

## TODAY'S AGENDA

1 Overview of the EcoVadis assessment

Company-specific context

- 3 Detailed scorecard explanation
- 4 Further steps



### The Ecovadis Assessment Process

#### **REGISTER ONLINE**

Create a company profile

A profile used to optimize survey to your industry, size, and location

#### **ORIENTATION CALL**

I hr call explaining the EcoVadis assessment process, methodology and document requirements.

#### **EXPERT ANALYSIS**

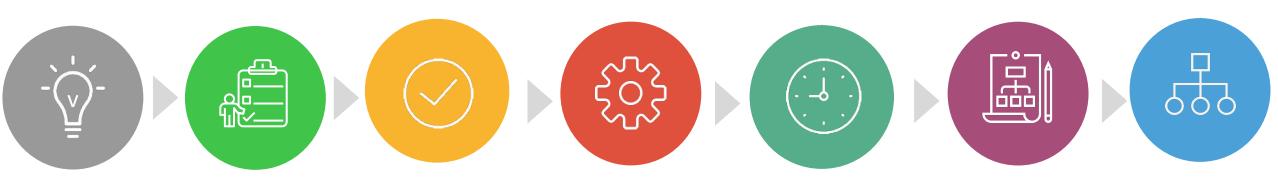
EcoVadis distills answers into an easy-to-read Scorecard

An independent document audit, evaluation & analysis from sustainability experts

#### **SHARE & IMPROVE**

Online access to Scorecard results, Sharing & Corrective Action Plan

Share results, collaborate with clients or investors & improve performance



#### **PREFILLING**

Prefilling of publicly available documents found on company's website.

## QUESTIONNAIRE & DATA COLLECTION

Answer assessment survey and upload documentation

A secure, confidential & multilingual survey

#### **SCORECARD DEBRIEF**

1.5 hr customised & personalised debrief session with an analyst

Detailed elaboration on achieved score, strengths and improvement areas

## **A Virtuous Circle for Companies**

### Onboarding

Online registration and dedicated support team



#### Assessment

Customized questionnaire & evidence evaluation by sustainability experts

### **Improvements**

Corrective Action Plan feature, performance tracking tools, performance monitoring services

#### Results

Clear and actionable scorecards: Easy to use and easy to share

### Methodology: Our Management System Approach







#### 1. Policies

Missions, value statements, engagements, principles, qualitative or quantitative objectives, and targets issued by the company

#### 2. Endorsements

Endorsement of external sustainability initiatives and principles

#### 3. Measures

Actions implemented (e.g. procedures, trainings, supplier code conduct)

#### 4. Certifications

Certifications, labels, and 3rd party audits (e.g. ISO 14001)

5. Coverage – only applicable to L-sized companies ≥1000 employees Level of deployment or dissemination of actions and certifications (indicated by proxy)

### 6. Reporting

Reporting on key performance indicators (KPIs)

#### 7. 360° News

Positive developments, standpoints of stakeholders, condemnations, controversies

### **EcoVadis Sustainability and Carbon Scorecards**

### One assessment – two scorecards!



Scores, strengths, and improvement areas for practices across four sustainability themes















In-depth rating, strengths, and improvement areas for carbon management practices



#### RESULT

Intermediate

Company with comprehensive GHG management system, reporting in line with global standards, including third party data verification.

#### **OPPORTUNITY**

Focus on setting targets for all 3 scopes and consider 3rd party verification of disclosed data





## **Qualification information**



**EcoVadis Platform Name:** ATLANTIC SOCIETE FRANCAISE DE DEVELOPPEMENT THERMIQUE SAS (GROUP)



Size: L >11000 employees



**HQ** and other locations: France

Risk activated: India



ISIC Category: 281-Manufacture of general-purpose machinery



Company's Website: <a href="https://groupe-atlantic.fr/en/">https://groupe-atlantic.fr/en/</a>

## **Material Sustainability Issues**

[281-Manufacture of general-purpose machinery, L, Risk]



## LABOR & HUMAN RIGHTS



## SUSTAINABLE PROCUREMENT

### **Policies - Actions - Results**

- Energy Consumption & GHGs
- Water
- Biodiversity
- Air Pollution
- · Materials, Chemicals, & Waste
- Product Use
- Product End-of-Life
- Customer Health & Safety
- Environmental Services & Advocacy

- Employee Health & Safety
- Working Conditions
- Social Dialogue
- Career Management & Training
- Child Labor, Forced Labor & Human Trafficking
- Diversity, Equity & Inclusion
- External Stakeholder Human Rights

- Corruption
- Anticompetitive Practices
- Responsible Information Management

- Supplier Environmental Practices
- Supplier Social Practices









## **Supporting Documents are Key**

Supporting documents are key to demonstrate a company's sustainability practices. It is thus important to ensure that submitted documents are relevant for the assessment.

### Valid documents

- ✓ Environmental policy
- ✓ Waste management policy
- ✓ Corruption policy
- ✓ Operating procedures
- ✓ Internal trainings
- ✓ Actions described in Sustainability reports
- ✓ Sustainability certifications (ISO 14001, ISO 45001)
- ✓ KPIs reported in Annual reports, sustainability reports
- ✓ Monitoring of KPIs in internal excel database

### **Invalid documents**

- x Documents without a company name
- Documents that are not related to sustainability
- Outdated documents: Policies/actions over 8 years old, Reporting KPIs over 2 years old, expired certificates, etc.
- Combined documents: document containing multiple documents merged together and attached as one supporting document
- Documents improvised/prepared specifically to answer the Ecovadis Assessment [Acceptable document must be credible & pre-existing in the management system]



Documents provided are kept strictly confidential.

Learn more about our privacy policy and information security practices.

## Insights into rejected documents

Total number of documents provided: 54
Number of rejected documents: 1

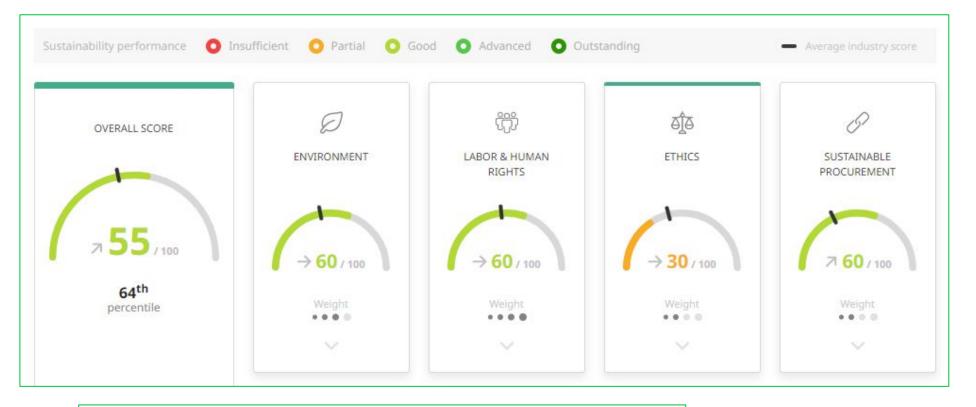
Documents	Reasons of document rejection	Explanation
Type A  Attestation sur I'honneur du Directeur Ressources Humaines Groupe	Improvised documentation	Document does not form part of formalized management system but has been prepared specifically to answer to the EcoVadis (not pre-existing in the management system)

Impact of document rejection on Score

None



### **Overall Results**



ISIC Category: 281-Manufacture of general-purpose machinery

Global score: 55/100; Previous Score: 51/100

Average industry score: 45



### **Benchmark**

ISIC Category: 281-Manufacture of general-purpose machinery



Number of companies rated by EcoVadis in this industry: 3805

Explore the Industry Profile section of your EcoVadis platform for more information about sustainability in your industry

# ATLANTIC SOCIETE FRANCAISE DE DEVELOPPEMENT THERMIQUE SAS (GROUP) Score Comparison

	OVERALL SCORE	ENVIRONMENT	LABOR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PROCUREMENT
2023	55	60	60	30	60
2022	51	60	60	30	40

## **EcoVadis Medals (2022)**







EV Score 67-74 Top 5% of performers



EV Score 56-66 Top 25% of performers



EV Score 47-55 Top 50% of performers

- $^st$  Percentile rank is calculated across all companies in all industries, not per industry  $^st$
- The scorecard must include no low theme scores (<=20).
- No more than three major 360° Watch Findings in any 3 themes, and/or no severe 360° Watch Finding in any theme
  - For 3 years in Environment, Labor & Human Rights or Sustainable Procurement themes
  - For 5 years in the Ethics theme

Note: For scorecards published as from 01 January 2023, the sustainability recognition levels will have a new threshold.

For more info visit: https://support.ecovadis.com/hc/en-us/articles/210460227

### **EcoVadis Medals**

### In effect as of January 1, 2023



EV Score 78-100 Top 1% of performers



EV Score 70-77 Top 5% of performers



EV Score 59-69 Top 25% of performers



#### **Score requirement:**

- No overall score below 50
- No theme scores below 30 for Environment, Labor & Human Rights, and/or Ethics Theme; below 25 for Sustainable Procurement

#### **360 Watch Findings requirement:**

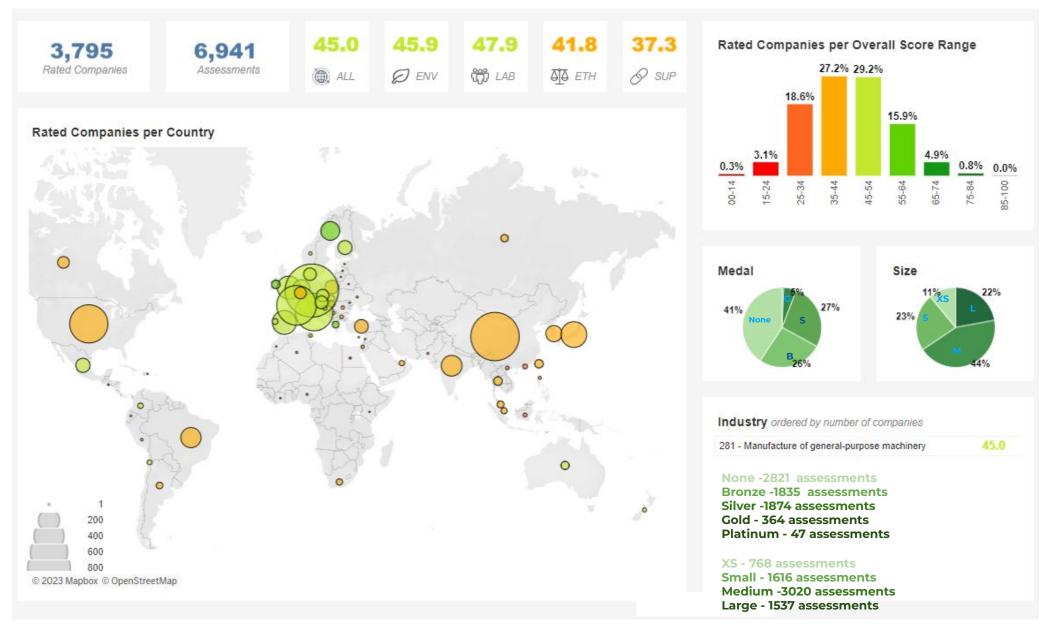
- no more than the following negative 360° Watch Findings across the themes:
  - o Any severe (SEV) finding
  - More than 1 major (MAJ) finding in 2 or more themes
  - More than 5 major (MAJ) findings in any single theme is considered a severe finding.
  - o More than 25 minor (MIN) findings in any single theme is considered a severe finding.
  - o 2 or more themes with at least 5 minor (MIN) findings in each is considered a major finding.

#### **ISIC** requirement:

EcoVadis will restrict companies in certain ISICs from receiving medals: Manufacture of tobacco products (ISIC code 1200), Mining of coal and lignite (ISIC division 05), Manufacture of weapons and ammunition (ISIC code 2520), Manufacture of air and spacecraft and related machinery (ISIC code 3030)

For more info visit: <a href="https://support.ecovadis.com/hc/en-us/articles/210460227">https://support.ecovadis.com/hc/en-us/articles/210460227</a>

## Sustainability Performance in your industry



## Performance Improvement in your industry

1,555
Rated Companies

897
Reassessments

+3.7

→3.6

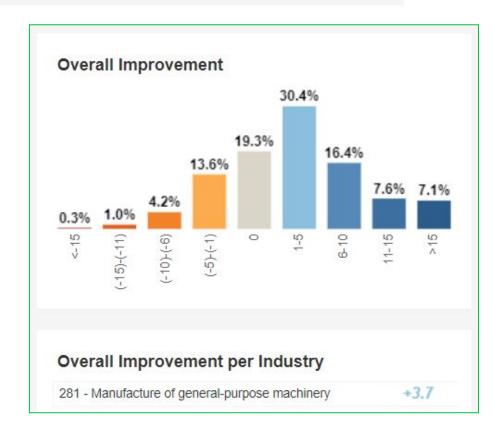
→4.0

→3.8

→ SUP

Assessment period: FEB 2022 to FEB 2023

Total number of companies assessed for this category	1555
Number of companies that underwent a <b>reassessment</b> during that period	897
% of <b>re-assessed</b> companies experiencing an increase in the score	62%
Average overall score increase for reassessed companies:	3.7



### **Table of theme scores**



Environment							
POLICIES (25%)  POLI 80%  ENDO 20%  MESU 65%  COVE mult. fact.  REPO 40%  REPO 40%  Theme score  60 / 100  60 / 100  30 / 100  40 / 100				Environment	l v	Ethics	
POLICIES (25%)  ENDO 20%  MESU 65%  COVE mult. fact.  REPO 40%  360° 60%  Theme score  60/100  60/100  30/100  40/100		Then	ne weight	2.40		1	1000 Maria (1000 M
ACTIONS (40%)  RESULTS (35%)  REPO 40%  360° 60%  Theme score 60 / 100 60 / 100 30 / 100 60 / 100  Former score 60 / 100 60 / 100 30 / 100 40 / 100	DOLICIES (2E%)	POLI	80%				
ACTIONS (40%)  COVE mult. fact.  RESULTS (35%)  REPO 40%  360° 60%  Theme score  60 / 100  60 / 100  30 / 100  40 / 100	POLICIES (25%)	ENDO	20%				
COVE mult. fact.  REPO 40%  360° 60%  Theme score 60 / 100 60 / 100  Former score 60 / 100 60 / 100  60 / 100  40 / 100		MESU	65%				
RESULTS (35%)  REPO 40%  360° 60%  Theme score  60 / 100  60 / 100  30 / 100  40 / 100	ACTIONS (40%)	CERT	35%				
Theme score 60 / 100 60 / 100 30 / 100 60 / 100  Former score 60 / 100 60 / 100 30 / 100 40 / 100		COVE	mult. fact.				
360°       60%         Theme score       60 / 100       60 / 100       30 / 100       60 / 100         Former score       60 / 100       60/100       30/100       40/100	DECLUTE (ZEO/)	REPO	40%				
Former score 60 /100 60/100 30/100 40/100	RESOLIS (5570)	<b>360</b> °	60%				
	,	The	me score	60 / 100	60 / 100	30 / 100	60 / 100
	overelle.	Fori	mer score	60 /100	60/100	30/100	40/100

### Table of theme scores

Indicators that will be further developed during this session

			Environment	Labor & Human Rights	Ethics	Sustainable procurement
	Then	ne weight	3	4	1	2
POLICIES (25%)	POLI	80%				
POLICIES (25%)	ENDO	20%				
	MESU	65%				
ACTIONS (40%)	CERT	35%				
	COVE	mult. fact.				
DECLUTE (750/)	REPO	40%				
RESULTS (35%)	<b>360</b> °	60%				
	Ther	me score	X/100	X/100	X/100	X/100

### **Questions**

J'ai reçu ce matin notre nouvelle évaluation Ecovadis (merci pour votre intervention)

Pour être transparente avec vous, je suis assez déçue de cette dernière au vu des avancées de 2022 :

- du reporting des émissions CO2 du Groupe cette année, sur 18 sites et la totalité des scopes (dont la totalité des activités du scope 3 ; ce qui n'est pas courant)
- de l'extension des indicateurs de consommation énergie/eau/déchets à un périmètre de sites représentant 80% de l'activité du Groupe
- de nouvelles démarches : cartographie des risques, dispositif lanceur d'alerte, travaux sur la compliance, structuration des audits, charte Achats responsables etc ..
- de l'amélioration au niveau de la structuration/indexation des documents

près en regardant de + près, je suis également surprise de certaines conclusions, laissant penser qu'EcoVadis n'aurait parfois pas tout à fait consulté nos documents remis :

- 1. Ex : "Declares formal alignment with a sustainability reporting standard (e.g. in accordance with GRI, SASB) but no supporting documentation" et ce à plusieurs reprises, alors que notre document 'Cartographie des risques commentée' détaille tout
- 2. Etonnant également les données manquantes CO2, eau, électricité etc. car nous les avions bien reportées.

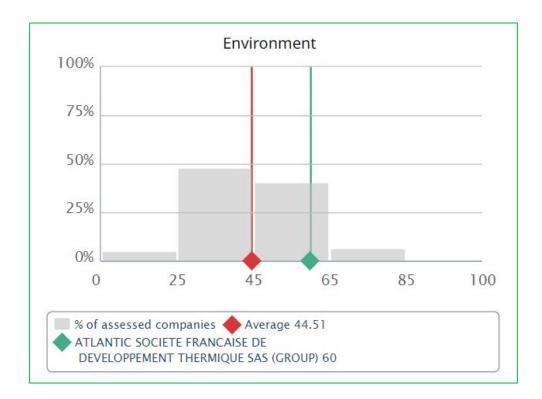
Pouvez-vous vérifier cela avec votre analyste?

Par ailleurs, j'ai repéré 2 erreurs dans la liste des manquements (cf screen shot joint):

- 3. La société Ekodev qui a réalisé pour nous les Bilans Carbone est bien habilité à la vérification et certification de nos données (mandat externe dans leur mission)
- 4. Le Bilan Carbone à bien été consolidé au niveau Groupe ; les 18 sites audités représentant plus de 80% du CA du Groupe nous autorisant à cette extrapolation (validé avec vous en Septembre dernier)



## **Environment - Score: 60/100**



Indicator	Score
Policies	
Endorsement	
Measures	
Certifications	
Coverage	
Reporting	
360°	

Industry Benchmark	Your company	% in your Industry
Global Compact Signatory	No	11%
ISO 14001 certified (at least one operational site)	Yes	31%
Reporting on energy consumption & GHGs	Yes	32%
Carbon disclosure project (CDP) respondent	No	8%

## **Environment - Policy (25% of theme score)**

80% Policies



### In place

Standard policy on a majority of environmental issues

Policy on: Energy consumption & GHGs; water; Materials, chemicals & wastes; Product Use; product end-of life

Robustness of policies: Scope of application specified

**expired policy since previous assessment**Policy on air pollution no longer present

### **Further steps**

Provide information on qualitative objectives on <u>additional</u> material topics: <u>air pollution</u>

No quantitative target on environmental issues



Provide information on <u>TARGETS</u> (<u>quantitative objectives with future deadline</u>), e.g. reducing energy consumption by 50% by 2025; diverting 100% of wastes from landfill by 2030

Formalize policies <u>additionally</u> by including e.g. review mechanism, allocation of responsibility.

20% Endorsement

In place

No information on endorsement since previous assessment

No change since previous assessment

#### **Further steps**

Endorsement covering environmental issues (e.g. United Nations Global Compact, Science Based Targets initiative SBTi)

## **Environment - Action (40% of theme score)**

65%

### Measures



No change since previous assessment

#### In place

**Further steps** 

**Energy consumption & GHGs :**Training of employees on energy conservation/climate actions;Purchase and/or generation of renewable energy; Improvement of energy efficiency through technology or equipment upgrades; Energy and/or carbon audit

**Water:** Adoption of cooling systems with reduced or recycled water consumption; On-site or off-site wastewater treatment facilities

**Materials, chemicals & wastes:** Internal sorting & disposal of waste according to waste streams; Actions or training to raise employee awareness on waste reduction & sorting; Reduction of internal wastes through material reuse, recovery or repurpose; Training employees to safely handle and manage hazardous substances

**Air pollution:** Training employees to safely handle and manage hazardous substances; Regular noise measuring campaign (site boundary noise measurements undertaken)

**Product use:** Carbon footprint study performed on key products; Integration of eco-design features in product design; Products designed for easy recyclability;

#### Product end-of-life

Company recycling infrastructure or formal partnership established;;

#### Additional actions since previous assessment:

Actions on additional material topics: energy consumption and materials, chemicals & waste

Uphold implementation of multiple measures across all relevant sustainability criteria

## **Environment - Action (40% of theme score)**

**35**%

### **Certifications**

No change since previous assessment

In place

ISO 14001 certification

### **Further steps**

Additional environmental certifications for e.g. ISO 50001

Multiplying Factor

### Coverage

In place

Unclear percentage of ISO 14001 certified sites





No change since previous assessment

#### **Further steps**

Provision of information on the deployment of <u>actions & certification</u> throughout the scope assessed e.g:

- % of the total workforce across all locations who received training (internally or externally) on environmental issues
- % of renewable energy out of total energy mix
- % of all operational sites covered by an environmental risk assessment
- % of all operational sites certified to ISO 14001 (or equivalent)



## **Environment - Result (35% of theme score)**

40% Reporting

### In place

Materiality analysis in sustainability reporting (Cartographie des risques commentée )

**New reporting since previous assessment** 

Reporting on:

**Energy consumption & GHGs**: Total energy consumption; Scope 1 & 2 emissions, total gross Scope 3 GHG emissions

**Water:** reporting on water consumption

materials, chemicals & waste: total hazardous and

non-hazardous wastes



+1 since previous assessment

**Further steps** 

### Insufficient reporting on environmental issues



Provide reporting on <u>additional</u> material topics: **air pollution** (VOC emission [ppm] 20XX- 20XX, dust emissions [ppm] 20XX),, **product use** (number of products with an environmentally friendly design, 20XX) **and product end-of-life** 

<u>Additional</u> reporting on:

**Energy consumption & GHGs**: On renewable energy consumption

water: total weight of pollutants emitted to water

materials, chemicals & wastes: total weight of waste recovered

Supporting evidence on **Quality** of reporting:

Alignment with a widely recognized reporting standard (e.g. GRI, SASB); External

assurance of sustainability reporting

Validity: past 2 calendar years

60%

360°



No change since previous assessment

#### What was found

No negative news from external stakeholders impacting the score

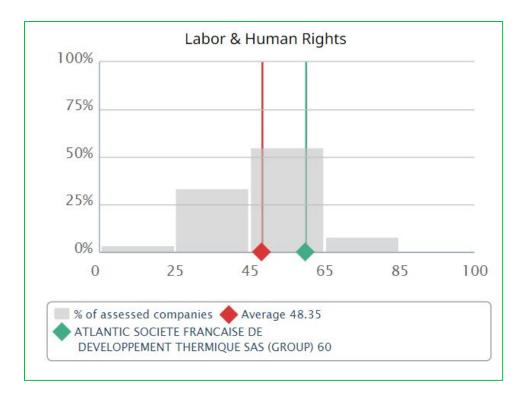
#### How the score can increase

Positive findings from the 360° Watch can positively impact the score for e.g. Innovative practices on energy efficiency

External recognitions (well recognized awards) on environmental issues



## **Labor and Human Rights - Score: 60/100**



Indicator	Score
Policies	
Endorsement	
Measures	
Certifications	
Coverage	
Reporting	
360°	

Industry Benchmark	Your company	% in your industry
Global Compact Signatory	No	11%
ISO 45001 certification or equivalent (at least one operational site)	No	20%
Reporting on health & safety indicators	Yes	24%

## Labor and Human Rights - Policy (25% of theme score)

80% Policies



No change since previous assessment

#### In place

#### Policy on:

Employee health & safety; working conditions; social dialogue, career management & training; Diversity, equity & inclusion

Robustness of policies: scope of application specified

**New policy since previous assessment** 

New policy on working conditions

### **Further steps**

Provide information on <u>TARGETS</u> (quantitative objectives with future deadline) e.g. skills development training of xx% of employees by 2025

Formalize policies <u>additionally</u> by including e.g. Allocation of responsibility, Review mechanism,

20%

### **Endorsement**

#### In place

No information on endorsement since previous assessment



No change since previous assessment

#### To go further

Endorsements on labor and human rights issues, e.g. United Nations Global Compact, Diversity Charters



### **Examples of best practices - POLICIES**

#### SUSTAINABLE DEVELOPMENT (SD) 2030 STRATEGY: 2021 HIGHLIGHTS



We aim to create an environment where our employees will be healthier, happier and more productive, to invest in our employees and to provide rewarding career paths so as to develop a diverse and industry-leading team.

#### TALENT MANAGEMENT

2025 KPI A 25% increase in training hours/emplouee/uear3

#### 2021 Progress

~164,000 training hours delivered

> 26.4 training hours/ employee/year (116%)

#### OCCUPATIONAL HEALTH AND SAFETY

Announced our new Zero Harm Commitment supported by a Zero Harm framework and roadmap

#### 2025 KPI

2021 Progress

Hotel operations:

1.55

Maintain Lost Time Injury Rate ("LTIR") Non-hotel operations:

Non-hotel operations:

<1.2 0.67

Hotel operations:

< 2.0

#### **DIVERSITY & INCLUSION**

Introduced new policies on respect in the workplace, staff grievances, and parental leave

#### 2025 KPI

Maintain a gender balance in senior management

2021 Progress 49% of senior management positions

#### **Our SD Vision:**

"To be the leading sustainable development performer in our industry globally by 2030."

To achieve this vision, we have formulated our SD 2030 Strategy, which is built on five strategic pillars and embraces the spirit of Creative Transformation. It is underpinned by our creative mindset of innovation and experimentation, and promoted through communication and engagement



we aim to continue to transform the places in which we invest so as to create value, whilst retaining their character,

Published our second Places Impact Report in conjunction with Tsinghua University. The report uses our Places Impact Framework to explore Taikoo Li Sanlitun in Beijing, assessing, measuring and reporting on the environmental, social and economic impacts of this development



We aim to continue to develop long-term, mutually beneficial relationships with our business partners and other key parties so as to improve our environmental, social and economic performance.

#### SUPPLIERS 2025 KPI 2021 Progress

25% of products and services purchased4 shall be sustainable<sup>5</sup>

12% of products and services purchased were sustainable

HKD946 million spent on sustainable procurement

#### TENANTS

Launched the Green Performance Pledge ("GPP"), a new performance-based agreement to deepen landlord-tenant partnerships to contribute to a more sustainable world

#### 2025 KPI

50% of tenants in our office portfolios6 sign the Green Performance Pledge to jointly improve environmental

#### 2021 Progress GPP launched with 14 pilot tenants, which

covered nearly 10% of our office tenants in Hong performance

Recognised 51 F&B tenants in Hong Kong and the Chinese Mainland with Green Kitchen Awards

We aim to continue to design, construct and manage high quality developments that contribute positively to the communities in which we operate and the environment.

#### CLIMATE CHANGE

SCIENCE

First real estate developer in Hong Kong and the Chinese Mainland to have 1.5°C-aligned science-based targets ("SBTs") approved in September 2021

2025 KPI 2021 Progress Absolute GHG emissions (Scope 1 and Scope 2):

**↓**25% **+23%** 2030 KPI

Assets): ₹28% per square metre® ₹34.6%

Value chain GHG emissions (Scope 3 - Downstream Leased

#### **ENERGY**

Taikoo Hui in Guangzhou became powered by 100% renewable electricitu

2021 Progress

₹7%

₩3%

Portfolio10

Hong Kong Portfolio10

Chinese Mainland

#### 2025 KPI

Energy use intensity9 Hong Kong Portfolio10

₹20% Chinese Mainland

Portfolio10 13%

#### RESOURCE AND CIRCULARITY

2025 KPI 2021 Progress Commercial waste diversion rate

- Clear objectives that address relevant sustainability issues for the company
- Can be principles, engagements, or qualitative and/or quantitative objectives
- Additional quality factor considered
  - Governance and allocation of responsibilities
  - Review mechanism and updates
  - Scope of application

### **Examples of documents:**

- Company mission statement
- Environmental Policy/Charter
- Code of Conduct/Code of Ethics
- Employee Handbook •
- Annual Report •
- Sustainability Report
- CDP Climate Change Report, etc.

Source: Swire Properties Sustainable Development Report 2021



## Labor and Human Rights - Action (40% of theme score)

**65%** 

### Measures



+1 since previous assessment

#### In place

**Employee health & safety:** internal audits on health & safety issues; Provision of health & safety information booklet to employees; Provision of protective equipment to all impacted employees; Employee health & safety detailed risk assessment

**Working Conditions:** Two-way communication system in place to facilitate employee voice regarding working conditions; Flexible organization of work (eg. remote work, flexi-time); Health care coverage of employees in place **Social dialogue**: Collective agreement on diversity, discrimination and/or harassment; Collective agreement on training & career management; Collective agreement on working conditions

**Career management & training:** Official measures promoting career mobility; Provision of skills development training; Transparent recruitment process communicated clearly and formally to all candidates

**Diversity, equity & inclusion:** Actions to promote the inclusion of employees with disabilities; Actions to prevent discrimination during recruitment phase; Awareness training regarding diversity, discrimination, and/or harassment

#### Additional actions since previous assessment:

Some additional actions on *Child and forced labor:* Impact assessments identifying potential child labor, forced labor and/or human trafficking

#### **Further steps**

Uphold implementation of multiple measures across all relevant sustainability criteria

## Labor and Human Rights - Action (40% of theme score)

35% Certifications

In place

No information on certification in place obsolete certificate since previous assessment:

No change since previous assessment

### **Further steps**

Examples of certification to consider: ISO 45001, SA8000, MASE certification etc

### Coverage

Multiplying Factor

In place

Supporting documentation demonstrates a high level of coverage of labor and human rights actions throughout the company operations/workforce

#### New proxies identified since previous assessment:

- % of the total workforce across all locations represented in formal joint management-worker health & safety committees';
- % of the total workforce across all locations who are covered by formal collective agreements concerning working conditions;
- % of the total workforce across all locations who received regular performance and career development reviews



No change since previous assessment

#### **Further steps**

Provision of information on the deployment of <u>actions & certification</u> throughout the scope assessed e.g:

- % of all operational sites covered by an employee health & safety risk assessment
- % of all operational sites certified to ISO 45001 or other relevant certificates
- \_

## Labor and Human Rights - Result (35% of theme score)

### Reporting

40%

#### In place

Materiality analysis in sustainability reporting Standard reporting on labor and human rights issues

Reporting on:

Employee health & safety accident frequency rate, accident severity rate

**Diversity, Discrimination & Harassment:** Reporting on the % of women in top executive positions



### **Further steps**

Provide reporting on <u>additional</u> material topics: **Working conditions** (e.g. % employees covered by social benefit); **child labor/forced labor** 

Additional reporting on:

career management & training: On average training hours per employee

Validity: past 2 calendar years

Supporting evidence on **Quality** of reporting:

Alignment with a widely recognized reporting standard (e.g. GRI, SASB)

External assurance of sustainability reporting

60% 360°



No negative news from external stakeholders impacting the score



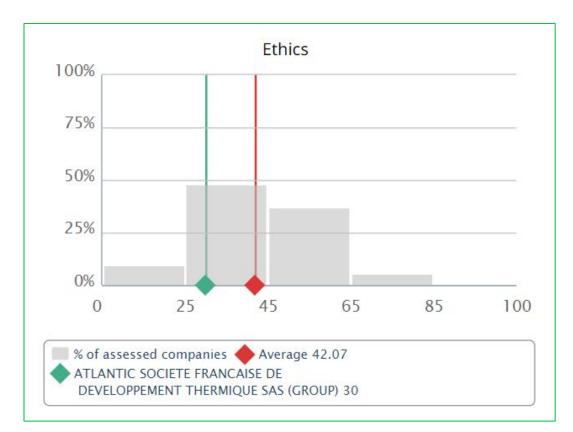
No change since previous assessment

#### How the score can increase

Positive findings from the 360° Watch can positively impact the score for e.g: Awards or recognition in expert publication or media of best management practices and policies; Recognition of health and safety performance above peers by a credible, independent third party



## Ethics - Score: 30/100



Indicator	Score
Policies	
Endorsement	
Measures	
Certifications	
Coverage	
Reporting	
360°	

Industry Benchmark	Your company	% in your Industry
UN Global Compact signatory	No	11%
Active whistleblowing procedure in place	No	31%

## **Ethics - Policy (25% of theme score)**

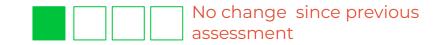
80%

### **Policies**

#### In place

**Corruption:** Policy on corruption, conflict of interest, fraud, Money laundering

<u>Robustnes</u>s of policies: Disciplinary sanctions to deal with policy violations, dedicated responsibility, detailed guidelines on ethical issues, review mechanism, scope of application specified



### **Further steps**

Basic ethics policies: lacks detail on specific issues

Formalize <u>qualitative objectives</u> on <u>additional</u> material ethics issues: *Information Security:* Policies on *Information security*; anticompetitive practices

Provide <u>TARGETS</u> (quantitative objectives with future deadline) on ethics issues (e.g. 100% of employees trained on code of ethics by 2025)

Formalize policies by <u>additionally</u> including e.g. signature acknowledgement of ethics policies

### **Endorsement**

20%

### In place

No information on endorsement since previous assessment



#### **Further steps**

Endorsement on ethical issues (e.g. UN Global Compact, Pact for Integrity and Against Corruption, sector initiatives)

## **Ethics - Action (40% of theme score)**

## Measures

**65**%

#### In place



+1 since previous assessment

#### **Further steps**

#### Information security

Measures to protect third party data from unauthorized access or disclosure; Awareness training to prevent information security breaches

# Additional actions since previous assessment: Corruption

Specific approval procedure for sensitive transactions (e.g. gifts, travel); corruption risk assessment - No conclusive documentation on awareness training to prevent corruption and bribery (Medium)

Training material on corruption and/or proof of completion of training to ensure that employees are aware/familiar of the company corruption policy & procedures for e.g. via online-training, in person training etc

- No conclusive documentation regarding an anti-corruption due diligence program on third parties

  Concrete steps for e.g. background checks, screening by means of sanction lists etc to investigate third-parties the company engages with (e.g. suppliers, vendors) to ensure anti-corruption compliance and prevent third-party corruption incidents.
- No conclusive documentation on audits of control procedures to prevent corruption

  Process to monitor the effectiveness of the actions/controls ( four eye principles/job rotations etc) put in place to prevent corruption e.g. via third third party audits or internal audit team
  - No conclusive documentation on measures regarding an effective whistleblower procedure to report corruption & bribery Low

Procedure to report ethics' policy preaches or ethics incidents + 3 conditions necessary to be considered as valid (confidential/anonymous, communication channel present, non-retaliation)

- No conclusive documentation regarding information security risk assessment

Process to identify potential information security related hazards, assess the likelihood of their occurrences as well as the severity of the consequences + identify proper controls to manage those risks.

No conclusive documentation regarding risk assessments for anti-competitive practices

Additional documentation on measures on:

**Information security**, for e.g: implementation of records retention schedule, Incident response procedure to manage breaches of confidential information etc;

## **Ethics - Action (40% of theme score)**

35% Certifications

In place

No information regarding certifications available

No change since previous assessment

#### **Further steps**

Examples of ethics related certifications: ISO 37001 (anti-bribery management systems), ISO 27001

Multiplying Factor

Coverage

In place

No supporting documentation on the coverage of ethics actions throughout the company operations



No change since previous assessment

#### **Further steps**

Provision of information depicting the level of deployment of <u>actions</u> /certifications:

- % of all operational sites covered by an internal audit/risk assessment of business ethics issues
- % of employees trained on business ethics issues
- % of all operational sites with certified anti-corruption management system
- % of all operational sites with an information security management system (ISMS) certified to ISO 27000 (or other equivalent/similar standard)

ecovadis

## **Examples of best practices - COVERAGE (Actions)**

- Applied to the assessment of large companies that have a large employee base and/or more than one operational site
- Supporting documentation should demonstrate information on deployment of sustainability actions across the organization's sites, workforce or its supply chain
- · Examples of coverage information
  - percentage of employees covered by social benefits
  - percentage of employees who received training on business ethics within the year

## **Examples of documents:**

- sustainability program implementation record
- sustainability training report with clear indication on % of employees covered
- Formal document indicating the percentage of sites with risk assessments
- Annual Report
- Sustainability Report, etc.

	2	021	20	20	20	019	2	018	20	17(9)
Training										
Human rights related training										
Total training hours on human rights related topics	3,5	07.0	3,04	0.0	2,9	10.0	1,8	81.3	1,02	27.5
Percentage of employees received human rights related training	1,888	80.5%	2,097	86.7%	1,956	82.4%	787	33.2%	1,053	43,49
Anti-corruption related training										
Total training hours on anti- corruption related topics	2,4	46.0	684	4.8	1,9	59.0	99	99.8	70	9.3
Percentage of employees received anti-corruption related training	1,815	77.4%	1,984(8)	82.0%	1,940	81.8%	617	26.0%	1,169	48.29

Source: Swire Properties Sustainable Development Report 2021

## Percentage of Employee Membership in the Canon Workers' Union

2017 2018 2019 2020 2021 Canon Inc. 80 81 80 80 79 Key Group 87 companies in 85 84 83 82 Japan\*

Source: Canon sustainability report 2022



<sup>\* 19</sup> member unions of the Canon Group Workers' Union Conference

## Ethics - Result (35% of theme score)

40% Reporting

In place

Materiality analysis

No conclusive reporting on ethics issues

High

No change since previous assessment

## **Further steps**

Provision of reporting on:

- Number of employees trained on business ethics
- KPIs related to whistle blowing procedure
- number of incidents or legal actions reported
- KPIs on audits of internal controls

Supporting evidence on **Quality** of reporting:

Alignment with a widely recognized reporting standard (e.g. GRI, SASB) External assurance of sustainability reporting

60%

360°

#### What was found

No negative news from external stakeholders impacting the score



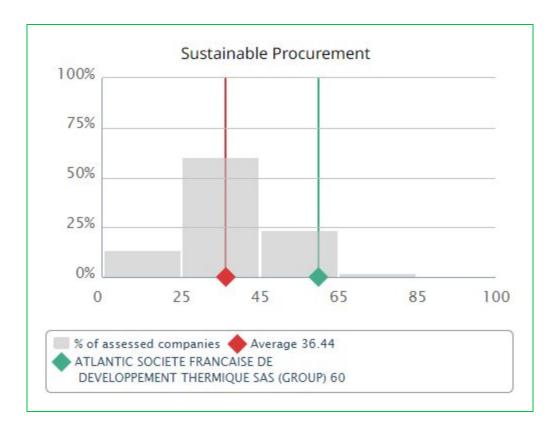
No change since previous assessment

#### **Further steps**

High placement in prominent rankings on business ethics

Additional positive findings from the 360° Watch can positively impact the score

## **Sustainable Procurement - Score: 60/100**



Indicator	Score
Policies	
Endorsement	
Measures	
Certifications	
Coverage	
Reporting	
360°	

Industry Benchmark	Your company	% in your industry
Policy on sustainable procurement issues	Yes	20%
Audit or assessment of suppliers on sustainability issues	Yes	32%

## Sustainable Procurement - Policy (25% of theme score)

## 80% Policies

#### In place

Sustainable procurement policy on supplier social practices and environmental practices

Standard policies on

Standard policies on sustainable procurement issues



Declares policy on conflict minerals issues, but no supporting documentation available



Conflict minerals (CM) are gold, tin, tantalum, tungsten and their derivatives that are mined in conditions of armed conflict and human rights abuses, and which are sold or traded by armed groups. A standard policy on conflict mineral issues in the supply chain includes commitments and/or operational objectives designed to mitigate risk on this topic in the company's supply chain.

Formalize <u>TARGETS</u> (<u>quantitative objective with future deadline</u>) on sustainable procurement covering environmental and social issues

(e.g xx% of contracts with environmental or social clauses signed by 20XX)

Formalize policies <u>additionally</u> by including e.g. Allocation of responsibility, Review mechanism, scope of application

## 20% Endorsement

#### In place

No information on endorsement since previous assessment



#### **Further steps**

Consider endorsement on sustainable procurement issues: Business Social Compliance Initiative (BSCI) (http://www.bsci-intl.org/),European Working Group on Supply Chain Sustainability (https://www.csreurope.org/about-us-), Responsible Business Alliance (RBA) Member http://www.responsiblebusiness.org/about/)



## Sustainable Procurement - Action (40% of theme score)

## Measures

65%

## In place

Capacity building of suppliers on environmental or social issues (e.g. corrective actions, training)

On-site audits of suppliers on environmental or social issues

Integration of social or environmental clauses into supplier contracts

#### Additional actions since previous assessment:

Supplier code of conduct in place

Sustainability risk analysis

Regular supplier assessment (e.g. via questionnaire) on environmental or social practices

Training of buyers on social and environmental issues within the supply chain



+2 since previous assessment

#### **Further steps**

Uphold implementation of multiple measures across all relevant sustainability criteria

Additional documentation on sustainable procurement actions for e.g. on:

- Sustainable procurement objectives integrated into buyer performance reviews

Declares measures implemented to mitigate conflict minerals issues but no supporting documentation available

Some examples of measures might include detailed Conflict Minerals (CM) risk analyses, mechanisms to identify all upstream suppliers potentially exposed to using CM, measures to obtain additional information on CM from suppliers (i.e. formal procedure, escalation steps), requirements to first tier suppliers to fill an EICC reporting template, and/or investigation of smelters or refiners' conflict minerals due diligence processes.

## Sustainable Procurement - Action (40% of theme score)

35% Certifications

In place

No certification in place

A bonus was awarded based on the level of information available for the 'Measure' & 'Policy' indicator

No change since previous assessment

#### **Further steps**

Certifications relevant to the company based on its sector/activity e.g. SA8000, PEFC, FSC chain-of-custody certification

Multiplying Factor

Coverage

In place

New proxies identified since previous assessment:

Supporting documentation demonstrates a high level of coverage of sustainable procurement actions throughout the company supplier base/operations

Percentage of buyers across all locations who have received training on sustainable procurement



No change since previous assessment

#### **Further steps**

Provide supporting documentation to depict the level of deployment of sustainable procurement actions/certifications for e.g:

- % of targeted suppliers who have signed the supplier code of conduct
- % of targeted suppliers that have gone through a sustainability assessment
- % of targeted contracts that include clauses on environmental, labor, human rights requirements
- % of sites with certification on sustainable procurement



## Sustainable Procurement - Result (35% of theme score)

## Reporting

40%

In place

Materiality analysis

New reporting since previous assessment

Reporting on: % of buyers across all locations who have received training on sustainable procurement

Reporting on total gross Scope 3 upstream GHG emissions



#### **Further steps**

Provision of additional KPIs for e.g.

- % or number of targeted suppliers covered by a sustainability assessment
- % of targeted contracts that include clauses on environmental, labor, human rights requirements

Supporting evidence on Quality of reporting:

Alignment with a widely recognized reporting standard (e.g. GRI, SASB), External assurance of sustainability reporting

60%

360°

What was found

No negative news from external stakeholders impacting the score



No change since previous assessment

#### How the score can increase

Innovative procurement management practices documented in external business publications or articles

High placement in prominent rankings on sustainable procurement (e.g. DJSI) Additional positive findings from the 360° Watch can positively impact the score



## **Importance of My Metrics**

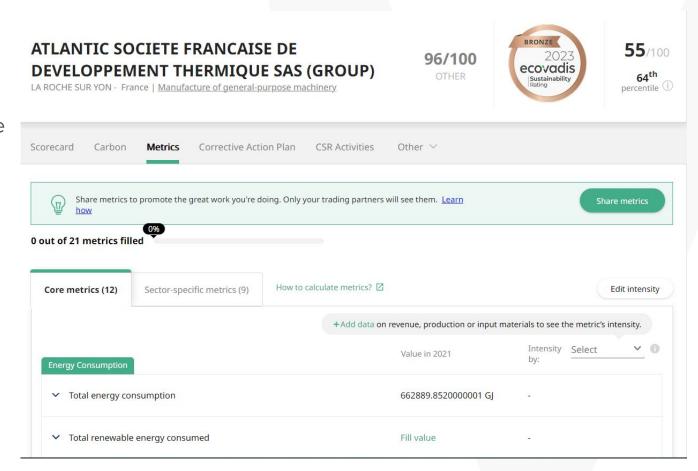
# Why disclosing and publishing quantitative sustainability KPIs?

- Transparency
- Proof of a robust ESG reporting system in place
- Meet growing interest from the stakeholders (PE firms, investors, customers, lenders etc).
- Compliance with future regulatory requirements

## Keep in mind:

- EcoVadis will not verify these quantitative sustainability KPIs
- My Metrics will not impact your score
- My Metrics can be inserted either at the moment of the Questionnaire completion either after the scorecard is published

For more information on My Metrics, click <u>here</u> and <u>here</u>.

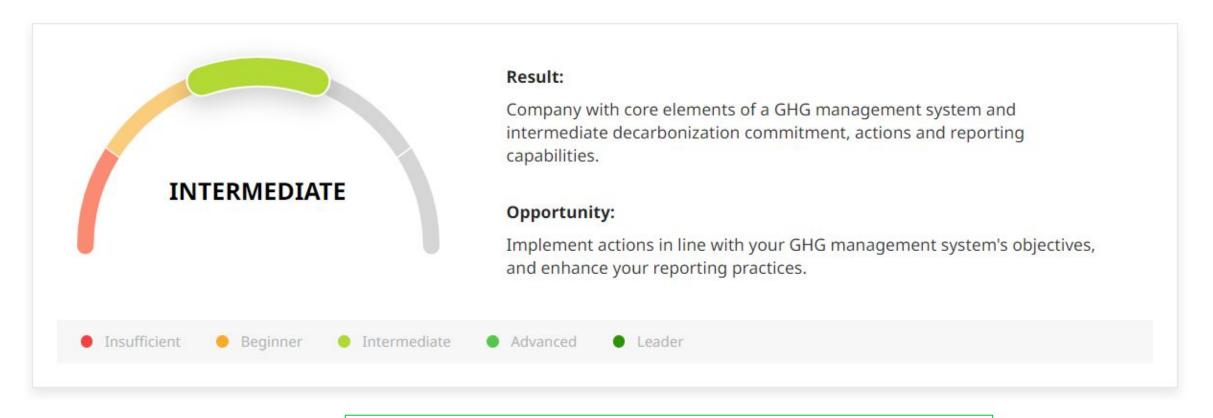


# Sustainability Performance Conclusion

- The global score, such as the Environmental and the Labor & Human Rights and sustainable procurement themes scores, is at a good level
- Coverage and Reporting were spotted with room for improvement
- Metrics are not filled in/published

## **Zoom on Carbon - Carbon Rating Scorecard Overview**

## **Carbon Management Level**



Previous evaluation level: Beginner

## **The Carbon Rating Scale**

Performance level	Insufficient	Beginner	Intermediate	Advanced	Leader
Prerequisite	-			Public Reporting     3rd party     verification	<ul> <li>Scope 1, 2 targets</li> <li>SBT approved</li> <li>Public reporting</li> <li>3rd party verification</li> </ul>
Results	Company with no GHG management system	Company with some elements of a GHG management system and/or reporting practice	Company with core elements of a GHG management system	Company with comprehesive GHG management system & 3rd party verification	Company with best in class GHG management system, net zero ambition & approved SBTs
Opportunities	Focus on improvement areas to set up foundation for a GHG management system	Focus on setting the core elements of a GHG management system. Including targets for Scope 1, 2 emissions & public reporting	Focus on setting target & consider 3rd party verification of discolosed data with public reporting	Focus on absulute targets across all scopes, SBT	Engage and collaborate with a trading partner

## **Zoom on Carbon - Commitment (25% of the score)**

## Commitment

Improved since previous assessment



25% In place

## **Further steps**

#### **Action Plans**

Life cycle analysis used as a tool for planning climate action

#### Governance

Dedicated management team for climate action established **GHG reduction Targets** 







Aim at setting absolute Scope 1, Scope 2 and Scope 3 emissions reduction targets: Quantitative targets on GHG with future deadline v/s baseline for e.g. 20% reduction of scope 1/2/3 emissions by 2030 vs 2018

Science-based GHG emissions reductions via SBTi: Supporting evidence of SBTi commitment consider publicly sharing the GHG emissions targets: publicly sharing, announcing those GHG targets in public domain for e.g. company website, publicly available sustainability report etc

Action plans (with a future timeline) to achieve the set GHG targets:

**Time-bound action plan to reduce GHG emissions:** action plan to reduce GHG emissions from company's operations (e.g. via adoption of energy efficient equipment)

**Time bound action plan to transform into low-carbon business model:** action plan to reduce GHG emissions from whole value chain of the company's products/services (e.g. via phasing out of carbon intensive products, green logistics etc)

**Management structures** to facilitate climate action:

**Dedicated budget for GHG management** 



Link management team's compensation to progress towards GHG reduction targets the management team's compensation is associated with the management of climate change issues, including attainment of the GHG emissions reduction targets. This ensures that climate-related ambitions and goals are embedded throughout the company and that management is held accountable for the achievement of these goals.

## **Zoom on Carbon - Actions (25% of the score)**

**25**%

**Actions** 

Improved since previous assessment 🗡



In place

**Further steps** 

#### **Actions Scope 1 & 2**

Improvement of energy efficiency through technology or equipment upgrades Training of employees on energy conservation/climate actions

Use of waste heat recovery system(s) or combined heat and power unit(s)
Purchase and/or generation of renewable energy
Energy and/or carbon audit
Other actions to reduce energy consumption/GHG

#### **Actions Scope 3**

Engaged suppliers in climate action

#### **Actions on Scope 3**

#### Consider selecting suppliers based on GHG emissions intensity

(e.g. selection procedures/processes considering GHG reduction as one of the factors to engage in a supplier relationship, Integration of GHG emissions intensity or GHG emissions reduction effort as one of the factors in determining whether to proceed in a relationship with a supplier.)

#### Consider partnering with suppliers to achieve GHG emissions reduction (



(Documentation showing efforts to help supplier reduce their own GHG emissions e.g. energy/carbon audit or assessments at the supplier's sites, technological support, joint projects or R&D.)



emissions

## **Zoom on Carbon - Results (50% of the score)**

## Results

Improved since previous assessment

In place

In place

#### **Monitoring Coverage**

The scope of GHG monitoring covers all operations

#### **Monitoring Scope 3**

Conducted screening to identify relevant Scope 3 categories

#### Reporting

Progress towards GHG emissions reduction is shared with internal stakeholders

#### **Monitoring system**

- Consider accounting for product level GHG data in accordance with GHG protocol or other GHG accounting standards [E.g. Product life cycle accounting and Reporting standard]

**Further steps** 

- Consider establishing an inventory to monitor GHG emissions in accordance with GHG protocol or other GHG accounting standards [e.g of other standards: ISO 14064, The climate registry, National Greenhouse and Energy Reporting scheme etc]
- Consider updating GHG inventory at least once per year: evidence that GHG-related activity data is tracked on a regular basis and at least once a year to ensure timely review and the formulation of follow-up actions.

#### **Monitoring scope 3**

- **Aim at screening relevant Scope 3 categories**: exercise to prioritize most significant emission categories
- Consider using industry average data, collecting scope 3 data from internal stakeholders and from suppliers to estimate Scope 3 emissions

Performance review: Consider periodic evaluation of progress towards GHG emissions reduction targets: to determine whether the company is on track/ahead of target or lagging behind.

#### Reporting

- **Aspire to make GHG emissions report publicly available**: evidence that GHG emissions appear on public domain e.g. website, publicly available sustainability report etc Medium
- Consider conducting third party verification on GHG emissions reporting: e.g. verified by third party like PwC, KPMG etc High

# Carbon Rating Conclusion

- · Carbon Management system is at an intermediate level
- Commitment and Reporting on Scope 3 emissions reduction were spotted with room for improvement



## **Help Documents Available**

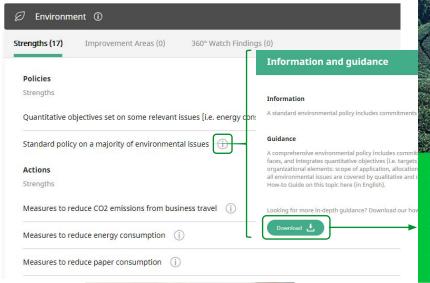
#### On the Scorecard

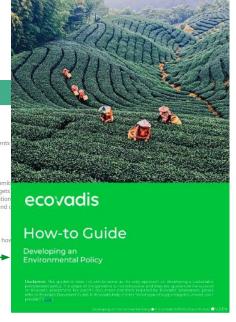
- Information Bubbles
- How-to Guides on Policy and Reporting on all 4 themes and Actions on selected criteria (more to come)

## In the Help Center

- EcoVadis Document Guide access through <u>Help Center</u>.
- EcoVadis Ratings
   Methodology Overview and
   Principles access through
   Help Center
- EcoVadis Scoring Principles access through the <u>EcoVadis</u> <u>Library</u>

#### **Strengths and Improvement Areas**





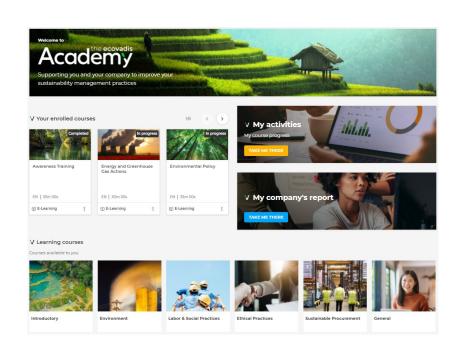




Supporting our network of customers with guided eLearning courses to develop their sustainable management practices and improve environmental and social outcomes.

A learning platform Launched November 2021 A Learner portal
Single sign from Ratings Platform





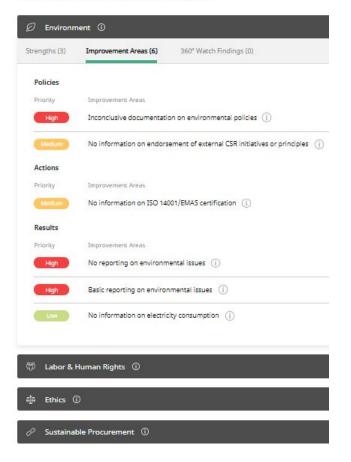
## Courses linked to Improvement Step by step courses

1	Intro to Sustainability			
2	Sustainability Management systems			
3	Environmental Policy			
4	Environmental Reporting			
5	Labor & Human Rights Policy			
6	Labor & Human Rights Reporting			
7	Ethics Policy			
8	Ethics Reporting			
9	Sustainable Procurement Policy			
10	Sustainable Procurement Reporting			

## **Tailored Learning Paths to Drive Improvement**

# Insight Triggers to Action Scorecard Improvement / maturity

#### Strengths and Improvement Areas



## **Content Coverage**

Basic: Intro
Premium & Select: Full suite

**Basic Subscription:** Free introductory courses and preview chapters of remaining courses



**Premium & Select Subscription:** Full suite of courses



## **Step by Step Guidance**Why, What, How & course quiz



## **Additional Support Tools**



## **FAQ** section

Available on the Help Center and in 14 languages

## **Webinars**

Available through the EcoVadis newsletter & welcome campaign emails

## **EcoVadis Help Center**

http://support.ecovadis.com





















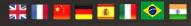
# THANK YOU

Parishma Annieka Beeharry Senior Sustainability Analyst

Platform-related or technical questions & Company specific questions or concerns:

Engagement Team Help Center

http://support.ecovadis.com

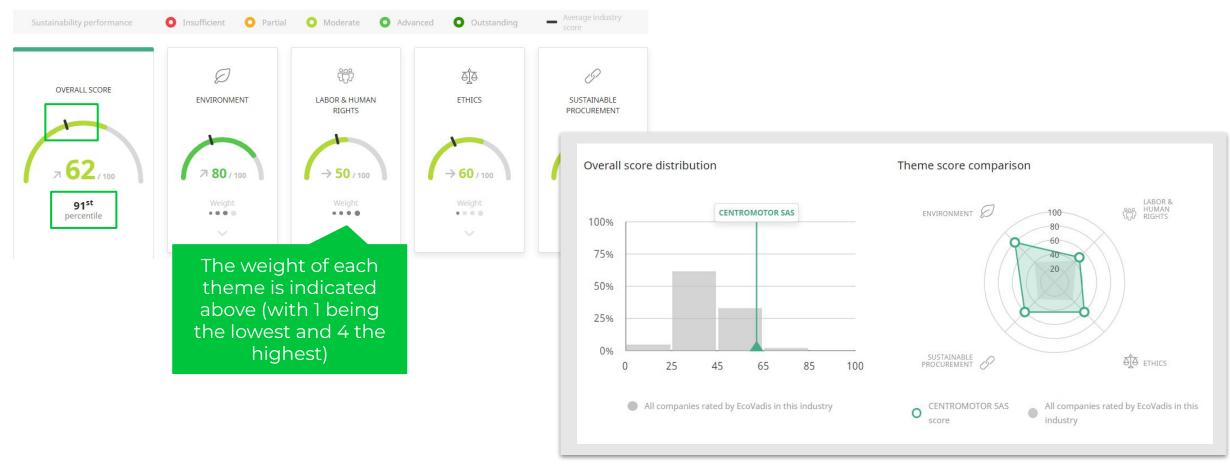


## List of annexes

- 1. Interpreting the scorecard
- 2. Scope of assessment
- 3. Document association
- 4. 360° explanation
- 5. Criteria Activation
- 6. Management Indicators
- 7. Carbon Module Benchmarks

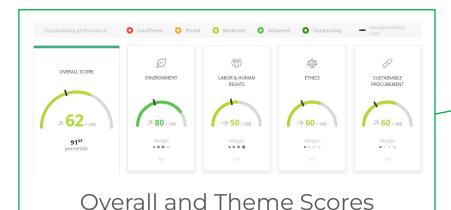
## How to Read and Understand a Scorecard

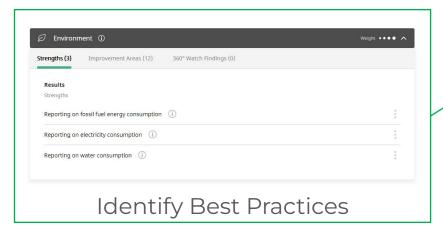
## **Overall and Theme Scores**



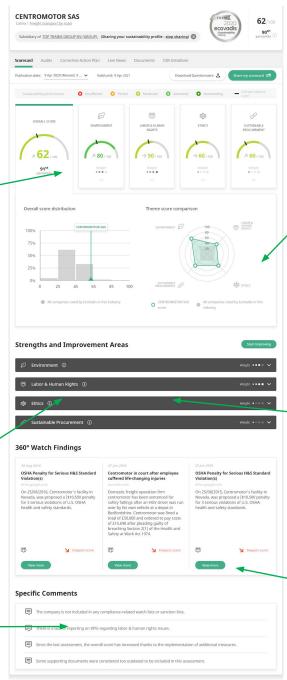
## **Benchmark Performance**

## **Scorecard results**

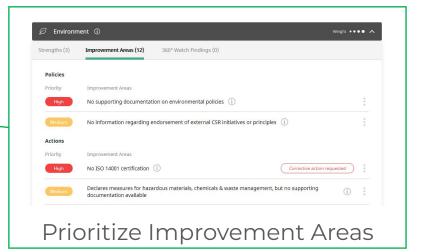




Specific Comments from analysts







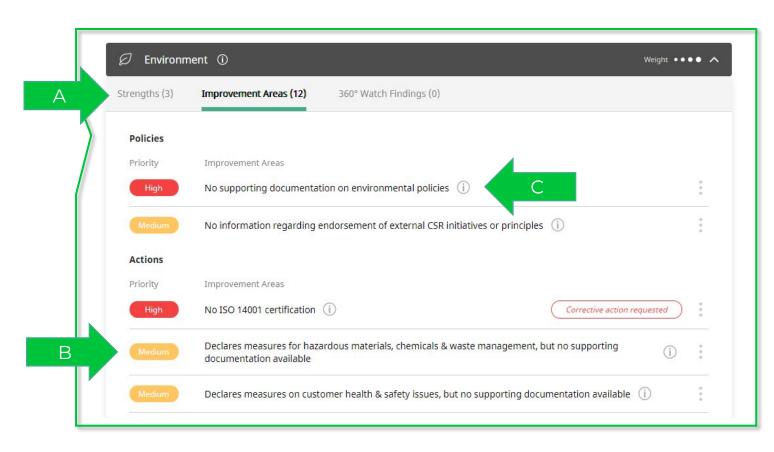
360° Watch Findings

## How to Read and Understand a Scorecard

## **Strengths & Improvement Areas**

## Three things to keep in mind:

- A. Qualitative description of performance
- B. Priority ranking of improvement areas (Low, Medium, High)
- C. Ability to access more information



## What are priority levels?

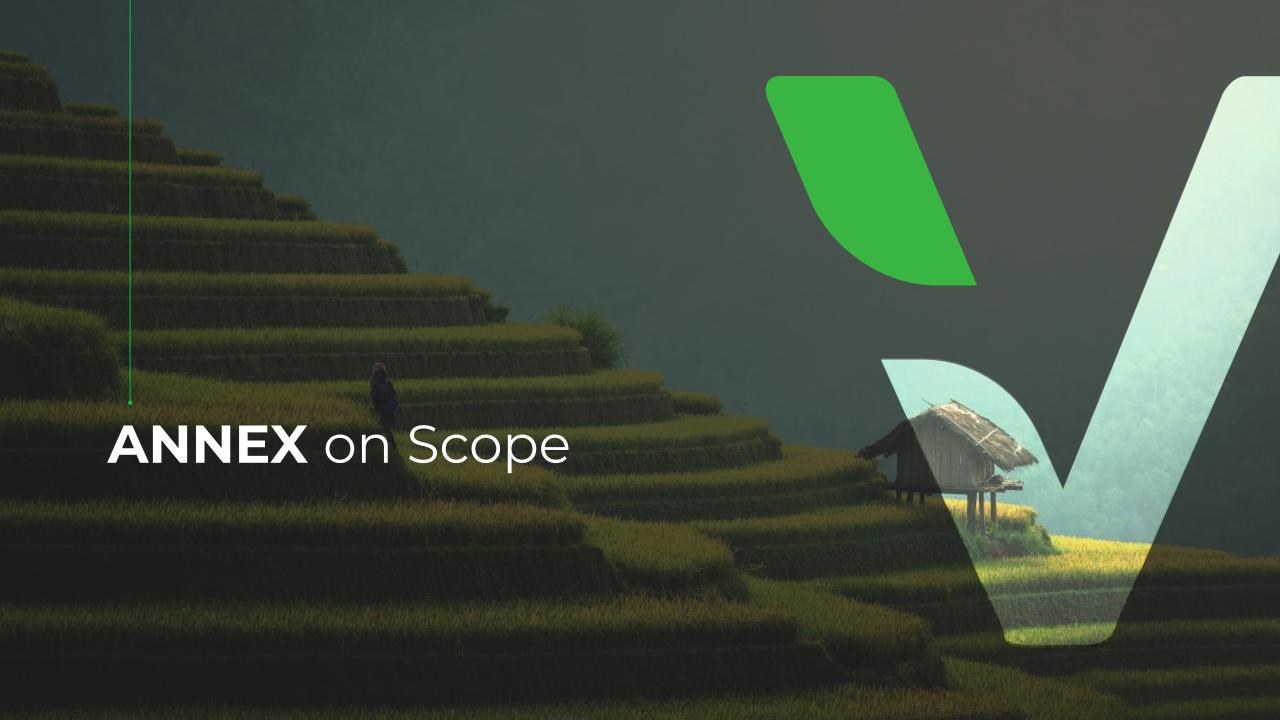
#### Overview:

- > Every improvement area (IA) on a scorecard has a priority level
- > 3 different levels: LOW, MEDIUM, HIGH
- Priority levels of each improvement areas are set up based on their impact on the EcoVadis score: the higher the priority level the higher the likelihood that addressing the improvement area will increase the theme score
- > Priority levels are customized based on the assessed company's activity and size

#### **Priority levels DO NOT:**

> Guarantee a score increase if they are tackled by assessed companies and turned into a strength.

Priority Level	Meaning	Examples of IA		
Low	The improvement area is usually criteria specific and / or related to a declarative question	- No information on measures regarding biodiversity		
Medium	The improvement area is usually related to several criteria or to one criteria that is material to the supplier  It can also mean that it's a key topic but the company already started working on it	<ul> <li>No information on assessments of suppliers on sustainability issues</li> <li>No information on endorsements of external sustainability initiatives</li> <li>Basic reporting on environmental issues</li> </ul>		
High	The improvement usually covers the entire theme, and/or is linked to a topic that has a high value on score (e.g. ISO 14001 certification)	<ul> <li>No information on ISO 14001 certification</li> <li>No reporting on environmental issues</li> <li>No supporting documentation on sustainable procurement policies</li> </ul>		



## **Assessment Scope**

## Why is the Assessment Scope important?

- The objective is to assess the Sustainability management system of an operational site or a group of operational sites.
- · Scope should adhere to answer in questionnaire and supporting documentation provided.
- Not to under or over-estimate associated risks.

## The Assessment Scope must have:

- · a relevant level of operational scope
- · an official Commercial Legal Entity (LEN)













# Interactions of scope levels and information credited from documentations

The sustainability performance of the company under assessment could be under or overestimated if document evidence is provided solely from subsidiaries/sites and/or parent company. Therefore, under certain circumstances, policies, actions and results from subsidiaries/sites and/or parent company might not be fully credited due to uncertainty that the information provided is applicable to the scope of assessment.

	<b>Assessed Company</b>	<b>Subsidiaries Sites</b>	Parent Company	Sister Companies <sup>1</sup>
Policies	Yes	No	Yes	No
Actions	Yes	Yes	Yes	No
Results	Yes	No	No	No

<sup>&</sup>lt;sup>1</sup>Sister company documents will not be credited

#### **Policies**

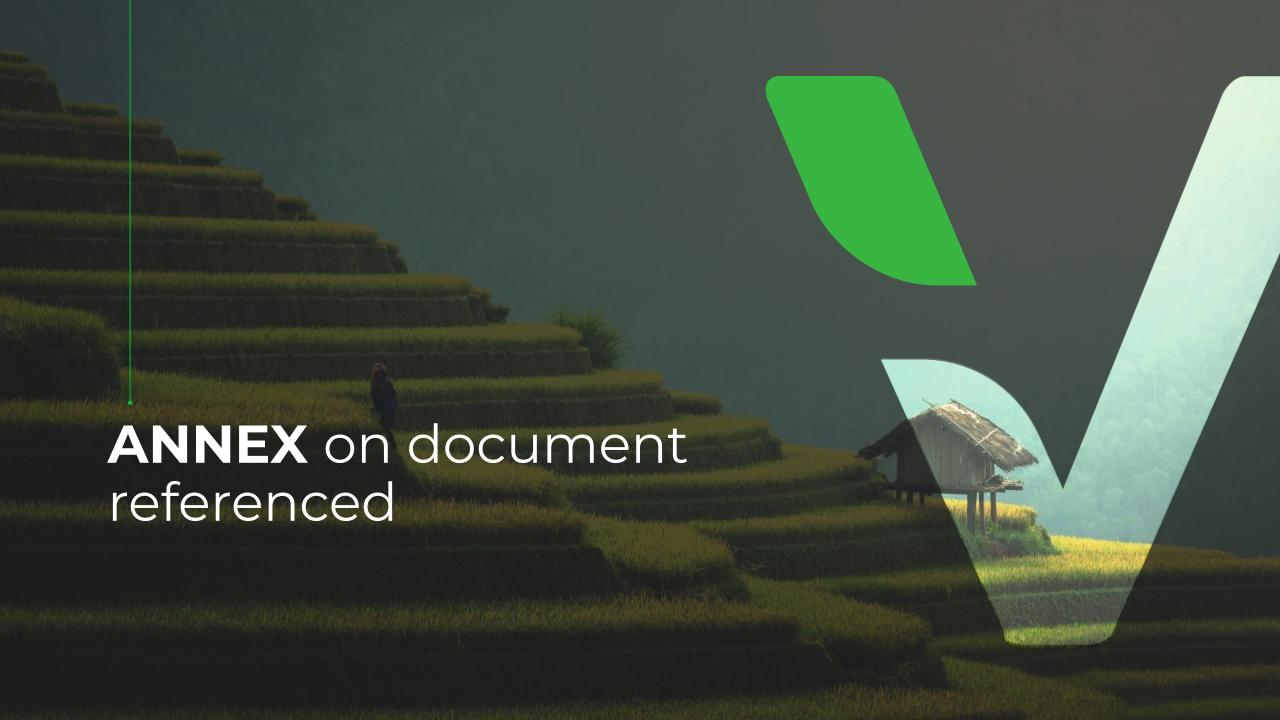
- From your parent company: Fully credited, since your parent company's policies would be disseminated to your company as well;
- From your subsidiaries or sites: Only credited when the policy information is representative of the vast majority of the assessment scope.

#### **Actions**

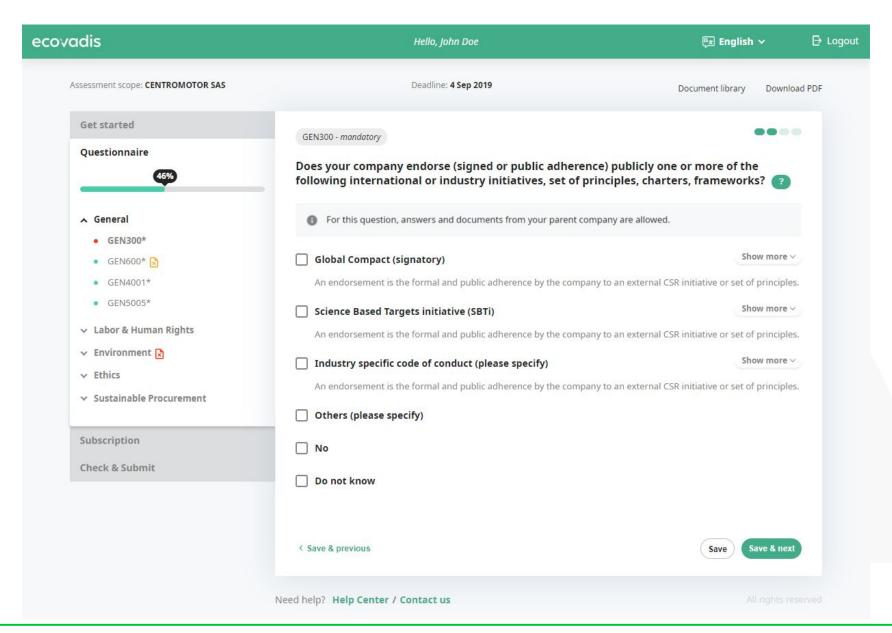
- From your parent company: Fully credited, unless your parent company is a conglomerate with very different business activities;
- From your subsidiaries/sites: Fully credited, as implementation is carried out at the ground level.

#### **Results**

- From your parent company: Not credited, unless your company's data is included in KPI calculations;
- From your subsidiaries/sites: Only credited when this KPI information is representative of the vast majority of the assessment scope.



## **Supporting Documents are Key**

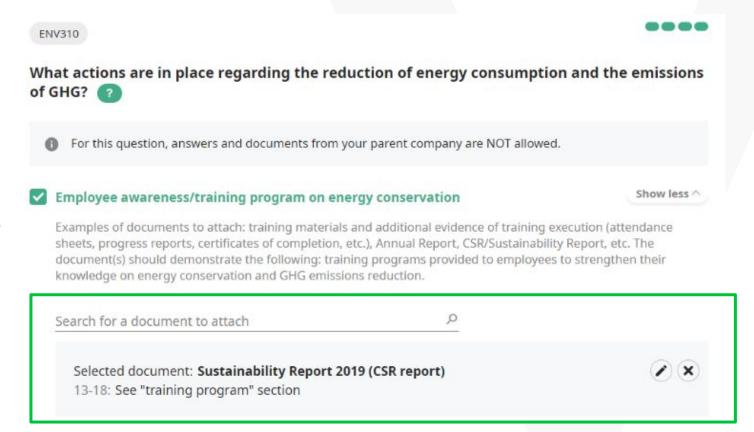


## **Attaching Documents**

Most answers in the questionnaire require document(s) to be attached as supporting evidence. Our sustainability analyst team will review each attached document and define if it constitutes a valid proof of the declaration.

How to attach a document to support your answer:

- Select an existing document to attach from Document Library or upload a new document;
- 2. Indicate the page where the evidence can be found and add any comments.





## 360° Live News Monitoring (Select Examples from 100,000 Sources)

## ADMINISTRATION

- European Economic and Social Committee (Europe)
- European Environment Agency (Europe)
- Conseil de la Concurrence (France)
- Competition Commission (UK)
- Environmental Protection Agency (USA)
- Food and Drug Administration (USA)

- China Labor Watch (China)
- Human Rights In China (China)
- Greenpeace (International)
- WWF (International)
- Movimento Difesa del Cittadino (Italy)
- Friends of the Earth Middle East (Middle East)
- Milieudefensie (Netherlands) Silicon Valley Toxics Coalition (USA)

## NTERNATIONAL ORGANIZATION

#### European Court of Human Rights

- Eco-Label Européen
- Global Compact
- International Labor Organization
- · United Nations Environment Program
- World Bank
- Extractive Industries Transparency Initiative.

#### 360° Watch



#### Findings

- Account Ability (International)
- Instituto Ethos de Empresas e Responsabilidade Social (Brazil)
- Business for Social Responsibility (International)
- CSR Europe (International)
- World Business Councilfor Sustainable Development (International)
- Business Social Compliance Initiative (International)
- Business In The Community (UK)

# NETWORK

NGOs

## TRADE

Major Trade Unions in: Algeria America Latina Argentina Australia Belgium Canada Ecuador Europe France Germany India Ireland Italy Japan Mexico North America Peru Portugal Scotland Spain Switzerland United Kingdom USA.

- China CSR Map (China)
- Novethic (France)
- Corpwatch (International)
- OneWorld network (International)
- Illegal Logging (UK)
- Lawyers & Settlements (USA)

SPECIALIZED PRESS

## Impact Assessment for Each Single 360° Watch News Item

Set at 75/100 by default, the 360° Watch can impact the score of each theme. The impact can reduce the theme score across four ranges: 5.25 - 10.5 - 15.75 points respectively. Conversely, in the case of positive news without any adverse material events, the 360° Watch score can also increase the theme score by 5.25 pts.

Each of the four themes has specific sets of detailed scoring guidelines, which define different thresholds for Minor, Major or Severe impacts.

0	25	50	75	100
CASE(S) WITH SEVERE NEGATIVE IMPACT	CASE(S) WITH MAJOR NEGATIVE IMPACT	CASE(S) WITH MINOR NEGATIVE IMPACT	NONE OR NEUTRAL CASE(S)	CASES WITH POSITIVE IMPACT
Repeated major violations of internationally recognized standards with sanctions or fines	Major violations of internationally recognized standards with sanctions or fines	Minor incidents with legal or financial sanctions	No significant controversies or incidents	Multiple recognized sustainability management practices or awards
		Examples		
Repeated major pollution cases with massive fines	Major H&S violations with monetary sanctions	Minor fine for discrimination case	None	Top 5 ranking in sector index and external recognition of performance

Note: Simplified grid presented above, specific differences for themes exist

## Impact Assessment for Each Single 360° Watch News Item

#### **Scope Rules**

Each 360° Watch Finding is assessed while taking into account whether the news applies to the exact scope of assessment, parent company, subsidiary, or sister company.

Whereas news directly related to the rated company or its subsidiaries are considered to have a **full impact**, news about sister and parent companies impact the score in very limited circumstances based on the severity of the news, geographical proximity and similarity of the business activities.

	Rated	Subsidiaries/	Parent	Sister
	company	sites	company	companies
Impact of 360 news	Full impact	Full impact	Limited impact	Limited impact

#### **Additional Factors**

When assessing the materiality of individual news items, we also consider a set of mitigating factors in the following cases:

- · Joint-ventures or minority owned assets or operations without significant management control;
- Ethics cases with facts within the last two years of validity period (see more details on timeframe below);
- The amount of the fine or penalty is negligible considering the size of the assessed company (e.g. \$1,000 health and safety violation for a 20,000 employee organization).

## Impact Assessment for Each Single 360° Watch News Item

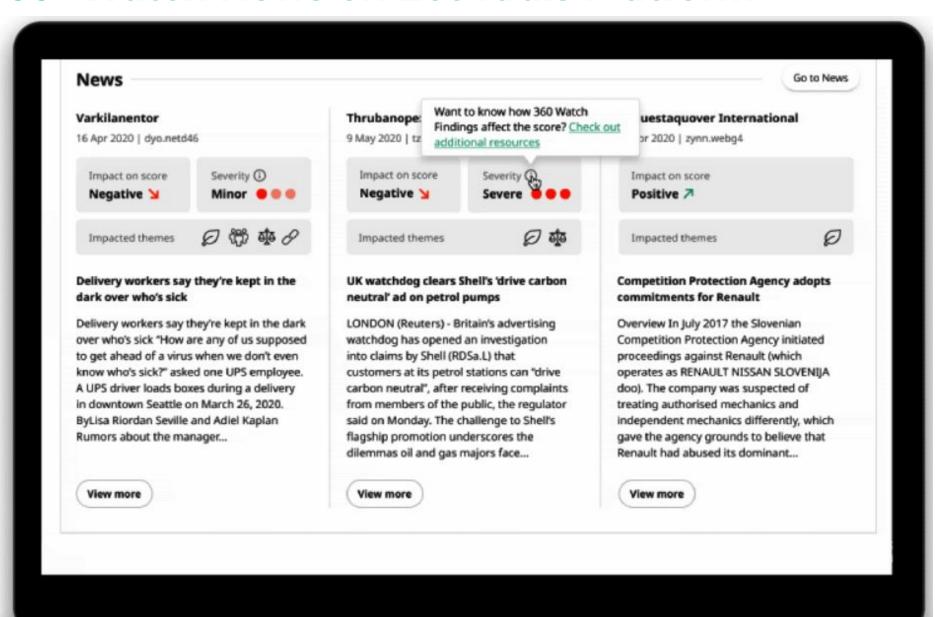
#### **Timeframe**

A timeframe of validity specific to each 360° Watch news item is applied. This is determined by looking at the date of the underlying facts, e.g. when a non-compliance, misdeed, accident took place.

The following relevant number of years for each theme are outlined below:

	Environment	Labor & Human Rights	Ethics	Sustainable Procurement
Timeframe of validity	Facts related to the case less than 5 year old	Facts related to the case less than 5 year old	<ul> <li>Facts related to the case</li> <li>less than 7 year old for Corruption</li> <li>less than 10 year old for Anti-Competitive Practices</li> <li>less than 5 year old for Responsible Information Management cases</li> </ul>	Facts related to the case less than 5 year old

## 360° Watch News on EcoVadis Platform

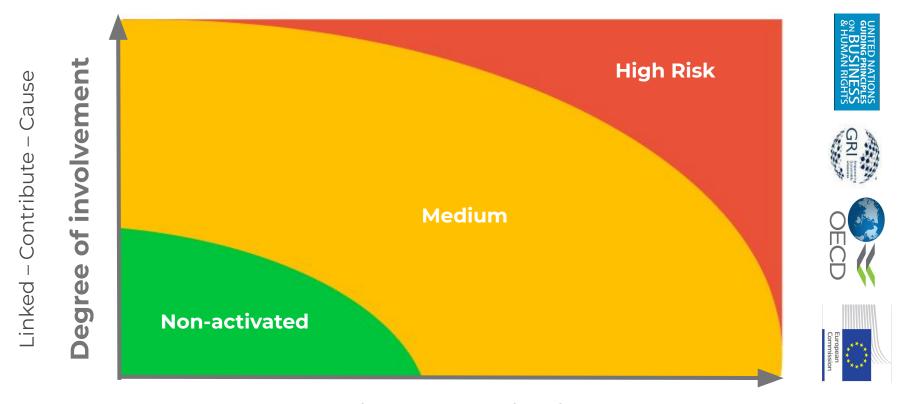


### **Key Information:**

Impact on score Severity Impacted theme



## **Criteria Activation by Materiality Analysis**



**Severity of negative impacts** 

Scope - Scale - Remediability

## **Research Sources & Process**

To **minimize bias** in determining sustainability risks per ISIC, each criterion is researched from a **tri-sectoral perspective**:





## **Examples of best practices - ENDORSEMENTS**

- Formal documentation that shows the company's participation status in an external sustainability initiative or set of principles
- The initiative can be sectoral or cross-sectoral with specific membership requirements for signatories/participants/members
- Participation should be verified either in the organisation's website or supporting documentation

#### **Examples of documents:**

- Company's formal public adherence letter
- Screenshot or weblink to the external sustainability initiative participant list
- Annual Report
- Sustainability Report etc.



Accenture has been a signatory to the 10 principles of the United Nations (UN) Global Compact since 2008 and we are one of the 50 inaugural members of Global Compact LEAD, which focuses on achieving higher levels of sustainability performance through innovation and action. As a LEAD member, we are committed

to work toward implementing the Blueprint for Corporate Sustainability Leadership and sharing related outcomes and learnings with the broader universe of companies in the Global Compact. As part of this ongoing commitment, we actively engage with the UNGC's UK Network's Modern Slavery Working Group and its Diversity & Inclusion Network. We have also been participants in two of UNGC's Action Platforms: Decent Work in Supply Chains and Breakthrough Innovation for the SDGs. Through these platforms, we deeply explore these sustainability issues and seek opportunities to

build collaborative solutions that contribute to the Global Goals. In addition, Accenture is involved in various UN initiatives and participates in UN Global Compact local networks in several countries.

Accenture's 2019 Corporate Citizenship Report serves as our eleventh Communication on Progress (COP) toward the 10 principles of the UN Global Compact and our journey as a member of Global Compact LEAD.

The report explores our corporate citizenship goals, progress and performance across our global operations during fiscal 2019 (ended August 31, 2019) unless otherwise noted.

View our previous reports.

See the following pages for a detailed look at our progress toward addressing the 10 principles.

For our 2019 report, we continue to align with the <u>Global Reporting</u> <u>Initiative (GRI) Standards</u> as a basis for disclosure. For more information, please see our <u>GRI Content Index</u>.

We disclose our key non-financial metrics in our <u>Performance Data</u>. <u>Table</u>, including data from the last three years. More information about our global corporate citizenship activities, including our most recent

CDP response, is available on our Corporate Citizenship Disclosures page. Additionally, Accenture holds a range of industry-wide external certifications that are relevant to corporate citizenship, including ISO® 14001, ISO® 27001 and OHSAS 18001/ISO® 45001. Current financial and governance information about Accenture can be found in our Appual Report and 2019 Proxy Statement.

#### **Delivering for the UN Global Compact**

This report serves as our eleventh Communication on Progress to the United Nations Global Compact (UNGC) that we signed in January 2008, and it documents our progress on implementing the 10 Principles as a member of Global Compact LEAD, which focuses on raising sustainability performance. For a detailed look at our progress toward addressing the 10 Principles, see our UNGC Index.

As a LEAD member, we are committed to working toward implementing the Blueprint for Corporate Sustainability Leadership and sharing related outcomes and learnings with the broader universe of companies in the Global Compact. As part of our ongoing commitment, we actively engage with the UNGC's UK Network's Modern Slavery Working Group and its Diversity & Inclusion Network and are participants in the UNGC's Decent Work in Supply Chains Action Plan Program.

Source: United Nations Global Compact Index - Accenture



## **Examples of best practices - MEASURES**

#### **Managing Energy Consumption**

- Modification or replacement of equipment with more energy-efficient one
- Awareness training for employees to reduce energy consumption
- Energy audit
- Implementation of combined heat & power system (CHP) etc.

Some best practices and potential "low hanging fruit" actions



#### **Managing Energy Efficiency**

- Use of more efficient fuel
- Systematic optimization of truck loads
- Optimization of data storage through Data Life Cycle Management etc.

#### **Managing CO2 Emission**

- Reduction GHG emissions through technology or equipment upgrades
- Purchase verified carbon credits to offset GHGs emissions
- Process optimization to reduce emissions of GHGs
- · Carbon footprint study etc.

#### **Examples of documents:**

- Standard operating procedures
- Work instructions
- Equipment/technology installation records
- Training materials
- Presentation slides
- Annual Report, Sustainability Report etc.



## **Examples of best practices - CERTIFICATIONS**

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#### Certificate number: 2016-006a

Certified by EY CertifyPoint since: April 29, 2016

Based on certification examination in conformity with defined requirements in ISO/IEC 17021-1:2015 and ISO/IEC 27006:2015, the Information Security Management System as defined and implemented by

#### Google LLC

located in Mountain View, California, United States of America is compliant with the requirements as stated in the standard:

#### ISO/IEC 27001:2013

Issue date of certificate: May 14, 2021 Expiration date of certificate: May 14, 2024 Last certification cycle expiration date: May 15, 2021

EY CertifyPoint will, according to the certification agreement dated April 8, 2019. perform surveillance audits and acknowledge the certificate until the expiration date

\*The certification is applicable for the assets, services and locations as described in the scoping section at the back of this certificate, with regard to the specific requirements for information security as stated in the Statement of Applicability dated January 5, 2021.

Jatin School 14 May 2021 | 3:32:48 PM CEST

J. Sehgal | Director, EY CertifyPoint



Source: Accenture

Certificate must be issued by independent and accredited third party organization

Certificate must be within expiry dates

The activity and sites covered must be in line with the assessed entity

Certificate must cover relevant sustainability issues (e.g. ISO 9001 certificate is out of EcoVadis assessment scope)

#### **Examples of documents:**

- Certificate issued by an accredited certification body
- Certificate Audit Report
- Proof of certificate in progress issued by an accredited certification body in case the certificate is not issued yet
- Annual Report and/or Sustainability Report with external 3rd party assurance on sustainability data

Source: Google LLC



## More examples on COVE (Certificates)

- Documentation should demonstrate that the sustainability management systems are deployed across all relevant sites within the assessment scope
- Examples of coverage information:
  - percentage of ISO 14001 or EMAS certified operational sites
  - percentage of ISO 45001 or occupational health and safety management system certified operational sites

As of 2021, ISO 14001 certification covers Canon Inc. as well as 123 Group companies (587 operational sites) in 40 countries and regions.\* We received the positive evaluation from the accreditation body that "within the context of a business environment undergoing great change, the Canon Group as a whole has identified new risks and opportunities associated with prospective expansion into new business domains, and has incorporated these in its EMS."

Source: Canon CSR report 202, verified by independent 3rd party

	2021	2020	2019	2018	2017(9)
Occupational Health and Safety					
Lost day rate (LDR)(3)	36.55	55.63	53.31	95.77	64.38
Absentee rate <sup>(4)</sup>	1.56%	2.14%	2.76%	2.49%	2.15%
Number of work-related ill health	0	0	0	0	0
Number of fatality (employee)(5)	0	0	0	0	0
Rate of fatalities (employee) <sup>(6)</sup>	0%	0%	0%	0%	0%
Percentage of the organisation operating in verified compliance with an internationally recognised occupational health and safety management system (ISO 45001) <sup>(7)</sup>	100%	100%	100%	100%	100%

Source: Swire Properties Sustainable Development Report 2021 (verified by independent 3rd party)

#### Number of ISO 14001 Certified Companies (as of March 2021)

Reporting Boundary	Unit	FY 2020
1		85
	Companies	43
Hitachi Group"		42
		10
		17
		5
Hitachi Group"	Companies	202
	Hitachi Group"	Hitachi Group <sup>*</sup> Companies

<sup>\*1</sup> Companies with at least one certified business site.

Source: Hitachi Sustainability Report 2021 (verified by independent 3rd party)

Note: Regional classifications are revised from those used in fiscal 2020 and Mexico, the Middle East, Central and South Africa and other Asian regions were added as other regions.

## **Examples of best practices - REPORTING**

#### Data on CO2

Total GHG Emissions by Scope

	2017	2018	2019	2020	2021
Scope 1	174,342	160,520	151,504	124,639	114,435
Scope 2	962,229	930,471	891,734	822,940	875,482

<sup>\*</sup> Figures for 2020/2021 obtained third party verification.

#### Data on Energy

Energy Consumption by Region in 2021

	Electricity	Gas	Oil	Other (steam, wide area heating and air conditioning)
Japan	4,581	1,039	190	256
Americas	337	122	3	0
Europe	305	173	123	70
Asia and Oceania (except Japan)	1,616	60	26	52
Total	6,839	1,394	343	378

<sup>\*</sup> Electricity includes the amount generated by renewable energy sources.



Source: Swire Properties Sustainable Development Report 2021

## sustainability performance of your company over a period of time (i.e. Key Performance Indicators)

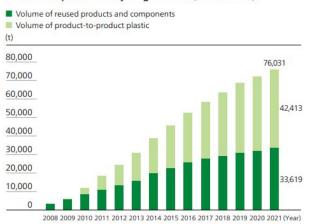
- Accept KPIs within last 2 calendar years
- Additional quality factor considered
  - Defining materiality: materiality assessment/mapping
  - Transparency: publicly available to stakeholders

Reporting is a quantitative expression of the

- Reliability: third-party party verification
- Reference to international reporting standards (e.g. GRI standards, SASB standards etc.)

#### Source: Canon sustainability report 2022

#### Product-to-product Recycling Volume (Cumulative)



<sup>\*</sup> Product recycling initiatives have been ongoing since before 2007. Data are based on 2008 as the baseline year.

Source: Canon sustainability report 2022

#### Average Training Hours/Days by Employee



<sup>\*1</sup> This number is the annual total training hours divided by the non-consolidated number of employees for an average number of hours per employee (excluding assigned overseas training).

Source: Mitsubishi Corporation Integrated Report 2021

#### **Examples of documents:**

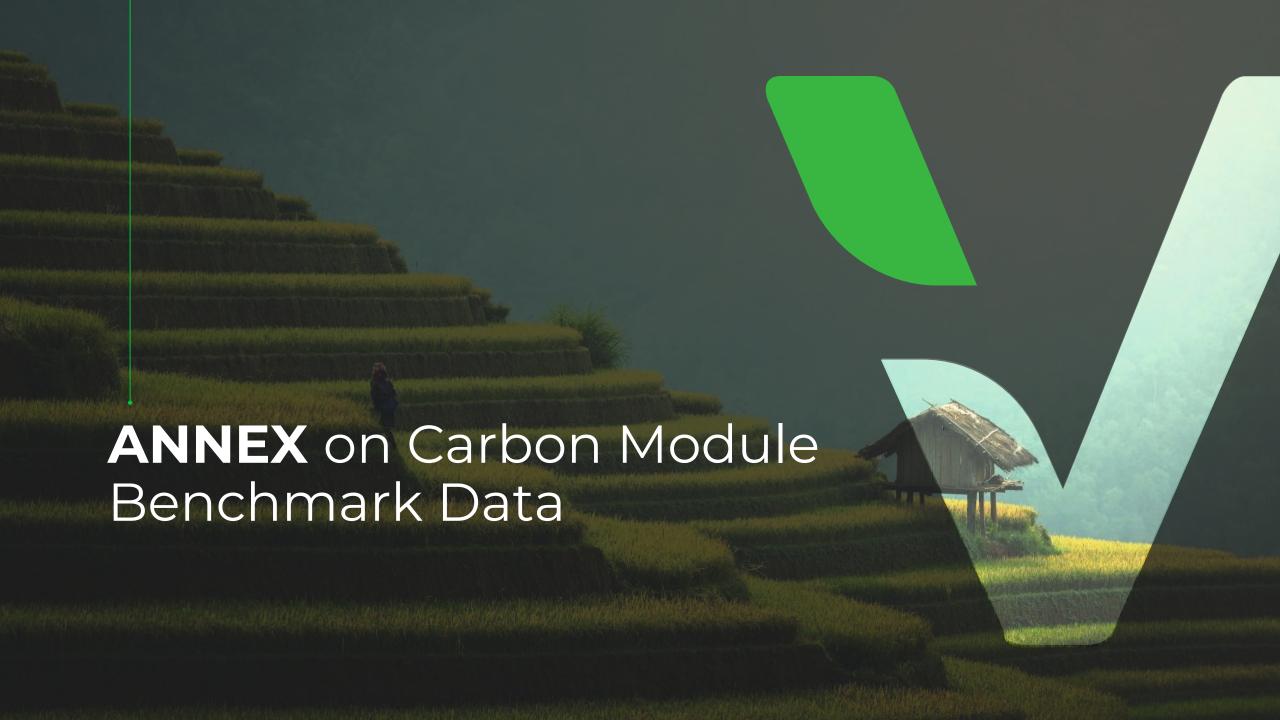
- Public or internal reporting of company's sustainability KPIs (e.g. internal environmental dashboard. internal excel database, internal management presentation etc.)
- Annual Report
- Sustainability Report etc.



<sup>\*</sup> Figures obtained third party verification.

<sup>\*2</sup> One day is calculated as 7.25 hours of working time.

<sup>\*3</sup> An employee who enters the company as a new graduate, spends their career at the company until retirement, and undergoes all standard training (including assigned overseas training) is estimated to spend an average 62 hours/8.6 days in training annually.



## **Carbon Management Systems**

COMMITMENT

#### **Targets**SML

Time-bound GHG reduction targets

#### **Governance**<sup>L</sup>

Management structure to facilitate GHG action and management

#### Action Plans<sup>L</sup>

Actions or processes planned to achieve targets

#### Performance Review<sup>SML</sup>

Regular performance review to assess progress towards targets

#### Reporting Scope 1 + 2<sup>SML</sup>, Scope 3<sup>L</sup>

Publication of GHG emissions performance for stakeholder transparency

To be included only if the rated company answered the Carbon questionnaire

Implementation of actions or process modifications to achieve GHG emissions reduction

#### **Actions Scope 3**<sup>L</sup>

Influencing suppliers to reduce GHG emissions

#### **Monitoring Coverage**SML

Deployment of GHG emissions monitoring across the organization

#### Monitoring System<sup>SML</sup>

Data collection and emission tracking system

#### Supply Chain Monitoring<sup>L</sup>

GHG data collection from the value chain

#### REPORTING

**PDCA Cycle** 

(Plan Do Check Act)









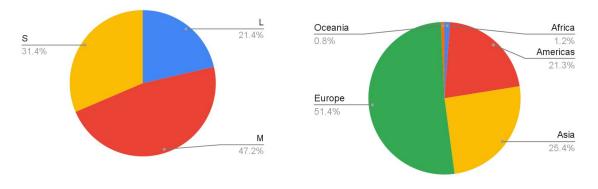


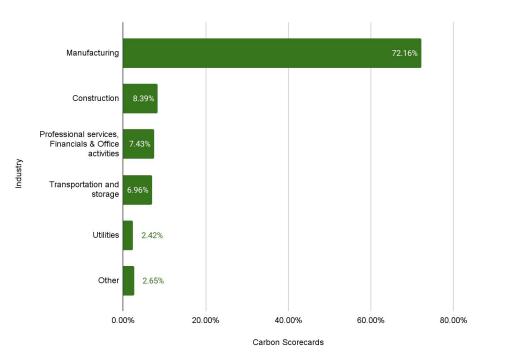


## Insights from the first year of the Carbon Action Module

More than 10.5K carbon scorecards published across all industries, geographies and company sizes







\*Last update of the data: 5th of April 2022

## Insights from the first year of the Carbon Action Module

The majority of companies are in early stages of their decarbonization journey, just being started in GHG accounting and reporting.

The Carbon Action Module is designed to enable the needed engagement & collaborative improvements.

12% of rated companies have a **GHG inventory** updated at least once per year

(53% L sized, 40% M, 60% Europe & 20% North America) 10% of rated companies have **GHG emissions reduction target** publicly announced. 3.5% via **SBTi**.

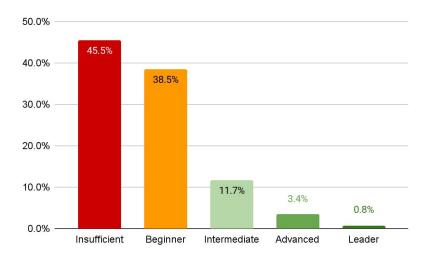
> (45% L sized, 40% M, 15% S; 65% Europe)

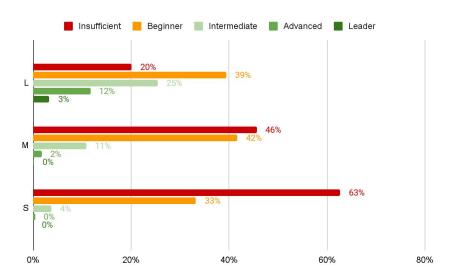
12% of rated companies have **publicly available GHG emissions report;** 9% responded to **CDP** 

(Mainly L-M sized companies)

Life cycle analysis (**LCA**) was used as a tool for planning climate action by 1.7% of companies

(L sized, mainly Europeans)





\*Last update of the data: 5th of April 2022