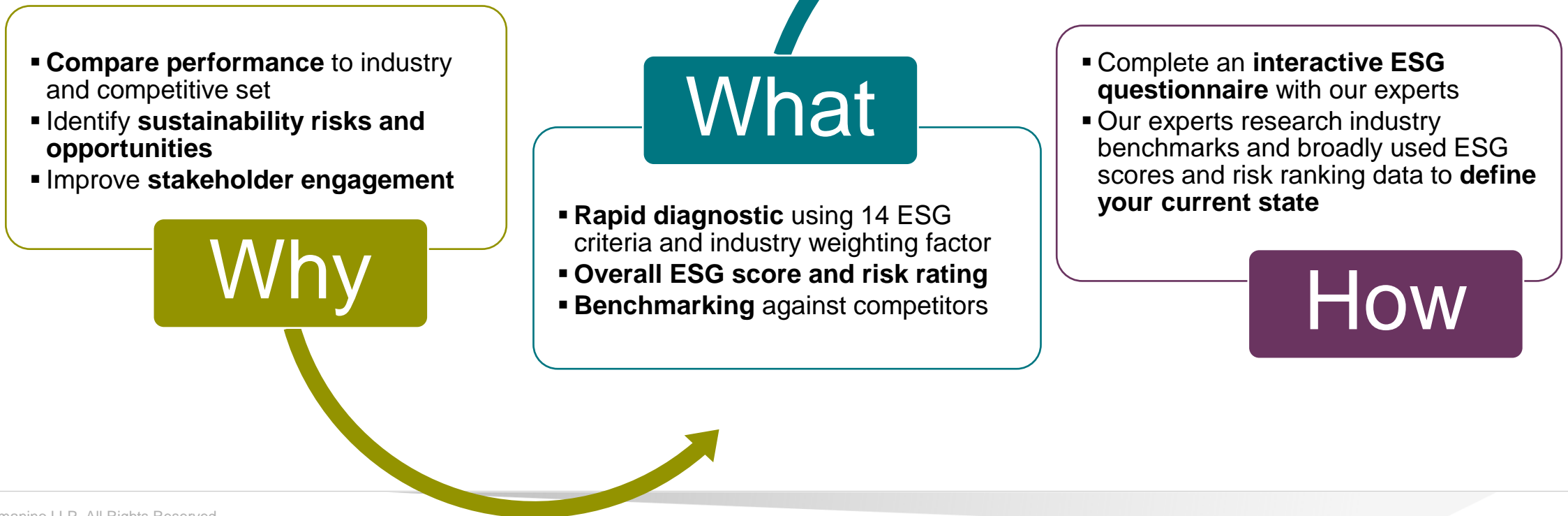


ENVIRONMENTAL, SOCIAL, GOVERNANCE

Current State Assessment

Key Objective: Provide clear understanding of relevant ESG issues to better manage business risks and seize opportunities



58.4

ESG Risk Rating out of 100*

Negligible Low Medium High Severe

*Based on MSCI ESG Ratings

Company ABC

Company ABC is well positioned across Social and Environment pillars. Significant progress has been made in the maturation of environmental reporting, with an established energy management program and time-bound targets for greenhouse gas emissions. Governance presents that biggest organizational risk, with improved ESG board oversight and training as recommended next step and quick win.

Key:

✔ Complete
 ⬆ In Progress
 ✘ Gap



Environmental

Short explanation of Environmental

- ✔ **GREENHOUSE GAS EMISSIONS**
 Measure and report annual GHG emissions
(6,500t CO₂e, 50% reduction target by 2030)
- ✔ **ENERGY MANAGEMENT**
 Measure annual electricity consumption and % renewable
(12,434 kWh 3% Renewable)
- ⬆ **CLIMATE RISK**
 Completed climate risk assessment



Social

Short explanation of Social

- ✔ **DATA SECURITY**
 Zero data breaches involving PII data
- ⬆ **EMPLOYEE HEALTH & SAFETY**
 Measure and report employee injuries and days lost
- ✔ **WORKFORCE DIVERSITY**
 Measure and report percentage gender and ethnic/racial representation for management and staff
(43% Women, 32% Minority)
- ✔ **EMPLOYEE ENGAGEMENT**
 Regular employee engagement surveys
- ✔ **SUPPLY CHAIN MANAGEMENT**
 Supplier code of conduct policy with regular audit and compliance



Governance

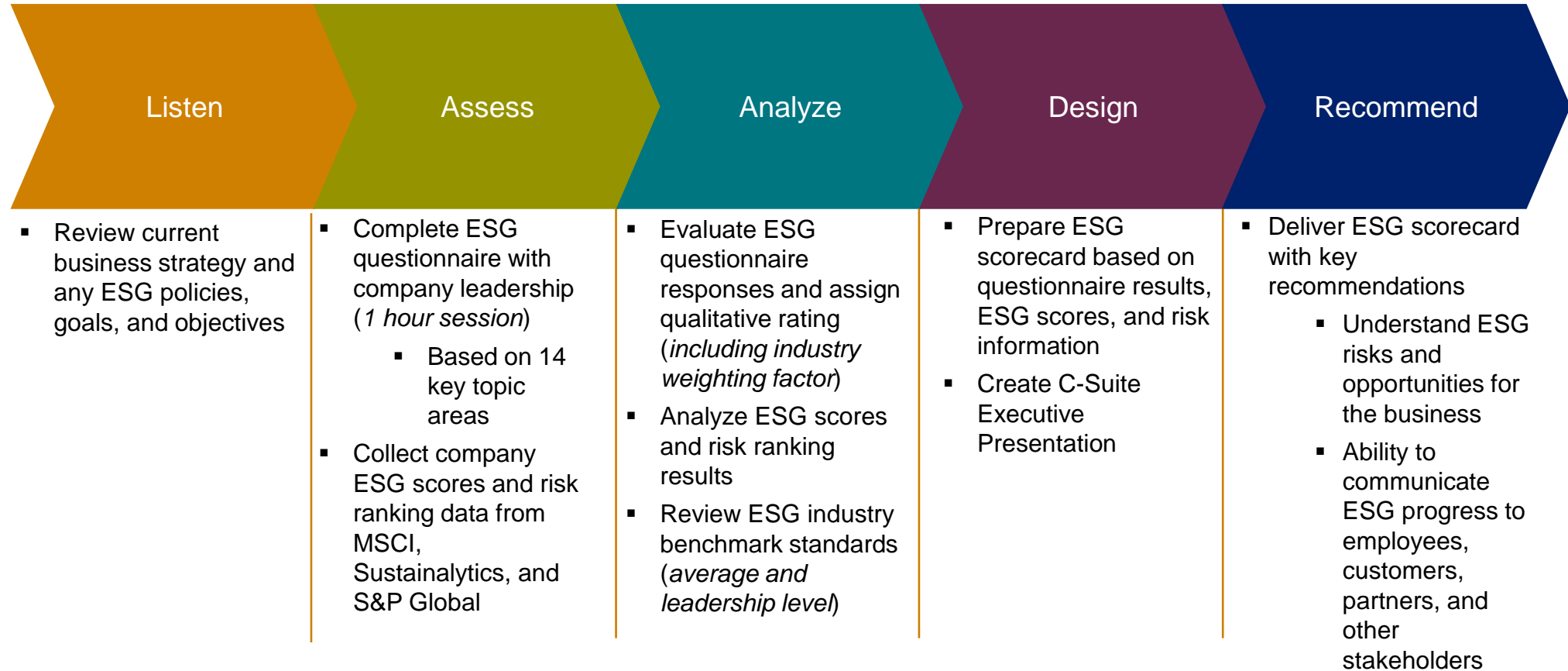
Short explanation of Social

- ✘ **BOARD OVERSIGHT & COMPETENCY**
 Regular oversight over ESG risks and opportunities. Board member(s) with ESG competence
- ✔ **BUSINESS ETHICS**
 Business ethics policy
- ⬆ **BOARD DIVERSITY**
 Measure and report board diversity
- ⬆ **BUSINESS STRATEGY**
 Strategy to assess ESG risks & opportunities
- ✘ **RISKS & OPPORTUNITIES**
 Strategy to manage ESG risks & opportunities
- ✔ **TAX STRATEGY**
 Publicly available tax strategy

ESG SCORECARD

Scorecard Methodology

How we do the work



Industry weighting of key ESG issues

		Technology	Manufacturing & Distribution	Nonprofit	Healthcare	Private Equity	Cannabis	Real Estate
Environmental	Greenhouse Gas Emissions	Potential Risk	Direct Risk	Potential Risk	Elevated Risk	Elevated Risk	Elevated Risk	Elevated Risk
	Energy Management	Elevated Risk	Direct Risk	Potential Risk	Elevated Risk	Elevated Risk	Direct Risk	Elevated Risk
	Climate Risk	Potential Risk	Direct Risk	Potential Risk	Direct Risk	Elevated Risk	Elevated Risk	Direct Risk
Social	Data Security & Privacy	Direct Risk	Potential Risk	Elevated Risk	Direct Risk	Direct Risk	Potential Risk	Potential Risk
	Employee Health & Safety	Elevated Risk	Direct Risk	Potential Risk	Direct Risk	Elevated Risk	Direct Risk	Potential Risk
	Workforce Diversity	Direct Risk	Potential Risk	Direct Risk	Elevated Risk	Elevated Risk	Direct Risk	Elevated Risk
	Employee Engagement	Direct Risk	Elevated Risk	Direct Risk	Direct Risk	Elevated Risk	Direct Risk	Elevated Risk
	Supply Chain Management	Elevated Risk	Direct Risk	Potential Risk	Direct Risk	Elevated Risk	Direct Risk	Elevated Risk
Governance	Board Oversight & Competency	Direct Risk	Direct Risk	Elevated Risk	Elevated Risk	Direct Risk	Direct Risk	Elevated Risk
	Board Diversity	Direct Risk	Elevated Risk	Direct Risk	Elevated Risk	Elevated Risk	Elevated Risk	Elevated Risk
	Business Strategy	Elevated Risk	Elevated Risk	Potential Risk	Elevated Risk	Direct Risk	Elevated Risk	Direct Risk
	Risks & Opportunities	Elevated Risk	Direct Risk	Potential Risk	Elevated Risk	Direct Risk	Direct Risk	Direct Risk
	Business Ethics	Potential Risk	Direct Risk	Direct Risk	Direct Risk	Elevated Risk	Direct Risk	Elevated Risk
	Tax Strategy	Elevated Risk	Elevated Risk	Potential Risk	Elevated Risk	Direct Risk	Direct Risk	Direct Risk

Legend
Potential Risk
Elevated Risk
Direct Risk

ESG SCORECARD

Assessment Questions

- ❑ Do you measure and report greenhouse gas emissions? What are your total emissions? Emissions reduction goals? Purchase carbon offsets?
- ❑ Do you measure and report energy consumption? Percent renewables?
- ❑ Do you assess and manage physical and transition risks associated with climate change? Integrated into enterprise risk management?
- ❑ Do you measure and report data breaches? Percentage involving personally identifiable information? Do you have a process to identify and manage data security risks?
- ❑ Do you measure and report employee injuries and days lost due to injury?
- ❑ Do you measure and report percentage of gender, racial/ethnic representation for management and staff? What percentages for gender and race/ethnicity?

ESG SCORECARD

Assessment Questions

- Do you conduct a regular employee engagement survey? Do you measure and report percent engagement? Engagement score?
- Do you have a supplier code of conduct policy, and audit and report supplier compliance? Measure and report supplier diversity?
- Does your Board have regular oversight over ESG risks and opportunities? And do you have at least one Board member with competence on ESG issues?
- Do you measure and report Board diversity? Do you have at least two diverse Board members?
- Do you have a strategy to assess and manage ESG risks and opportunities? Engage stakeholders? Commitments to ESG partnerships and initiatives?

ESG SCORECARD

Assessment Questions

- Do you have a process to identify and manage ESG risks? Integrated into the company's overall risk management?
- Do you have a business ethics policy? Do you measure total amount of monetary losses from legal proceedings (fraud, regulations, laws)?
- Do you have a tax strategy? Publically available? Considering stakeholders? Linked to sustainable development strategies?

ESG SCORECARD

ESG Rating Systems References

- **MSCI** – public ESG ratings for over 2,900 companies
- **Morningstar Sustainalytics** – public ESG ratings for over 20,000 global companies
- **S&P Global** – public ESG ratings for over 11,000 companies

