

Latest Update on Corporate Disclosure and Sustainability Scores



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Sustainability disclosure standards will pressure companies and investors to respond and adapt

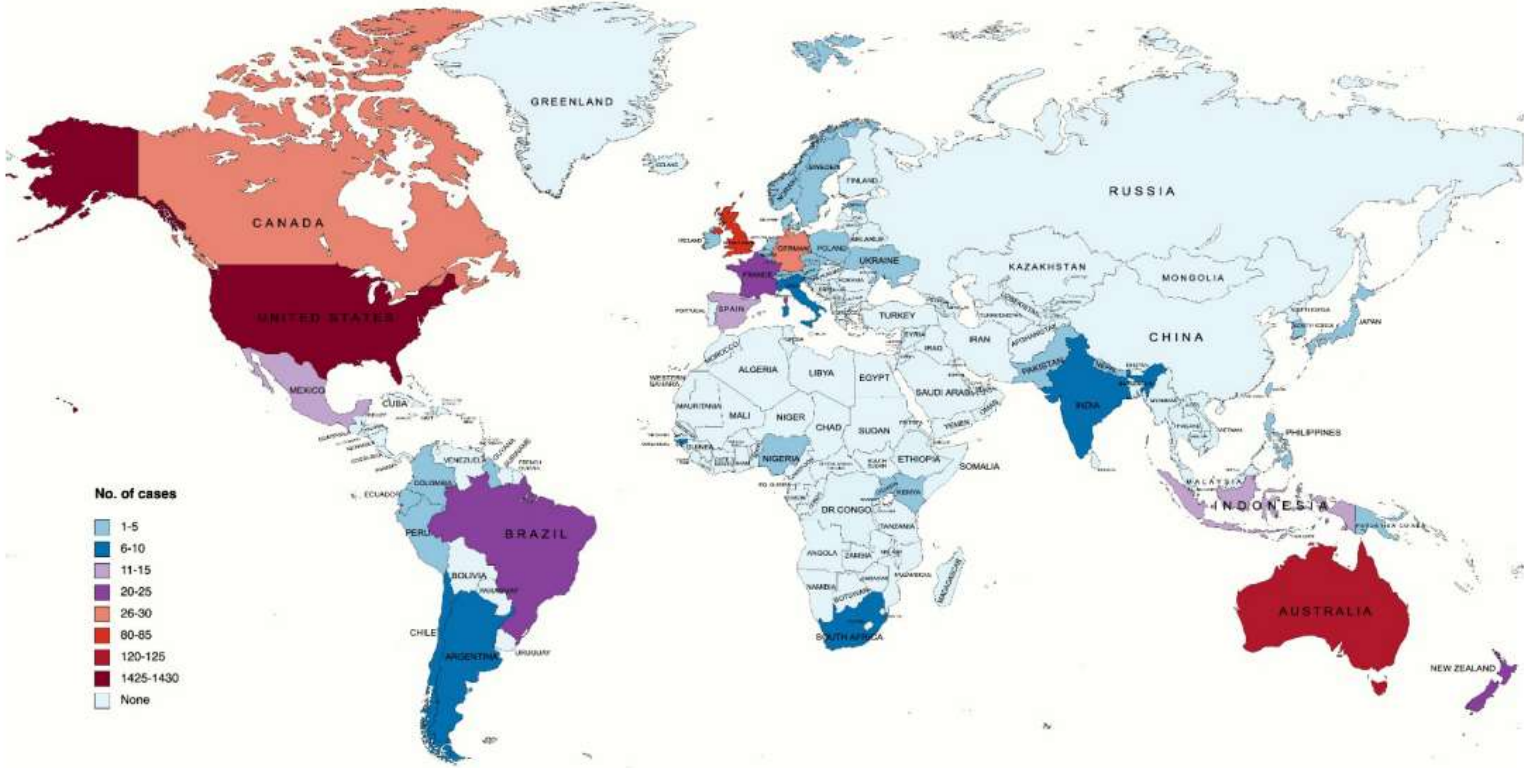


Source: <https://www.spglobal.com/esg/insights/featured/special-editorial/key-sustainability-trends-that-will-drive-decision-making-in-2023>

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Companies and investors will navigate the increasing risk of litigation related to sustainability (in)actions

Figure 1.2. Number of climate litigation cases around the world, per jurisdiction (up to 31 May 2022)



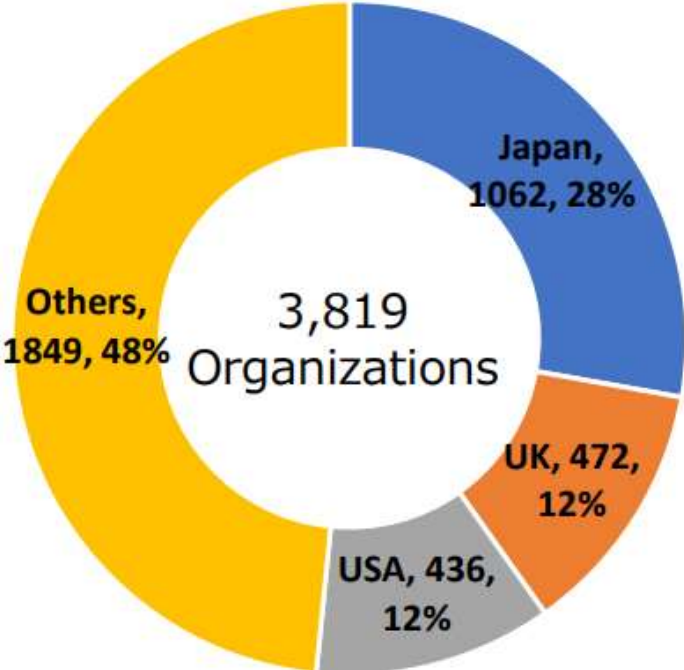
Notes: Cumulative figures to May 2022. This figure only includes cases filed before national tribunals. The 103 cases filed before 15 international and regional bodies entities are not included.
Source: Map created with mapchart.net based on CCLW and Sabin Center data.

<https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2022/08/Global-trends-in-climate-change-litigation-2022-snapshot.pdf>;
<https://www.spglobal.com/esg/insights/featured/special-editorial/key-sustainability-trends-that-will-drive-decision-making-in-2023>

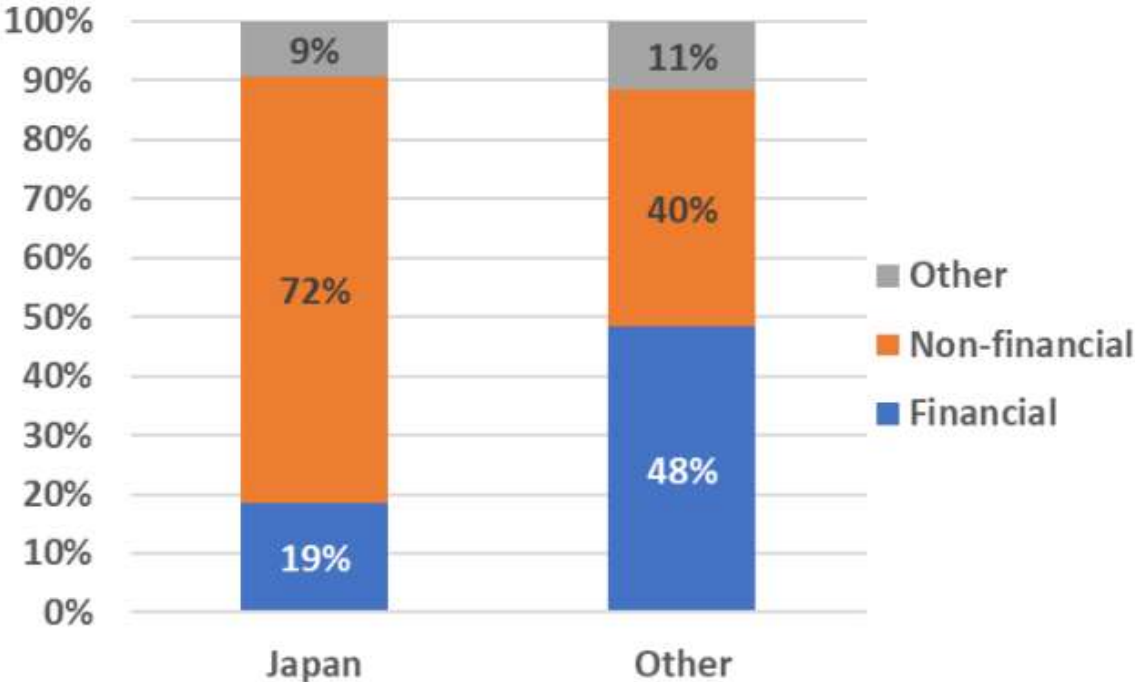
Companies and investors will navigate the increasing risk of litigation related to sustainability (in)actions

Snapshot of climate disclosure in Japan

Number of TCFD supporters (as of Sept 22, 2022)



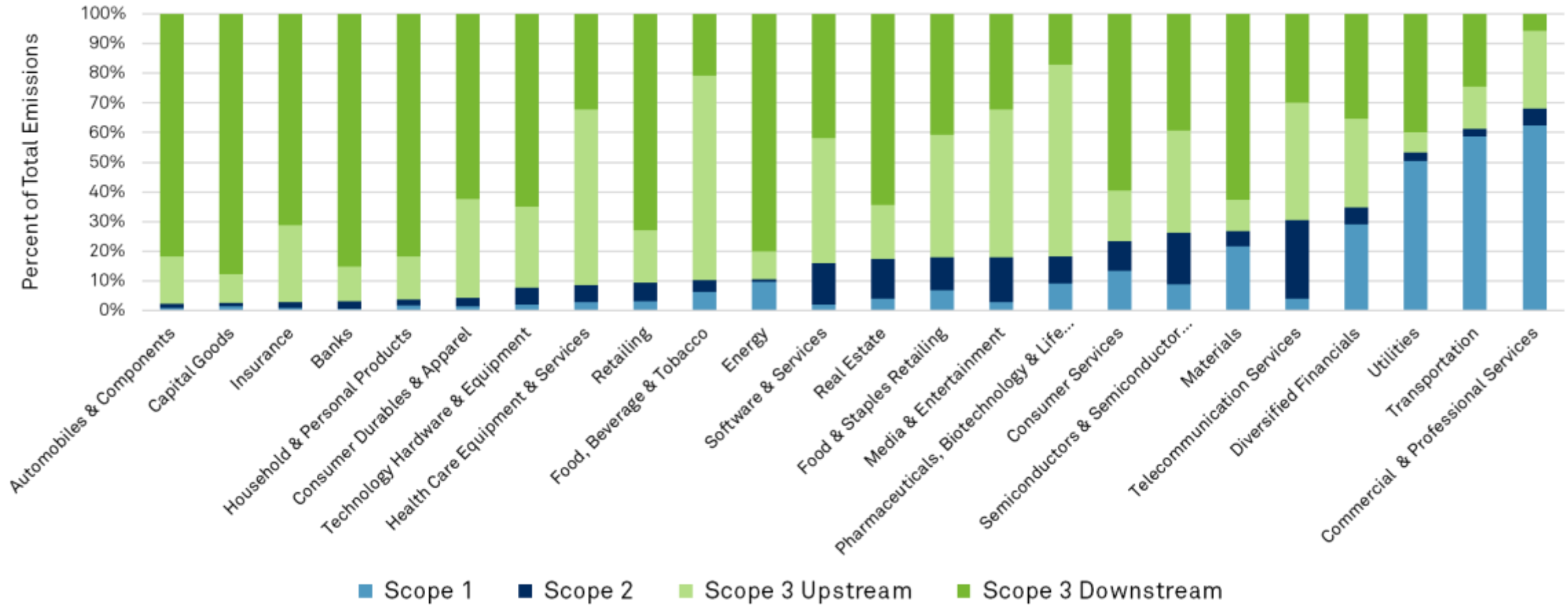
Breakdown of TCFD supporters



Source: Presentation at TCFD summit by Keisuke Takegahara (Development Bank of Japan) on Oct 5 2022, source TCFD consortium based on TCFD data (as of Sept 22 2022).

Close to 30% of TCFD supporters are Japanese organizations, with a stronger representation of non-financial corporates

Value Chain Carbon Footprint: Why it Matters

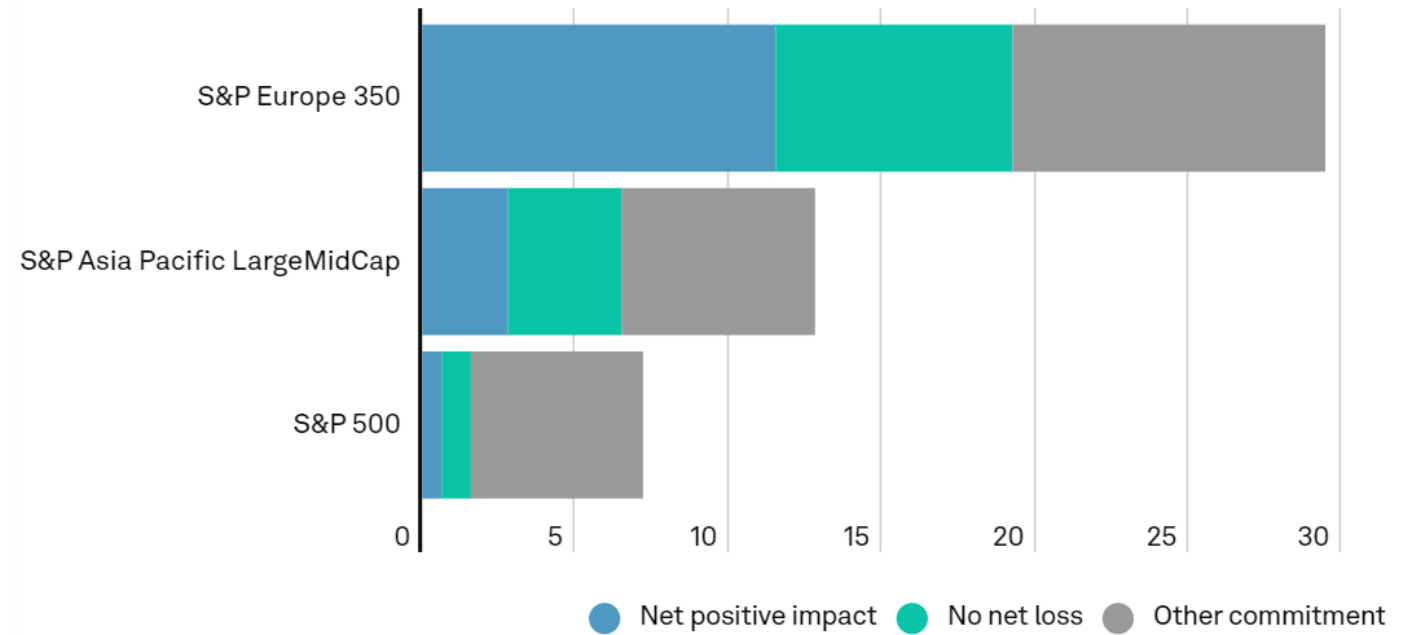


For most business activities, the largest proportion of carbon emissions are concealed in supply chains, or in the product use and disposal phase. These emissions constitute a company's Scope 3 Footprint.

Biodiversity and nature – Measuring is the first step to managing

Understanding of biodiversity and nature-related risks will reach an inflection point as more data and frameworks become available

Percentage of companies in 3 regional indices making nature-related commitments



Source: S&P Global Sustainable1 <https://www.spglobal.com/esg/insights/biodiversity-is-still-a-blind-spot-for-most-companies-around-the-world>

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The Corporate Sustainability Assessment

From Data to Score

General criteria include

Governance and economic dimension

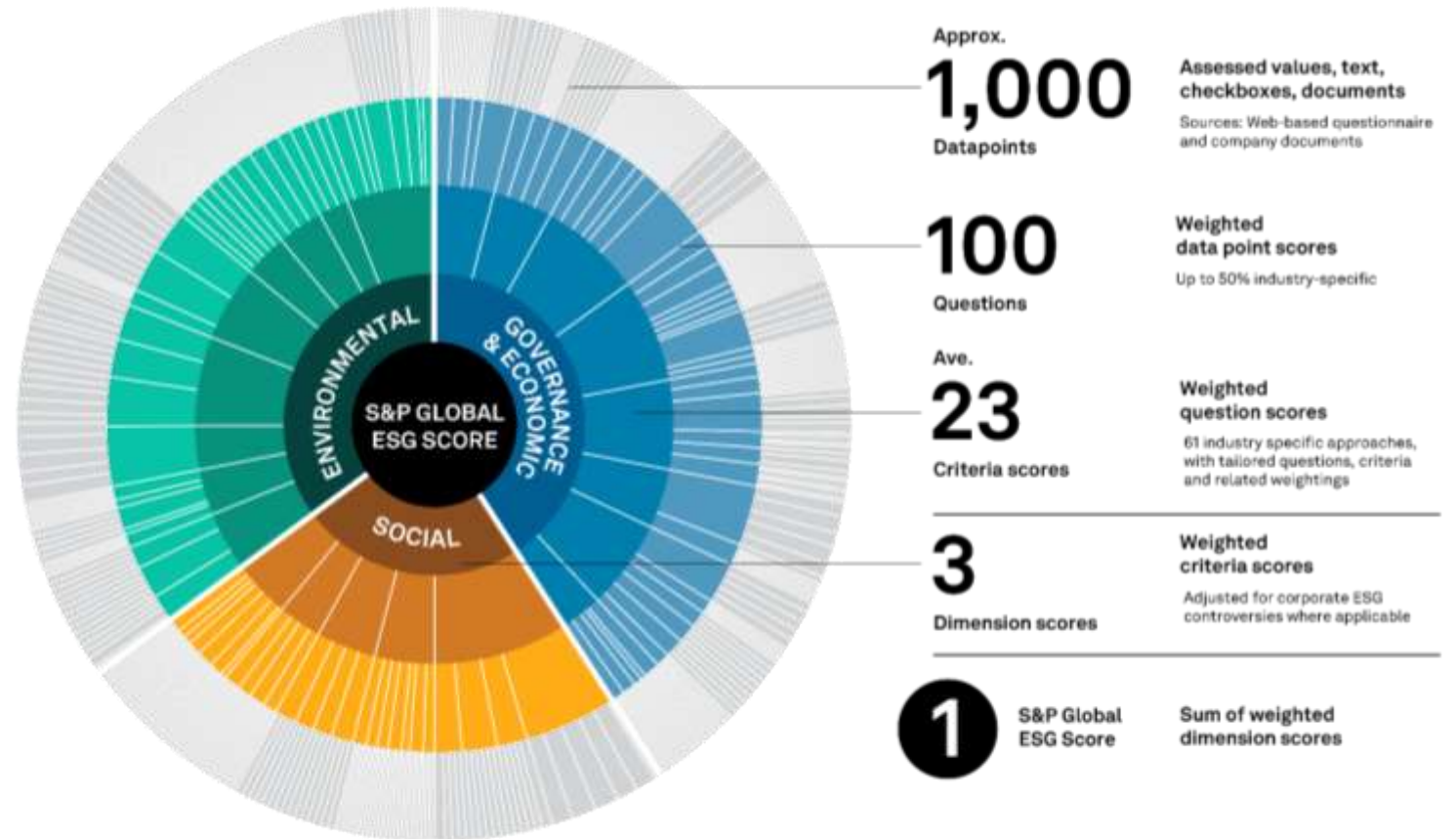
- Corporate governance
- Codes of Business Conduct
- Risk and Crisis Management

Environmental dimension

- Environmental reporting
- Operational Eco-Efficiency
- Climate Strategy

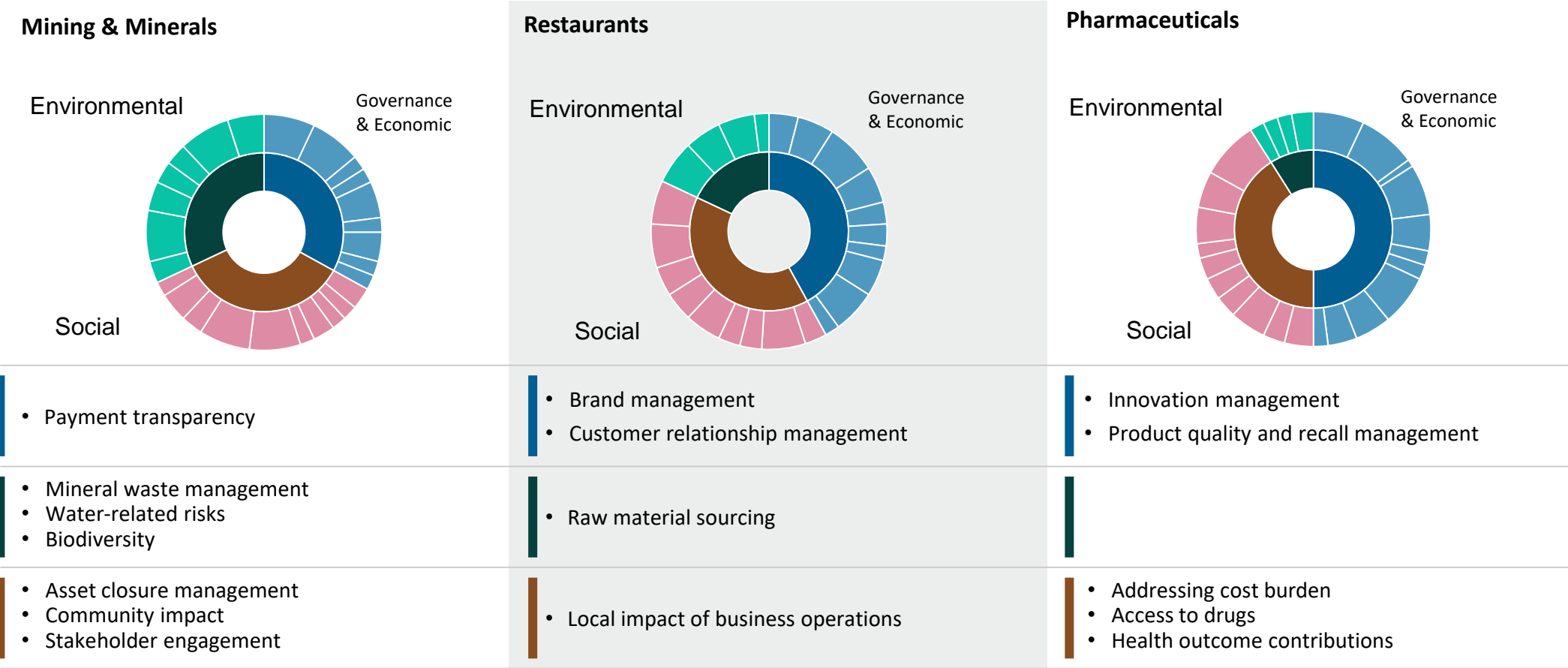
Social dimension

- Human Rights
- Human Capital Development
- Corporate Citizenship and Philanthropy



Corporate Sustainability Assessment Methodology

62 Industry Specific Approaches differing by focus area and weight matrices



Industry-specific criteria examples applied to a single or subset of industries

Source: SAM. For illustrative purposes.

Aligning and updating

The **CSA methodology evolves annually** to ensure alignment with recent updates in recognized standards and frameworks and to accurately capture corporate efforts in answering upcoming sustainability challenges

CSA 2023 relevant updates

Governance & Economic	Environmental	Social
<ul style="list-style-type: none">• Business Ethics• Corporate Governance• Materiality• Risk & Crisis Management• Policy Influence• Sustainable Finance• Supply Chain Management• Transparency and Reporting NEW	<ul style="list-style-type: none">• Biodiversity• Climate Strategy• Fleet Management NEW• Low Carbon Strategy• Mineral Waste Management• Product Stewardship• Water Related Risks	<ul style="list-style-type: none">• Asset Closure Management• Financial Inclusion• Occupational Health & Safety• Customer Relationship Management• Talent Attraction and Retention• Responsibility of Content• Social Impact on Communities

Full Transparency on Question Level Scores and Underlying Datapoints

Example of ESG Scores Raw Datapoints

Biodiversity Commitment

Does your company have a publicly available commitment to maintain, enhance, or conserve biodiversity/ecosystems for your company's own operational activities, and is this commitment applicable to your company's supply chain?

Yes, we have a biodiversity commitment and it includes the following elements:

+ No references attached max. 5 allowed, public URLs only

Commitment required of own operations and supply chain to avoid operational activities near sites containing globally or nationally important biodiversity

Application of mitigation hierarchy (avoid, minimize, restore & offset) when operating in areas in close proximity to critical biodiversity

Work with external partners to fulfill the commitment. Please provide name(s) of main partners and information of the type of engagement:

max. 1000 chars

Target

Please provide details of your group-wide and time-bound biodiversity target, as well as the progress made towards this target in the recent financial year:

+ No references attached max. 5 allowed, public URLs only

Question	Fact – Raw Datapoints	Fact Description
Biodiversity Commitment	Protected Areas	Biodiversity commitment not to operate/explore/mine/drill in World Heritage areas and IUCN category I-IV protected areas
	Mitigation Hierarchy	Biodiversity commitment includes the application of mitigation hierarchy when operating in areas with globally or nationally important biodiversity
	No Net Loss	Biodiversity commitment includes a target for no net loss or net improvement
	Target Year Option	Company has a target year for full implementation of the biodiversity commitment
	Net Positive Impact	Biodiversity commitment includes a target for net positive impact
	Target Progress Percent	Percentage of quantitative progress on the implementation of biodiversity commitment
	Tier 1 Suppliers	Scope of the biodiversity commitment includes tier 1 suppliers
	Non Tier 1 Suppliers	Scope of the biodiversity commitment includes non tier 1 suppliers
Own Operations	Scope of the biodiversity commitment includes own operations	

More than 3,500 unique underlying data points covering 75 material ESG issues.

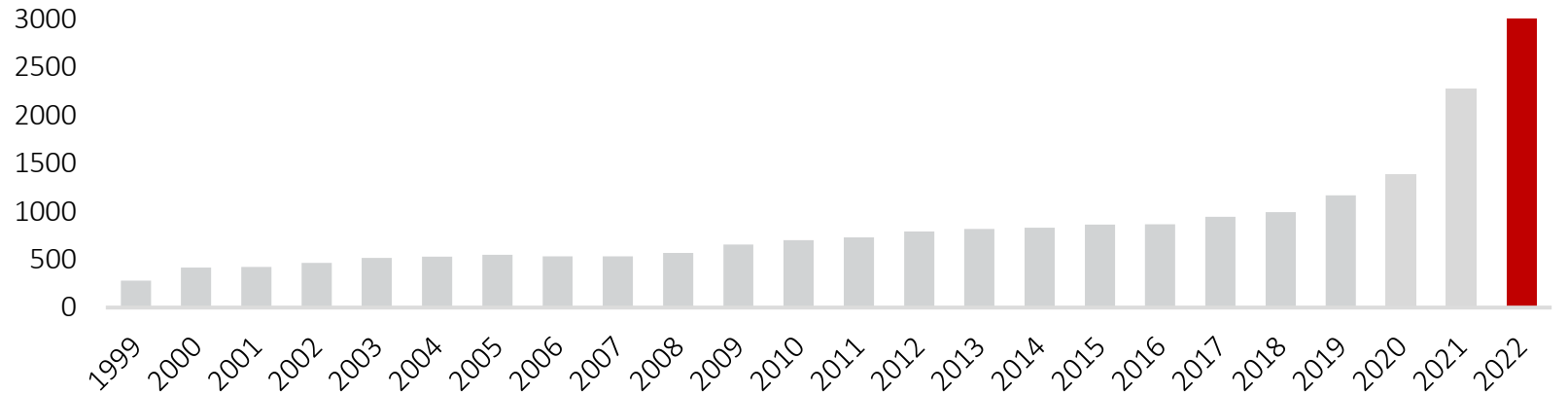
Example of ESG Data¹

Companies representing half of global Market Capitalization see value in active CSA participation

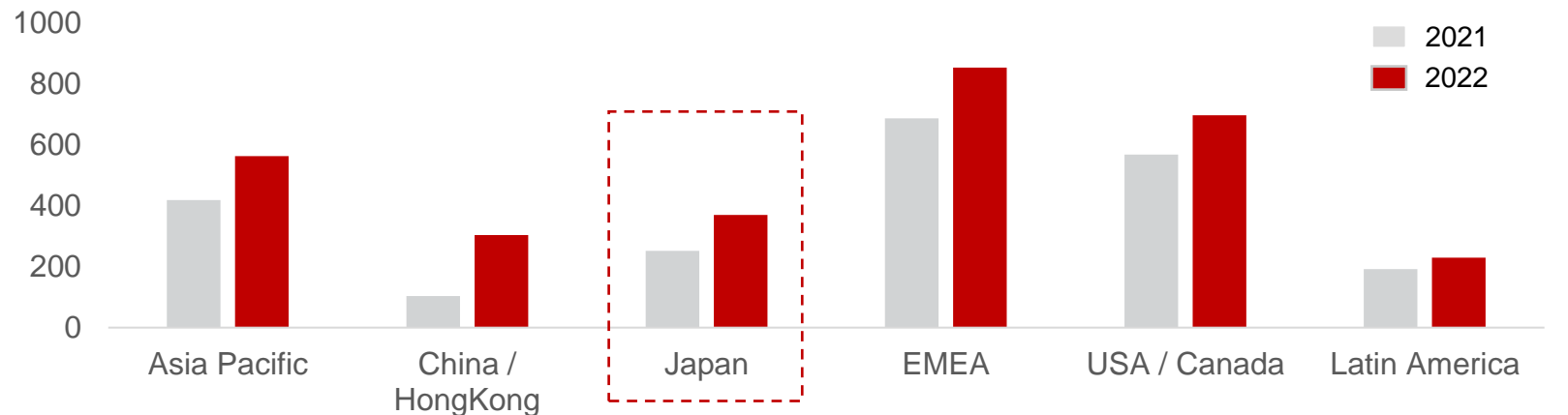
CSA 2022

S&P Global

Three-fold increase in three years to over 3,000 CSA participants globally

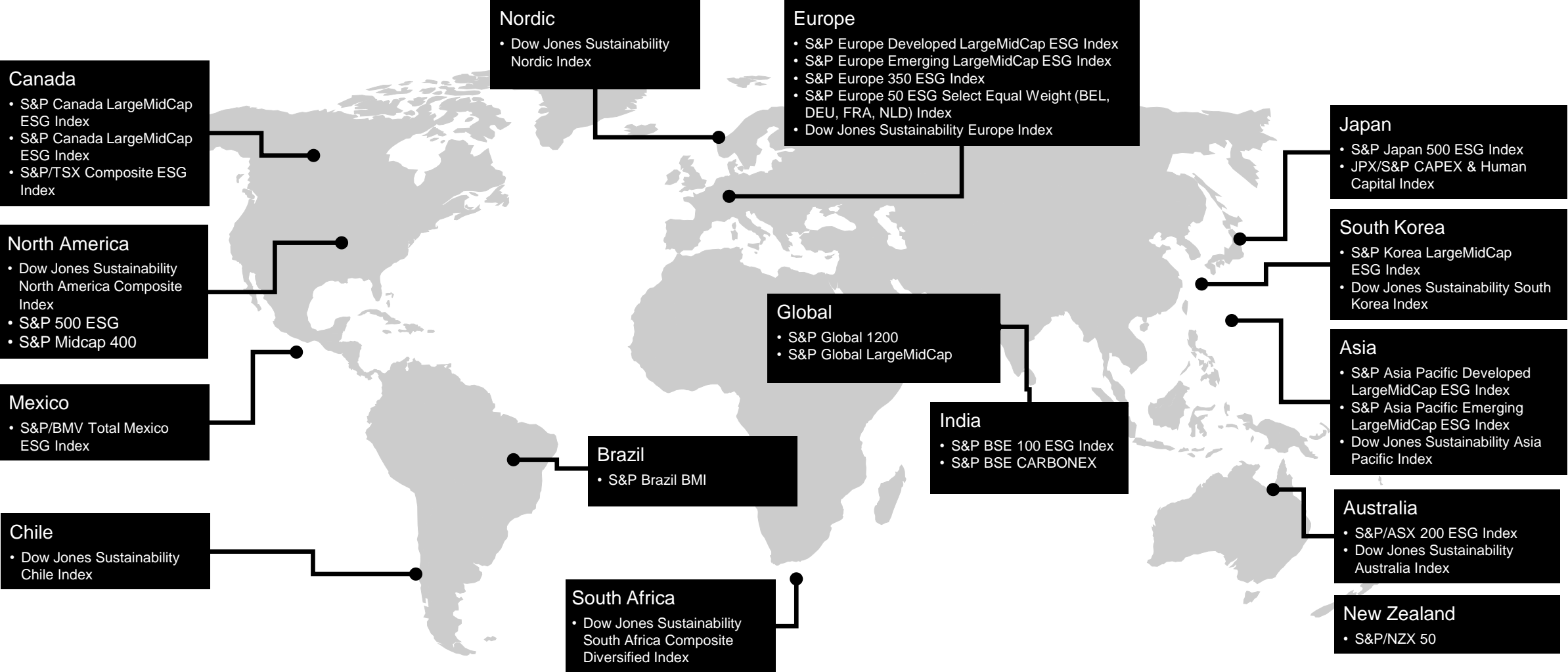


Development by region



Source: CSA 2022, 2022 data forecast as of February 2023, market cap measured relative to S&P Global Broad market Index
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S&P ESG Indices Using the CSA Data from Large to MidCap



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