business priorities.

Audit of risk management: 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 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, look for incentives connected to these areas.

Disclosure Requirements

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

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

- The supporting documents do not need to be available in the public domain.

References

COSO Framework

ISO 31000:2018 Risk Management

1.4.2 Emerging Risks

Please indicate two important long-term (3-5 years+) emerging risks that your company identifies with 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 available 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	Biodiversity Loss, and Ecosystem Collapse Max. 100 characters	Non-compliance with Sustainability Requirement in Supply Chain Max. 100 characters
Category	○ Economic ● Environmental ○ Geopolitical ○ Societal ○ Technological ○ Other	○ Economic ○ Environmental ○ Geopolitical ● Societal ○ Technological ○ Other
Description	☑ We report on the description and specification of emerging risk 1 in the context of the company's business. Please provide the description in the text box below. This risk poses significant risks to CPG due to their broad impacts on sustainability and human well-being.	☑ We report on the description and specification of emerging risk 2 in the context of the company's business. Please provide the description in the text box below. This risk poses a significant risk to CPG. As a global conglomerate with extensive operations in agriculture,

	Our operations in agriculture, aquaculture, and food production depend on healthy ecosystems. Degraded biodiversity disrupts natural systems, reducing agricultural productivity and threatening food security for communities relying on our products putting essential resources like clean water and fertile soil at risk. Ecosystem collapse destabilizes supply chains, making crops and livestock more vulnerable to pests, diseases, and climate extremes, increasing costs and supply shortages. This also affects human health through reduced ecosystem services like air and water purification, pollination, and climate regulation. Protecting biodiversity ensures a sustainable planet for future generations and supports equitable access to natural resources, a fundamental human right. Ecosystem degradation disproportionately impacts marginalized communities, worsening social inequalities. Max. 1,000 characters	aquaculture, and food production, our supply chain involves numerous stakeholders, including suppliers, contractors, and partners across various regions. Failure to adhere to sustainability, especially ethical standards, such as labor rights, environmental regulations, and fair trade practices, can have severe implications for our business. This risk can lead to legal penalties, reputational damage, and loss of consumer trust, all of which can negatively impact our brand and market position. Breaches related to sustainability in the supply chain, such as the use of child labor, unsafe working conditions, or environmental violations, can disrupt operations and lead to financial losses. Moreover, non-compliance with standards can result in supply chain inefficiencies, increased costs, and strained relationships with stakeholders. Max. 1,000 characters
Impact	☑ We report on the potential impact of emerging risk 1 on the company's business. Please provide the impact description in the text box below. changes in biodiversity and ecosystem integrity can directly affect the availability of raw materials, water resources, pollination services, and the overall flexibility of the supply chain. Furthermore, biodiversity loss and ecosystem collapse also pose regulatory, reputational, and market access risks for	☑ We report on the potential impact of emerging risk 2 on the company's business. Please provide the impact description in the text box below. Non-compliance with sustainability requirements in the supply chain significantly impacts CPG. It can lead to costly legal penalties and fines. Reputational damage, especially from human rights violations, erodes consumer trust and tarnishes our brand, affecting market positioning.

	CPG. Social expectations and stakeholder demands also play a key role. Consumers, investors, and civil society organizations are focusing more on companies that demonstrate environmental responsibility, biodiversity conservation, and sustainable business operations. Max. 1,000 characters	Financial losses from operational delays, increased costs, and supply chain disruptions impact profitability and business continuity. These disruptions can terminate supplier relationships and challenge sourcing. Breaches related to sustainability strain stakeholder relationships that value corporate responsibility. Market opportunities may be lost as consumers prefer ethically responsible companies. Human rights violations, like child labor, have severe social implications. Non-compliance also affects employee morale and retention. Addressing these impacts requires robust ethical practices, continuous monitoring, and proactive stakeholder engagement. Max. 1,000 characters
Mitigating actions	☑ We report on the mitigating actions of emerging risk 1. Please provide the description of the mitigating actions in the text box below. CPG has established comprehensive mitigation measures to manage risks associated with biodiversity loss and ecosystem collapse. This includes prioritizing sustainable sourcing practices of, for example, agricultural products and seafood, promoting aquaculture, ensuring responsible forest management, and investing in biodiversity conservation initiatives. CPG also conducts rigorous environmental impact assessments to assess potential impacts on biodiversity and ecosystems, engages with stakeholders to promote collaborative work and decision-making,	☑ We report on the mitigating actions of emerging risk 2. Please provide the description of the mitigating actions in the text box below. Charoen Pokphand Group must employ diverse strategies to minimize the risk of non-compliance with sustainability requirements in the supply chain. This includes implementing the Supplier Code of Conduct, establishing procurement contract guidelines, conducting thorough due diligence on suppliers, and imposing punishment on suppliers with evaluation results below the specified criteria or found to have violated requirements. In addition, the Group has initiated traceability and transparency using technology such as

	and invests in research and innovation for sustainable technologies and practices. Moreover, CPG strictly complies with environmental laws and regulations while actively supporting biodiversity-friendly agriculture and aquaculture. These endeavors are a demonstration of CPG's commitment to biodiversity and ecosystem protection as well as our determination to make positive contributions to environmental sustainability and conservation efforts. Max. 1,000 characters	blockchain and supply chain management systems, and many more. This technology has helped the Group to accurately track and monitor suppliers’ activities. Max. 1,000 characters

○ We do not report on long-term, emerging risks according to the relevant disclosure requirements of this question.
○ Not applicable. Please provide explanations in the comment box below.
○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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 the 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

1.5 Business Ethics

Assessment Focus

Disclosure/ Transparency	Documents	Public Documents	Exposure /Coverage
Trend	Performance	Awareness	External Verification

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.

1.5.1 **UN Global Compact Membership**

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.

○ No, the company does not publicly report on whether it is a signatory/participant.

○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

Question Rationale

The UNGC is a reference point for investors to apprehend which companies are truly committed to 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.

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 UNGC Signatory List

1.5.2 **Codes of Conduct**

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

○ No, the company does not publicly report on its group-wide code of conduct.

○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

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, charters).

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.

1.5.3 **Corruption & Bribery**

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:

○ No, the company does not publicly report on a group-wide policy for anti-corruption & bribery.

○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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 a subterfuge for bribery, they should be explicitly covered by the anti-corruption policy and should be publicly disclosed.

Key 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 winning 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 relevant policies, 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)

1.5.4 **Codes of Conduct: Systems/ Procedures**

Does the company have mechanisms in place to ensure effective implementation of its codes 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:
☑ Responsibilities, accountabilities and reporting lines are systemically defined in all divisions and group companies	
☑ Dedicated help desks, focal points, ombudsman, hotlines	
☑ Compliance linked to employee remuneration	
☑ Employee performance appraisal systems integrate compliance/codes of conduct	
☑ Disciplinary actions in case of breach, i.e. warning, dismissal, zero tolerance policy	
☑ Compliance system is certified/audited/verified by third party. Please review the additional information and question guidance banner for further detail.	

○No, the company does not publicly report on mechanisms to ensure effective implementation of its codes of conduct.

○Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

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.

1.5.5 **Reporting on breaches**

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	1
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
- ○ No, we do not publicly report on breaches.
- ○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key Definitions

Customer Data Privacy: Data breach 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.

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 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.

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, 2013 (by Transparency International, second edition)

1.6 Policy Influence

Assessment Focus

Disclosure/ Transparency	Documents	Public Documents	Exposure /Coverage
Trend	Performance	Awareness	External Verification

Although companies can 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 risks 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.

1.6.1 **Contributions & Other Spending**

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.

		FY 2020	FY 2021	FY 2022	FY 2023
Lobbying, interest representation or similar	☐ Information available publicly				
Local, regional or national political	☐ Information available publicly				

campaigns / organizations / candidates					
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				
Total contributions and other spending					
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	○ Included ○ Not included ○ No contribution ○ Not known	☐ Information available publicly
Local, regional or national political campaigns / candidates	○ Included ○ Not included ○ No contribution ○ Not known	☐ Information available publicly

Trade associations or tax-exempt groups (e.g. think tanks)	○ Included ○ Not included ○ No contribution ○ Not known	☐ Information available publicly
Other (e.g. spending related to ballot measures or referendums)	○ Included ○ Not included ○ No contribution ○ Not known	☐ 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 public domain.

●We do not track our annual monetary contributions and other spending for political and related purposes.

○Not applicable. Please provide explanations in the comment box below.

○Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Data Requirements

The company shall report its total monetary contributions to political campaigns or organizations, lobbyists, trade associations, and other tax-exempt groups whose role is to influence political campaigns or legislation. This includes all direct and indirect spending, contributions or payments to:

- Political campaigns, ballots measures or referendums.
- Political organizations, trade associations or tax-exempt groups whose role is to influence political campaigns or legislative activities, including chambers of commerce, trade boards, and the like. This includes membership fees for trade associations, industry associations and business associations.
- Registered lobbyists and lobbying groups.
- Companies do not need to report the monetary value of in-kind giving, employee volunteering or management overheads related to the activities described above.
- Note: PAC contributions by employees should not be included.

Source: SASB and GRI.

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.

1.6.2 **Largest Contributions & Expenditures**

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 if this information is available in the public domain.

Issues and Topics

Currency:

Max. 1,000 characters

Issue or Topic	Corporate Position	Description of Position / Engagement	Total spend in FY 2023
	○ Support ○ Support with minor exceptions ○ Support with major exceptions ○ Oppose ○ No contribution		
	○ Support ○ Support with minor exceptions ○ Support with major exceptions ○ Oppose ○ No contribution		

Other Large Expenditures

Name of organization, candidate or topic	Type of Organization	Total amount paid in FY 2023

	○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 ○No contribution ○Not known Other, please specify	☐ Information available publicly
	○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 ○No contribution ○Not known	☐ Information available publicly

	○ 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 ○ No contribution ○ Not known	☐ Information available publicly

○ No, we did not make any contributions or have any expenditures.

  ☐ This information must be available in the public domain.

● We do not track our largest contributions or expenditures for political and related purposes.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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 assess the extent to which this information is provided to the public.

Key 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 groups, 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 not via a third-party website or on a transparency register.

1.6.3 **Lobbying and Trade Associations - Climate Alignment**

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

● No, the company does not publicly report on its climate alignment program.

○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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

1.7 Supply Chain Management

Assessment Focus

Disclosure/ Transparency	**Documents**	**Public Documents**	Exposure /Coverage
Trend	**Performance**	**Awareness**	**External Verification**

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 in 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.

1.7.1 **Supplier Code of Conduct**

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

○ No, the company does not publicly report on a supplier code of conduct.

○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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

1.7.2 Supplier ESG Programs

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 programs 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 programs.

○ No, the company does not publicly report on measures to ensure effective implementation of supplier ESG programs.

○ Not applicable. Please provide explanations in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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 programs 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.

Key Definitions

Supplier ESG programs 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

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.

1.7.3 Supplier Screening

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

○ No, the company does not publicly report on its supplier screening process.

○Not applicable. Please provide an explanation in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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

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.

1.7.4 Supplier Assessment and Development

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:

Max. 1,000 characters

- ☐ 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.

○ No, the company does not publicly report on its supplier assessment and development process.

○ Not applicable. Please provide an explanation in the comment box below.

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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 onsite 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 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.

1.7.5 KPIs for Supplier Screening

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 our supplier screening program

Supplier Screening	FY 2023
1.1 Total number of Tier-1 suppliers	356
1.2 Total number of significant suppliers in Tier-1	38
1.3 % of total spend on significant suppliers in Tier-1	61.2%
1.4 Total number of significant suppliers in non Tier-1	0
1.5 Total number of significant suppliers (Tier-1 and non Tier-1)	38

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.

○ No, we do not monitor and report on coverage and progress of our supplier screening program.
○ Not applicable. Please provide explanations in the comment box below.
○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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"

Key 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 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.

1.7.6 KPIs for Supplier Assessment and/or Development

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	35	100% of sig. supplier
1.2 % of unique significant suppliers assessed	92.1%	
1.3 Number of suppliers assessed with substantial actual/ potential negative impacts	0	
1.4 % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0	
1.5 Number of suppliers with substantial actual/potential negative impacts that were terminated	0	

☐ 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	-	100% of sig. supplier
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.

○No, we do not monitor and report on coverage and progress of our supplier assessment and/or development program.

○Not applicable. Please provide explanations in the comment box below.

○Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

Key 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 supported 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 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.

1.8 Information Security/ Cybersecurity & System Availability

Assessment Focus

Disclosure/ Transparency	**Documents**	**Public Documents**	Exposure /Coverage
Trend	**Performance**	Awareness	External Verification

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.

1.8.1 **IT Security/ Cybersecurity Governance**

Are the board of directors and executive management engaged in the information security/cybersecurity strategy and review process?

○ 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 the 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**
Name of board member: ☐ Relevant experience and previously held positions:	☐ If publicly available, please indicate where this information can be found in your public reporting or corporate website. ○ Cybersecurity / information security committee ○ Risk committee ○ Audit committee ● 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

○ No, we don't 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.
○ Not applicable. Please provide explanations in the comment box below.
○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

Max. 5,000 characters

Info Text:

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.

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.

Key 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 cybersecurity 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.

1.8.2 IT Security/ Cybersecurity Measures

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:

Max. 1,000 characters

☑ 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:

Max. 1,000 characters

☑ Information security/cybersecurity is part of the employee performance evaluation (e.g. disciplinary actions). Please explain and provide supporting evidence:

Max. 1,000 characters

○ No, we have not implemented policies and procedures for employees with access to critical information.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

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Max. 5,000 characters

Info Text:

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.

Key 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).

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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.

1.8.3 IT Security/ Cybersecurity Process & Infrastructure

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:

100%
Numerical

○ 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.

Supporting evidence:

	2023
Total number of information security breaches	0
Total number of clients, customers and employees affected by the breaches	0

○ We do not collect data on information security/cybersecurity breaches.

○ We do not have processes and infrastructure in place to prevent and/or respond to cyberattacks.

○ Not applicable. Please provide explanations in the comment box below.

○ Not known

Confidential Additional Comments

Use the text field below only in the following cases: (i) to describe significant changes in data or calculation methodology compared to last year's submission, (ii) to explain why a question is not applicable to your company's business model, (iii) to explain if your data deviates from the unit or format requested, or (iv) to provide supporting notes on translations of non-English references.

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Info Text:

Question Rationale

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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.

Key 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).

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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 includes 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