



Key Performance Indicators  
for Environmental, Social &  
Governance Issues

# KPIs for ESG

A Guideline for the Integration of ESG into  
Financial Analysis and Corporate Valuation.

Version 1.2.



EFFAS THE EUROPEAN FEDERATION  
OF FINANCIAL ANALYSTS SOCIETIES

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## KPIs for ESG Version 1.2.

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## Foreword

The work presented in this paper was initially published by DVFA in March 2008 and gained significant attention in the capital market – both in Germany and in the internationally.

Since March 2008 the work has been applauded by several initiatives in the area of ESG. In May, the framework received an unqualified endorsement of EFFAS, the European Federation of Financial Analysts Societies and thus gained the status of an official EFFAS Standard.

However, ‘better is the enemy of good’ as they say. Throughout discussions with investment professionals, corporates, standard setters and international experts for business reporting the authors of this paper - DVFA’s Committee on Non-Financials – felt that it was worthwhile incorporating some of the valuable suggestions made and also clarify some of the underlying ideas so that the goal of DVFA’s and EFFAS’ initiative may become clearer and the implementation and communication into the corporate world may be facilitated.

Modifications include:

- A change of nomenclature: the original distinction between Master KPI and Applied KPI caused some misunderstandings. What was meant were topical areas (Master) and the actual KPI (Applied KPI). With version 1.1 these terms have been abandoned and replaced by ‘ESG’ which is now the term for topical area and ‘KPI’ which is the actual KPI;
- Topical areas are henceforth called ESG so that individual issues can be referred to as ESG 1, ESG 2, ESG 3, ... in a similar way that the IFRS accounting standards of the IASB are referred to as IAS1, IAS 2 etc.
- For each of the General ESG 1-2 KPIs were defined through an iterative process between investment professionals and corporates. Here, the idea is to determine a minimum set of KPIs which should be reported by corporates as obligatory. Typically, these KPIs describe an absolute value plus a value of intensity.
- All other KPIs which were defined in version 1.0 of KPIs for ESG have been preserved as complementary KPIs i.e. which can be reported in addition to the minimum obligatory KPIs. Those complementary KPIs can be found in the appendix of this paper.
- A new section has been added which explains how interested third parties e.g. corporates, brokers, investment firms, advisors can define sets of industry-specific ESGs and KPIs for additional sectors and how the process of endorsement by DVFA/EFFAS is governed.

Members of the DVFA Committee on Non-Financials

Frankfurt/Germany, 08 April 2009



# Executive Summary

- DVFA Committee on Non-Financials has defined topical areas for the reporting of ESG issues, as well as Key Performance Indicators (KPIs) for use in financial analysis of corporate performance;
- After endorsement of the work by EFFAS “KPIs for ESG” is also available as an EFFAS standard in identical format.
- Topical areas throughout this document are referred to as ESGs; ESGs are numbered so that corporates and investment professionals can easily cross-reference the reported aspect as they can today with IFRS (IAS 1, IAS 7, IAS 19 etc.);
- Measurable items are referred to as KPIs; typically for each ESG, i.e. in one topical area two KPIs were defined;
- 9 topical areas have been defined, which apply to all sectors and industries. This part of the work is considered a standardized and comprehensive framework;
- For 5 sectors, comprehensive lists of sector-specific ESGs and KPIs have been defined; sets of ESGs and KPIs for additional sectors are currently in the process of development;
- A non-exhaustive list of additional sector-specific topical areas has also been defined as a starting point for specific sectors. This part is an open framework to be finalized for additional sectors in the coming months. Hence, additional topical areas may be added to the list of sector-specific topical areas;
- The work at hand includes the following items:
  - Basic principles for ESG reporting
  - Basic principles for reporting of quantified performance data with a specific focus on comparability and benchmarkability
  - Details from the survey of the KPIs from international investment professionals
  - Description, ratios, and detailed taxonomies for each individual KPI;
- The framework is designed as a recommendation for corporates and investment professionals. The purpose is not to present an additional reporting framework. Rather, recommendations are provided to the corporates on the use of the KPIs within the framework of existing performance communication, e.g. financial reporting, MD&A, CSR reports, GRI/G3 etc.

|  | <b>E</b><br>Environmental                          | <b>S</b><br>Social  | <b>G</b><br>Governance                         | <b>V</b><br>Longterm Viability   |
|--|--|---|--|----------------------------------|
| <b>General:</b><br>ESGs which apply to all industry-groups | ESG 1 Energy efficiency<br><br>ESG 2 GHG emissions | ESG 3 Staff turnover<br><br>ESG 4 Training & qualification<br><br>ESG 5 Maturity of Workforce<br><br>ESG 6 Absenteeism rate | ESG 7 Litigation risks<br><br>ESG 8 Corruption | ESG 9 Revenues from new products |

## I. Methodology

The DVFA Commission on Non-Financials (CNF) set to work in 2006, starting with research on corporate reports on ESG. It was a common perception that most of the corporate material was of limited use for investment professionals, as it was (and still is today) typically communicated in prose style. Moreover, ESG data are often delivered to stakeholders as a separate paper report.

Investment professionals – and this perception is also shared by corporates – rarely consume ESG reports in their entirety. There are several reasons for this: in most cases data is quantified; but even if quantified, the information is not comparable with data delivered by peers or across periods. For much data, there is no standard definition available. But most importantly, for many ESG-related items, there is little evidence of a correlation to the performance of the corporate, i.e. what are the implications of the ESG item reported for risk or profitability?

Consequently, CNF was tasked with identifying topical areas and key performance indicators (KPIs) for ESG, which would be reported by corporates, and which investors and financial analysts could integrate into a classic spreadsheet analysis.

Essential criteria for useable KPIs for ESG were defined as follows:

- They should depict a correlation to risk or success factors of corporate business
- They should be significant and relevant for investment decisions
- They should be firmly anchored in the corporate management system
- They must be quantified, comparable, and benchmarkable from peer to peer
- They should depict dynamics, i.e. from reporting period to reporting period
- They should be manageable in dimension ("Key"), e.g. small set of 30 KPIs max.

One of the most important considerations was to refrain from designing yet another reporting scheme. Rather, CNF's KPIs were to be compatible with traditional reporting statements, e.g. quarterly reports, annual reports; as well as with other formats, e.g. GRI's G3.

CNF gathered material on KPIs already in use or reported by corporates. The initial long list of 600 indicators was reduced to a set 30 KPIs through multiple iterative processes, moderating the discussion between mainstream investors and financial analysts and corporates. For three sectors – Utilities, Airlines, Automobiles & Components – specific profiles of KPIs were condensed to a sector supplement.

The KPIs were structured along the dimensions of ESG. A fourth pillar – Long-term Viability – was included to capture those KPIs which depict the concept of sustainability capital markets prefer: the term "sustainability" which was felt to be associated with SRI, green investing or ecologic-ethical movements, was avoided in favour of "long-term viability" as this represents a corporate's capability to produce long-term profits without sacrificing assets, skills, or resources through short-term exploitation.

The draft set of KPIs was then road-showed to investment professionals in Europe, and surveyed to fund managers and financial analysts on a global scale, the aim being to verify the selection of KPIs.

The explorational survey among investment professionals was targeted to equity sell- and buy-side investment professionals from firms with good reputations globally & continentally. The focus was on "mainstream" players. The online questionnaire, with a multiple-choice structure and comment boxes, also asked participants to provide details on occupation (sell-side/buy-side) and sectors covered.

## Consultation Process in 2008

Throughout 2008 consultations between corporates, investment professionals both at DVFA and EFFAS level took place which are reflected in this version. The main goal of the consultation period was to pave the way for a rapid adoption of KPIs for ESG through corporates.

Investment professionals were interviewed at several occasions and in several European locations. Here, the essential question was in which format corporates should report data, whether corporates should offer analysis and interpretation of ESG data and whether ESG data in general should be part of the Annual Report or kept in separate CSR reports.

In sum, investment professionals both from sell- and buy-side suggested that corporates should merely provide ESG *raw data* incl. benchmarkable data from their respective industries to allow for spreadsheet integration. It was commonly perceived as the function of financial analysis to interpret and analyse the raw data, in other words: investment professionals do neither expect nor demand any other practice from corporates as is common with financial data i.e. raw data in a format that allows for comparison.

Corporates raised some concerns about the total amount of KPIs and the operability of some KPIs. Note that in summary the topical areas identified, the ESGs, did not raise too much concern but were generally considered by corporates as demanding (which from the perspective of EFFAS and DVFA does not necessarily disqualify the ESGs).

In autumn 2008 a small team of DVFA and representatives from German corporates prepared the current version by modifying the classification into General / Sector-specific of a few ESGs and introducing a minimum requirement in terms of KPIs to be reported for each of the General ESGs. Sector-specific ESGs and their respective KPIs remained unmodified.

After publication of version 1.0 in March 2008 DVFA KPIs for ESG received an unqualified endorsement of EFFAS, the European umbrella organisation of

investment professional societies representing more than 18,000 individual investment professionals. EFFAS is also founding member of WICI, the World's Business Reporting Network [www.worldici.com](http://www.worldici.com) whose goal it is to achieve a global framework for measuring and reporting of intellectual assets and capital. DVFA's KPIs for ESG have been integrated into WICI's framework.

Finally, The European Alliance for Corporate Social Responsibility is an open partnership for enterprises to promote and encourage CSR. The Alliance was launched in 2006 as a joint initiative of the European Commission and the business community

<http://www.csreurope.org/pages/en/alliance.html>.

The Alliance organized laboratories for several aspects of CSR management. The laboratory on market valuation of financial and non-financial performance (CSR Lab on Valuation) is exploring the relationship between financial and non-financial performance and the relevance of corporate responsibility in the dialogue between companies and investors. It is developing a European framework for dialogue. DVFA's KPIs for ESG as endorsed by EFFAS received acknowledgement of the CSR Lab on Valuation its work. A partnership was formed with CSR Lab on Valuation endorsing KPIs for ESG. CSR Lab Valuation is one of the main projects within the Alliance for CSR. Gunter Verheugen, Vice President, European Commission on 4<sup>th</sup> December 2008 said about the CSR Lab on Valuation: "I hope that the work of this laboratory can contribute to a quiet revolution in the way that enterprises who wish so can measure and communicate their non-financial performance, allowing investors and other stakeholders to use such information in their decision making processes. There is indeed no other powerful incentive to consider the strategic role of corporate responsibility than an investor able to value the role that it plays for the future prosperity and sustainability of a business."<sup>1</sup>

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<sup>1</sup> Media Release CSR Laboratory on Market Valuation of Financial and Non-financial Performance. 8<sup>th</sup> December 2008

## II. ESG Reporting

### 1. Basic Principles

ESG is a generic term used in capital markets. Often, it is erroneously equated with terms like Corporate Responsibility or Sustainability. However, when mainstream capital markets look at ESG, two focal points immediately emerge: risk caused by (bad) ESG performance and business opportunities based on proactive ESG performance. Corporate Responsibility reports from corporates address several stakeholder groups, not just investors and financial analysts. However, as a professional association of investment professionals, DVFA will focus on the use of ESG in capital markets and how to assure that any ESG data be delivered in useful formats and with meaningful content to investment professionals.

In order that environmental, social and governance (ESG) data can be used as a basis for analysis by investment professionals, there are certain minimum requirements for the ESG management of individual companies and for the quality of ESG reporting.

We recommend that companies demonstrate satisfaction of these minimum requirements in the context of their ESG reporting, e.g. in an ESG report, or in online reporting, taking into account the essential elements outlined below.

#### Section A: Corporate strategy and ESG aspects

Throughout this paper we will look at both focal points of ESG: identifying and managing risks and identifying and capitalizing on business opportunities. Traditionally, the focal point of risk has been more prominent to investment professionals. As with many aspects of corporate conduct, there is the perceived wisdom that corporates do not gain a bonus for good corporate governance or reputation well-being, but indeed suffer a massive discount when ESG issues are well managed. It will be one of the challenges of corporates to work out and communicate to investment professionals

how good ESG performance translates into better corporate performance in capital market currencies, i.e. value of the company and stock price.

A central feature of ESG is the identification and analysis of significant societal developments, along with the related opportunities and risks, with the aim of continually developing fields of ESG activity and associated measures. The future fields of activity provide impulses for the development of the corporate strategy and, at the same time, serve as a source of reinforcement for its implementation.

Including ESG aspects in the development of the corporate strategy offers companies broad potential for future success. In addition to expanding the scope of risk management to include ESG issues, it opens up opportunities to increase cost efficiency and improve the long-term prospects for success of the company.

***The company should outline the importance of ESG for the corporate strategy and explain how ESG aspects are taken into account when implementing the strategy.***

Every company – to differing degrees – has a basic understanding of its ecological, social, and governance responsibilities. Factors that influence or determine this basic understanding include the quality and focus of supervision by management and supervisory boards, the quality of company organization and delegation of responsibilities by the management, the ESG philosophy as well as the integrity, ethical values and competence of the employees.

As a rule, this basic understanding of ESG is also expressed through overarching frameworks, such as an ESG strategy, under which company-specific fields of ESG activity are defined, as well as in more practically oriented regulations such as a code of conduct, environmental management guidelines, donation rules, or

group health and safety policies. Although these topics are already operational realities for many companies, there is often a lack of adequate documentation with respect to procedures and individual measures.

***The company should portray its understanding of ESG – e.g. by developing and publishing an ESG strategy – to the capital market to enhance transparency about risk exposure. Company-wide, practically oriented guidelines should be made available online.***

Companies with ESG management are able to promptly identify future legislative initiatives or opinion shaping processes, which could lead to regulatory interventions. This allows them to anticipate such developments in their product development or corporate communications and position themselves as pioneers in the area of ESG. To achieve this, however, companies must have a process and assessment system in place to evaluate the relevance of ESG issues.

***The company should determine and communicate the current and future relevance of ESG topics for its own business activities – e.g. in ESG reports or via the Internet.***

***Best practice example: Assessment system for relevance of ESG topics***

#### **Formal requirements concerning ESG disclosure and reporting**

Current practice for ESG and CSR is to disclose ESG relevant information in a dedicated process and publish data in a separate report. The DVFA Committee on Non-financials, however, strongly recommends including CSR data as an integral part of statutory and legally required financial reporting. As part of a Management Report, which was made a legal requirement for German companies through the accounting rule DRS 15 (“Konzernlagebericht”), ESG data would gain visibility for investors. This would serve to reflect the importance of such data for analysis of the risk and opportunities of the company.

Consequently, the DVFA Committee on Non-financials suggests that companies formally orient ESG reporting towards the requirements of the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

Below, some adaptations from IFRS<sup>2</sup> to DVFA KPIs have been made with respect to consolidation of ESG statements and handling of cut-off dates in the consolidation process, which may serve as a guideline to corporate ESG reporting:

#### **1. Consolidation of ESG Statements from Parent and Subsidiary**

Following IAS 27, it is recommended that corporates comply with the following rules:

- I. DVFA KPIs for ESG shall be applied in the preparation and presentation of consolidated ESG statements for a group of entities under the control of a parent. (compare to IAS 27.1)
- II. DVFA KPIs for ESG shall also be applied in accounting for investments in subsidiaries, jointly controlled entities and associates when an entity elects, or is required by local regulations, to present separate ESG statements or parts thereof. (compare to IAS 27.4)
- III. A parent (...) shall present consolidated ESG statements in which it consolidates ESG performance data of subsidiaries in accordance with DVFA KPIs for ESG. (compare to IAS 27.9)
- IV. Consolidated ESG statements shall include all subsidiaries of the parent. (compare to IAS 27.12)

#### **2. Differing Cut-off Dates between Parent and Subsidiary**

- I. The ESG statements of the parent and its subsidiaries used in the preparation of the consolidated ESG statements shall be prepared as of the same

<sup>2</sup> Wording adapted from original wording of IFRS Standards in Wiley (Eds.) 2007, International Financial Reporting Standards (IFRS) 2007. The official standards approved by the EU.

reporting date. When the reporting dates of the parent and a subsidiary are different, the subsidiary prepares, for consolidation purposes, additional ESG statements as of the same date as the ESG statements of the parent unless it is impracticable to do so. (compare IAS 27.26)

- II. Consolidated ESG statements shall be prepared using uniform policies for recording of like transactions and other events in similar circumstances. (compare IAS 27.28)

**Section B: ESG management**

**Requirements for implementation**

Ensuring proper ESG management and ESG reporting in accordance with the DVFA requirements necessitates that corporates have a system in place to assess the importance of ESG aspects, as well as a systematic process for correct generation of ESG data.

Analysis of ESG importance and the assessment system must be adequate to legitimise the selection of ESG topics included in company reporting, as well as the type and scope of presentation vis-à-vis third parties. This could be, e.g. a portfolio analysis, which assesses stakeholder requirements vs. the importance of individual ESG topics for the company strategy.

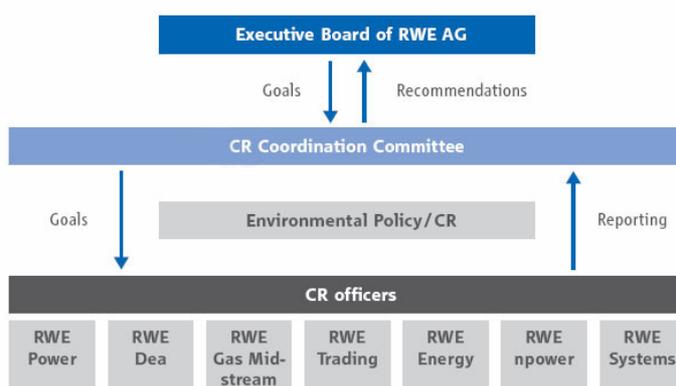
A systematic reporting process as defined by DVFA requires that roles and responsibilities be defined with respect to the quality of financial systems and

accounting, along with process steps for data collection, release, dissemination and validation. Moreover, control measures must be specified for the ESG reporting process and their application as well as proper implementation of the overall ESG reporting process regularly audited by an independent third party.

The ESG management system serves to ensure that ESG activities in the defined fields are implemented at operational level and permits monitoring of these activities by the company management. Often a central ESG management committee is established, in which representatives of central ESG-related company functions regularly coordinate with the ESG representatives of the operative units and support the management board with respect to ESG issues. In many cases, there is a central ESG coordination office in place to support the ESG management committee in day-to-day business. The ESG management committee and the ESG coordination office ideally report directly to the CEO or the management board spokesman. Among other things, this serves to ensure the reinforcement function of ESG management for the corporate strategy. Alternatively, an organizational tie-in with the Strategy unit or Compliance Management can be a good idea.

***The company should lay out its ESG management system with its key elements and processes to the capital market. Additional information in the form of organizational charts and descriptions of key functions can also be published online.***

**CR management structure of RWE AG as of 31 December 2007**



### **Best practice example: organizational structure of ESG management**

As a rule, the fields of activity defined in the company's ESG strategy are put into operation by way of an ESG program, which links them to concrete objectives and specifies ESG measures to meet these objectives. Generally, the company's overall ESG objectives are communicated to the operative units in a top-down iterative process. The primary fields of ESG activity should be taken into account when defining objectives and initiating measures. Attainment of the objectives is monitored from the bottom up, and this monitoring process culminates in an assessment of the ESG results by the central ESG management committee.

***The company should provide a description of its overall ESG program to the capital market. Additional reports on individual ESG projects with particular relevance for reinforcement of the corporate strategy may be published in the ESG report or online.***

For assessing the effectiveness of ESG activities and identifying needs for additional attention in areas previously deemed non-relevant, a systematic and early identification, collection, and communication of relevant information is required. Sources include internally generated data as well as information on external events, such as the results of stakeholder dialogues, client and employee surveys, or discourses with government authorities.

Companies should also report on how they interact with members of their supply chain, e.g. how suppliers' adherence to minimum ESG requirements is reviewed, and how customers are informed about the company's ESG performance.

***The company should present its communication with stakeholders in an aggregated form and highlight individual, especially relevant stakeholder-relationships in the ESG report or via the Internet.***

Compliance with the ESG management system and its functioning must be

continuously monitored. For instance, it would be possible for the internal audit department to review proper implementation of the ESG organisational requirements as part of its regular auditing duties. The central ESG coordination office could also carry out audits on the operative implementation of the ESG framework. Additionally, external assessments can be conducted, such as certifications of environmental management systems or CO<sub>2</sub> volumes, along with external audits of ESG reports or ESG data in the management report.

### **Section C: Preconditions for ESG reporting**

An important component of the ESG management system is internal reporting, which forms the basis for all planning and monitoring processes relating to ESG within the company and its - often widely varied - units and divisions. In order to monitor the achievement of objectives, companies usually define uniform key performance indicators (KPIs) for ESG company-wide. These KPIs are consolidated regularly throughout the company and, as a rule, reported at least once a year to the central ESG management committee.

ESG reporting must be based on a clearly structured process with definitive rules governing data collection, data entry/transmission, and central data aggregation. The process must ensure satisfactory audit trails for the data and feature adequate control mechanisms (e.g. approval procedures, automatic plausibility checks) to guarantee accurate reporting. The process should be supported by suitable ESG software.

In order to guarantee more efficient collection of ESG data, the units charged with data collection should be provided with benchmarks for the improvement of their data collection processes. This could be accomplished, for instance, with a group-wide ESG Accounting Manual, similar to the manual used for financial accounting. The manual could contain recommendations for audit-proof collection and documentation of basic data, or methods for efficient extrapolation of information from this data (e.g. data aggregation).

**The company must order its ESG reporting systematically and gear it towards a high level of data reliability.**

If ESG information is reported externally, the company should follow the DVFA Principles for Effective Financial Communication ([www.dvfa.com](http://www.dvfa.com)). Of particular importance are the principles relating to relevance, transparency, continuity and recentness, to ensure high-quality reporting of ESG-KPIs.

- **Relevance**  
Information is communicated based on relevance for the recipients and meets the expectations of investors and financial analysts with respect to scope, detail, frequency and completeness. Communication of ESG-KPIs is complete when all units controlled by the reporting company, or over which the company exerts significant influence, are included in the data collection. System boundaries – e.g. suppliers and their ESG contributions, or the ESG impact of product use by customers – must be clearly represented. When defining system boundaries and specific terminology, companies should orient themselves on general standards and guidance, such as the WBCSD/WRI GHG protocol<sup>3</sup>.
- **Transparency**  
ESG information should be consistent and transparent. The information should be quantified and adequately explained. Comparisons with other organizations should also be possible. For this reason, all material changes in the boundaries and scope of reporting, or the reporting periods, should be indicated and explained. The reported ESG-KPIs must be accurate (i.e. free from significant errors), plausible, and definitive, and not in contradiction with current measures, other company documentation (including annual reports) or generally recognized economic facts. Information should also be provided as to which data has been approximated and which

assumptions and methods were used as the basis for this approximation; or sources should be cited for such information.

- **Continuity and recentness**  
Information made available is always recent; communicated fragments and content are continually updated to reflect current developments. There are no contextual gaps in the company's reported ESG information. Abrupt, precipitous changes are avoided. It is advisable that the communication of ESG-KPIs be synchronized with financial reporting and that ESG-KPIs also be included in the management report, to the extent that these are relevant for an understanding of the company's performance or financial situation.

**The company must ensure complete, transparent, continual and up-to-date ESG reporting that contains the most important ESG-KPIs.**

The information, data, processes, and assigned competencies required for the preparation of ESG reports should be recorded, analyzed, documented, and disclosed in such a way that they would stand up to an internal and external audit or review. An independent audit by well-qualified third parties is a particularly good way to increase the assurance capability (i.e. perceived reliability) of the reported ESG-KPIs. This also serves to ensure the credibility and acceptance of ESG communication among the target groups. As a rule, external auditing carries the additional advantage that ESG reporting and ESG management can be improved based on the best practices referred to by the auditor.

For any recommendation other than these, corporates should generally align ESG reporting with all other reporting to the capital markets.

<sup>3</sup> The GHG protocol is an international guideline for calculation emissions and carbon footprints. <http://www.ghgprotocol.org>

First of all, the IASCF's technical summary entitled "Framework for the Preparation and Presentation of Financial Statements"<sup>4</sup> may serve as a guideline for underlying principles of user-oriented reporting. Although the IASCF document merely makes suggestions about financial statements, the recommendations can also be applied to ESG data:

"Qualitative characteristics are the attributes that make the information provided in financial statements useful to users. The four principal qualitative characteristics are understandability, relevance, reliability and comparability."<sup>5</sup>

## 2. Disclosure and Reporting on ESG Line Items

Section 2.2 (Plausibility) of DVFA Principles for Effective Financial Communication explains that

"Company reports should be consistent and plausible. Financial information should be quantified and sufficiently documented."<sup>6</sup>

Quantification and documentation are also the most essential criteria relating to ESG data for investment professionals!

Before looking at the concept of key performance indicators (KPIs), however, it is important to understand the format in which the quantifiable data should be delivered.

First of all, the following recommendation on plausibility quoted from DVFA principles can be easily adapted to ESG data:

2.2.2 The method used for the calculation of reported figures is disclosed.

2.2.3 Segment reporting adequately represents the company, its lines of business and geographical distribution.

2.2.4 The structure of reports as well as the content and scope of data included is only changed in justified cases.

<sup>4</sup> <http://www.iasb.org/NR/rdonlyres/E366C162-17E4-4FBE-80EB-7A506A615138/0/Framework.pdf>  
26 February 2008

<sup>5</sup> *ibid*, page 1

<sup>6</sup> *ibid*, page 12

Section 3.1. (Continuity and Recentness) continues by recommending the following principles:

3.1.1 Time series are consistent over time

3.1.2 Changes to already defined segments are only made in justified exceptional cases.

Bearing these important criteria in mind, corporates are reminded that financial analysis cannot be carried out using isolated data. Financial analysis moves along the lines of two important analytical questions:

1. Diachronous underlying dynamics: data needs to be reported in a context that allows a period-to-period analysis of how the performance of a given item has developed, and how it will develop in the future period. Any line item or KPI for a reported period needs to be given historical and future values in order to be meaningful;
2. Synchronous/Industry dynamics: analyzing the performance of a corporate immediately gives rise to the question as to the performance of comparable (e.g. in terms of size, market capitalization) corporates or peers.

An example may serve to illustrate the point: an automotive manufacturer discloses a KPI for the topical area or brief ESG "waste". The respective KPI – "tonnage of waste produced per unit" – shows a value of 30 tons/unit produced. Given the above explanations, investment professionals need to be given additional data in order to compare the reported item, answering the following questions:

1. What was the historic output of waste per unit? Was waste output perhaps at 35 tons/unit in the past, and is it the aim of the corporate to reduce waste in the future to, say, 27 tons/unit? 2. What is the output that peers of the automotive manufacturer produce? Is it better or worse?

The corporate should report time series of data rather than isolated items for the period reported.

Benchmark data (e.g. on peers, industry standards etc.) should be reported with line items to give the items a meaningful context.

### 3. Presentation of ESG data

Common practice among corporates is to publish ESG-related data in a dedicated hardcopy brochure. This brochure is generally published independent of the corporate's annual report. Recently, and to an increasing extent, corporates have started using additional media such as the corporate website for publishing of reports related to ESG.

#### Media:

It is recommended that corporates consider the following additional channels for disseminating ESG-related data to investment professionals:

1. Annual Report: ESG-related data should be included in the corporate's annual report, ideally in the MD&A (Management Discussion and Analysis) section. In the German market, the MD&A section is a legal requirement under accounting standard DRS 15 ("*Konzernlagebericht*") of the DRSC Accounting Standards Committee of Germany. As the German MD&A section is an integral part of any annual report of a German corporate, the section falls under the auditing process, which investors consider to be a valuable aspect.
2. Website: Often, the frequency of ESG-related reports is lower than that of financial reports. While investors understand that consolidation processes within the corporate often hamper an increase of frequency, the publishing of updates over the corporate website may be considered a viable solution. An intelligent interplay between a full-scale paper or PDF-report with frequent updates on the website may also enhance

adoption and use of ESG data by investors.

3. Analyst / Investor presentations: Throughout the year and after reporting cut-off dates, senior management typically engages in roadshows, group presentations and 1:1s with key investors and financial analysts covering the company. Typically, the company management presents key financial (and oftentimes extra-financial) items to an investment professional audience through presentation slides, which are also made available for a limited period of time in the IR section of the corporate webpage. Senior management should be encouraged to selectively integrate ESG-related topics into their deck of slides.

#### Format:

Throughout this document, it is argued that the greatest flaw with respect to ESG-related data in current practice is the narrative format, which prevents integration into conventional financial analysis.

While supportive prose texts may serve as means of increasing plausibility of quantitative ESG-data for investment professionals, accessibility and usability of ESG-data is key.

It is recommended that corporates report ESGs and respective KPIs in a table format, which allows for easy data extraction and comparability.

The recent developments in the area of interactive data formats suggest that corporates would benefit from technologies such as XBRL (eXtensible Business Reporting Language). The US Securities Exchange Commission (SEC) has recently mandated that the 500 largest US firms present their annual financial reports including notes in XBRL. An XBRL taxonomy for DVFA's/EFFAS' KPIs for ESG is available at the homepage of WICI, the global network for business reporting ([www.worldici.com](http://www.worldici.com)).

### III. ESGs (Topical Areas) and Key Performance Indicators

#### 1. ESGs and KPIs

Topical areas are called ESGs. ESGs describe the general purpose of issues to be reported. ESGs serve as an overarching description of the issue at hand, and explain the ratio behind the KPI.

ESGs are not the actual items to be reported. The actual item should be reported in the format of a KPI i.e. the line item to be reported.

The ESG serves as denominator. KPIs need to be chosen from the list included and they represent the actual line items to be reported.

#### 2. General ESGs and Sector-specific ESGs

General ESGs apply to all industries and should, hence, be areas which should be reported in the format of a KPI by all corporates. Sector-specific ESG apply to specific industries only. General ESGs, however, are not more important than sector-specific ESGs. Rather, in order to arrive at a representative and authentic reporting picture, corporates should report all of issues within the section of the General ESGs by selecting those KPIs which represent the minimum requirement which is typically a set of 1 KPI reflecting an absolute value and 1 KPI reflecting a level of intensity.

As far as sector-specific ESGs are concerned, corporates should select those which deem relevant for their industries. However, the list of sector-specific ESGs is not exhaustive! Corporates are welcome to add – selectively and after due consideration – additional sector-specific ESGs and KPIs wherever necessary and appropriate.

KPIs for General ESGs should be disclosed by all industries. Sector-specific ESGs should be reported additionally to depict issues relevant to the respective sector. Additional sector-specific ESGs and KPIs may be added by corporates.

#### 3. Taxonomies

Taxonomies are provided for both General ESGs and Sector-specific ESGs.

Taxonomies contain the following elements:

- a) A parent (= ESG) and child (= KPI) relationship scheme;
- b) ESGs contain a unique identifier e.g. ESG1, ESG 2, ESG 3
- c) KPIs also contain a unique identifier that permits back-reference to the specific ESG (Example: Parent = ESG “Maturity of Workforce”, Child = KPI “Average Age of Workforce”);
- d) A description field depicting how values for the KPI should be calculated;
- e) A short name, serving as an Element Name for an XBRL-based reporting template. NB. short names may be subject to modification;
- f) A format field that explains in which format data for the KPI should be disclosed;

A sector field that indicates the sectors in which the KPI should be used. NB. For sector-specific KPIs, any reference to a specific sector may only be indicative, i.e. corporates need to identify those sector-specific KPIs which best serve to depict their performance!

#### **4. Columns Corporate / Benchmark**

There are two columns for most KPIs: one for data relating to the corporate, and another for data relating to a benchmark.

In chapter III, we already pointed out that financial analysis requires comparability of data and line items, i.e. users want to a) compare corporate performance within a reported period to prior periods, and b) compare line items of a corporate to an external benchmark.

It is recommended that corporates report both line items and relational benchmarks, which can consist of sector-related averages, data from peers or any other external reference point that serves to put individual corporate performance into context.

#### **5. General ESGs and respective KPIs**

DVFA has identified 9 General ESGs for Extra/Non-Financials, which – following the common usage – are structured into E, S, G, and V (short for long-term viability).

Corporates should use each of the General KPIs, reporting those KPIs featured which represent the generally binding minimum requirement.

Annotations and details on reported entities should be provided if the data disclosed does not refer to an entire business or, if it does, would fail to provide meaningful data. For example, should meaningful data be unavailable for certain business units, regions or products, the corporates should clearly indicate the scope of data disclosed in annotations.

#### **6. Sector-specific ESGs and their respective KPIs**

Thorough ESG reporting allows corporates to track and disclose those issues specific and idiosyncratic to their sector. Often, differences between industries surface not only at the level of KPIs, but also in the context of ESGs.

DVFA's sector-specific ESGs present a starting point for sector-specific reporting on KPIs for ESG. The sample of ESG and KPIs for sector-specific KPIs has been defined for five sector-groups: Industrial Transportation [2770], Automobiles [3353], Electricity Utilities [7530], Banks [8350], and Nonlife Insurance [8530]. It is the intention of DVFA's Committee on Non-Financials to complete all remaining industries over the course of 2008 and 2009 through dialogue with both corporates and investors.

Corporates from industries whose sector-specific ESGs have not yet been defined should not be discouraged, however: there may already be sector-specific ESGs and KPIs within in the sample contained in this publication that may easily be adapted to other industries' needs. On the other hand, corporates are invited to work closely with DVFA's committee on completing KPI profiles for their respective industries.

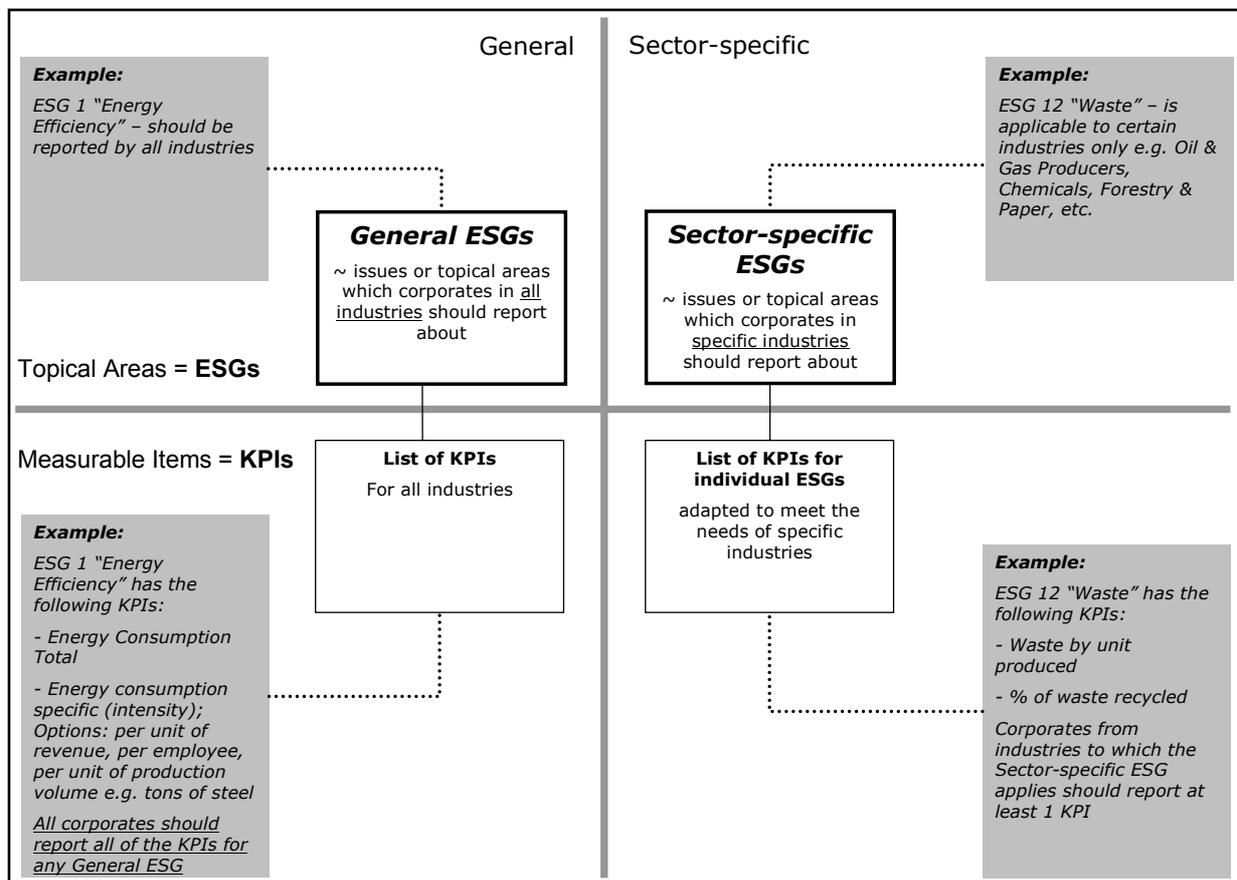


Figure 1: How ESGs and KPIs relate

## 7. Methodology for defining sector-specific ESGs and KPIs

Initially, DVFA provided sector-specific ESGs and KPIs for a limited number of industries. While currently additional sectors are being defined by various parties, DVFA encourages third parties to develop sets of ESGs and KPIs for additional industries.

The sets to be developed should in general possess the following traits:

- Not more than 10-15 ESGs for a defined sector;
- Well balanced i.e. covering E, S and G;
- Based on the Dow Jones Industry Classification Guide;
- Quantifiable and well delineated.

The definition of a set of proposed ESGs and KPIs can be carried out by third parties and groups consisting of members from various stakeholder groups such as individual investment professionals from sell- or buy-side, brokers, investment firms, corporates, ESG assurance providers and advisors, academics etc.

Representatives from any third party can assume responsibility for defining sector-specific ESGs and KPIs and thus be "in lead". However, in order to receive recognition by DVFA/EFFAS and have sets of sector-specific ESGs as well as KPIs adopted as part of the framework it is mandatory to follow those process steps described below.

Principally, the process comprises of the following process steps:

- 1 Longlisting ESG and Performance Indicators – selection of a variety of available topical areas and performance indicators for a specific sector.
- 2 Shortlisting ESGs and KPIs – an iterative process of condensing those topical areas and performance indicators with the highest relevance to investment professionals (~ KPIs).
- 3 Validation – conducting a survey with a wider group of investment professionals in order to establish validity of selection of ESGs and KPIs across markets and continents.

## 1. Longlisting of ESGs and Performance Indicators.

Longlisting means selecting all those topical areas and performance indicators which typically can be found in corporate reports, research reports or academic papers. There is no need at this stage to build qualified judgements on relevance or materiality. Alternatively, known Best Practices (BP) can be longlisted and used as input to process step 2.

Potential sources include:

- Company reports e.g. CSR Reports, webpage, company presentation
- Public reports from research providers e.g. SAM, SiRi, Innovest, Vigeo
- Freely accessible databases,
- Indicators from internal resources such as research departments, colleagues etc.

NB. Please respect intellectual property and use either publically available information or information which you have been given explicit permission to use by the authors.

## 2. Shortlisting of ESG and Key Performance Indicators

The process of shortlisting requires that selections be made from ESGs and available performance indicators on the longlist. Essential selection criteria for shortlisting is the usefulness or relevance of the ESG and the respective performance indicator for understanding risk or business opportunities – *from the perspective of investors*. It is mandatory that a small focus-group of sector-specialised investment professionals is involved in the shortlisting process stage!

The best means of condensing the longlist to a shortlist is a moderated group discussion with investment professionals in which those performance indicators deemed most relevant or material are being presented including a short and concise explanation of the ratio for relevance and materiality by the group/individual in lead of the given sector. The focus-group of investment professionals is then asked to respond to the proposed ESGs and KPIs and critically judge on the explanations rendered.

Other suitable methods of investigating are surveys with investment professionals, qualitative interviews etc.

Note that the discussion with investment professional may have to go through several iterations: e.g. ESGs or KPIs proposed may not be considered useful by investment professionals, explanations proposed may not prove to be relevant to investment professionals, further research may be needed, additional performance indicators may have to be selected etc.

## 3. Validating the Shortlist

Once a shortlist has been finalised, DVFA will survey the ESGs and KPIs with a wider group of investment professionals in Europe, Asia and the US, validating the findings of the focus-group. If necessary, DVFA will ask the team organisation or team which is responsible for the given set of sector-specific KPIs to modify their list according to the results from the survey.

Those ESGs and KPIs which were confirmed material and relevant through the survey will be endorsed in DVFA's framework for KPIs for ESG.

## 8. Overview of General ESGs and their KPIs

| ESG                                       | KPI  |
|---|--|
| <b>ESG 1 Energy efficiency</b>            | ESG 1-1 Energy consumption, total  |
|   | ESG 1-2 Energy consumption, specific (intensity); Options: per unit of revenue, per employee, per unit of production volume (tons of steel, for example) |
| <b>ESG 2 GHG emissions</b>                | ESG 2-1 GHG emissions, total   |
|   | ESG 2-2 GHG emissions, specific; Options: per unit of revenue, per employee, per unit of production volume (tons of steel, for example)                  |
| <b>ESG 3 Staff turnover</b>               | ESG 3-1 Percentage of employees leaving p.a./total employees (FTE?)  |
| <b>ESG 4 Training &amp; qualification</b> | ESG 4-1 Percentage of trained employees p.a./total employees (FTE?)  |
|   | ESG 4-2 Average expenses on training per employee p.a  |
| <b>ESG 5 Maturity of workforce</b>        | ESG 5-1 Age structure/distribution (number of employees per age group, 10 year intervals)  |
|   | ESG 5-2 Percentage of workforce to retire in next 5 years  |
| <b>ESG 6 Absenteeism rate</b>             | ESG 6-1 Number of mandays lost per employee p.a.   |
| <b>ESG 7 Litigation risks</b>             | ESG 7-1 Expenses and fines on filings, law suits related to anti-competitive behavior, anti-trust and monopoly practices                                 |
|   | ESG 7-2 Reserves on preventive measurements against anti-competitive behaviour, anti-tust and monopoly practices   |
|   | ESG 7-3 (other) litigation payments, total   |
|   | ESG 7-4 (other) litigation payments, reserves  |
| <b>ESG 8 Corruption</b>                   | ESG 8-1 Percentage of revenues in regions with TI corruption index below 6.0   |
| <b>ESG 9 Revenues from new products</b>   | ESG 9-1 Percentage of revenues from products at end of life-cycle  |
|   | ESG 9-2 Percentage of new products or modified products introduced less than 12 months ago   |

## IV. Tables of ESGs and KPIs

### General ESGs and KPIs

| ESG                      | ESG 1 Energy efficiency   |  |   |   |  |  |   |   |
|--------------------------|---|--|---|---|--|--|---|---|
| Definition and Reference | Energy efficiency was defined as "any change in energy use that results in an increase in net benefits per unit of energy" ( <a href="http://www.pce.govt.nz/reports/pce_reports_glossary.shtml#e">http://www.pce.govt.nz/reports/pce_reports_glossary.shtml#e</a> ). Energy efficiency has a direct effect on operational costs and exposure to fluctuations in energy supply and prices.  |  |   |   |  |  |   |   |
| KPI                      | ESG 1-1   |  | ESG 1-2   |   | ESG 1-2  |  | ESG 1-2   |   |
| Description              | Energy Consumption Total Corporate  | Energy Consumption Total Benchmark                             | - Energy consumption per unit of revenue in kwh Corporate | - Energy consumption per unit of revenue in kwh Benchmark | - Energy consumption per employee in kwh Corporate                                 | - Energy consumption per employee in kwh Benchmark                                 | - Energy consumption per unit of production volume (tons of steel, for example) Corporate | - Energy consumption per unit of production volume (tons of steel, for example) Benchmark |
| Shortname                | ener.cons.tot.corp  | ener.cons.tot.bench  | ener.cons.revenue.corp                                    | ener.cons.revenue.bench                                   | ener.cons.employee.corp  | ener.cons.employee.bench   | ener.cons.production.corp   | ener.cons.production.bench  |
| Unit / Calculation       | kilowatthours (kwh) in '000s  | kilowatthours (kwh) in '000s                                   | kilowatthours (kwh) / unit of revenue                     | kilowatthours (kwh) / unit of revenue                     | kilowatthours (kwh) / employee   | kilowatthours (kwh) / employee   | kilowatthours (kwh) / unit of production  | kilowatthours (kwh) / unit of production  |
| Format                   | x,xxx,xxx,xxx.xx; numeric   | x,xxx,xxx,xxx.xx; numeric                                      | x,xxx,xxx,xxx.xx; numeric                                 | x,xxx,xxx,xxx.xx; numeric                                 | x,xxx,xxx,xxx.xx; numeric  | x,xxx,xxx,xxx.xx; numeric  | x,xxx,xxx,xxx.xx; numeric   | x,xxx,xxx,xxx.xx; numeric   |
| Sector                   | All   | All  | All   | All   | All  | All  | All   | All   |
| ESG                      | ESG 2 GHG emissions   |  |   |   |  |  |   |   |
| Definition and Reference | Greenhouse gas emissions are the main cause of climate change. This Indicator can be used to explain targets for regulations or trading systems at international or national levels. It also provides insights into the potential cost implications of taxation or trading systems for reporting companies.<br><br>Please refer to the Greenhouse Gas Protocol: "The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. The GHG Protocol Initiative, a decade-long partnership between the World Resources Institute and the World Business Council for Sustainable Development, is working with businesses, governments, and environmental groups around the world to build a new generation of credible and effective programs for tackling climate change." Source: <a href="http://www.ghgprotocol.org">www.ghgprotocol.org</a><br><br>Other definitions can be found at ISO Organisation ( <a href="http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.html#quantifying">http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.html#quantifying</a> ). The newly developed standards ISO 14064 and ISO 14065 provide an internationally agreed framework for measuring GHG emissions and verifying claims made about them so that "a tonne of carbon is always a tonne of carbon".<br><br>Other sources:<br>VFU Indicators: Internal Environmental Performance Indicators for the Financial Industry: see <a href="http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VFU_Indicators_2005_Calculation_File_February_2007.xls">http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VFU_Indicators_2005_Calculation_File_February_2007.xls</a> |  |   |   |  |  |   |   |
| KPI                      | ESG 2-1   |  | ESG 2-2   |   | ESG 2-2  |  | ESG 2-2   |   |
| Description              | GHG emissions Total Corporate   | GHG emissions Total Benchmark                                  |   |   |  |  |   |   |
| Shortname                | GHG.emiss.total.corp  | GHG.emiss.total.bench  |   |   |  |  |   |   |
| Unit / Calculation       | Total GHG Emissions in Million tons   | Total GHG Emissions in Million tons                            |   |   |  |  |   |   |
| Format                   | xxx,xxx,xxx.xx MtGHG  | xxx,xxx,xxx.xx MtGHG   |   |   |  |  |   |   |
| Sector                   | All   | All  |   |   |  |  |   |   |
| KPI                      | ESG 2-2   |  | ESG 2-2   |   | ESG 2-2  |  | ESG 2-2   |   |
| Description              | GHG emissions per unit of revenue Corporate   | GHG emissions per unit of revenue Benchmark                    | GHG emissions per employee Corporate                      | GHG emissions per employee Benchmark                      | GHG emissions per unit of production volume (tons of steel, for example) Corporate | GHG emissions per unit of production volume (tons of steel, for example) Benchmark |   |   |
| Shortname                | GHG.emiss.revenue.corp  | GHG.emiss.revenue.bench  | GHG.emiss.employee.corp                                   | GHG.emiss.employee.bench                                  | GHG.emiss.production.corp  | GHG.emiss.production.bench   |   |   |
| Unit / Calculation       | Total GHG Emissions in Million tons   | Total GHG Emissions in Million tons                            | Total GHG Emissions in Million tons                       | Total GHG Emissions in Million tons                       | Total GHG Emissions in Million tons  | Total GHG Emissions in Million tons  |   |   |
| Format                   | xxx,xxx,xxx.xx MtGHG  | xxx,xxx,xxx.xx MtGHG   | xxx,xxx,xxx.xx MtGHG                                      | xxx,xxx,xxx.xx MtGHG                                      | xxx,xxx,xxx.xx MtGHG   | xxx,xxx,xxx.xx MtGHG   |   |   |
| Sector                   | All   | All  | All   | All   | All  | All  |   |   |
| ESG                      | ESG 3 Staff turnover  |  |   |   |  |  |   |   |
| Definition and Reference | Employee retention delivers two important aspects of organization: from the angle of conserving the workforce and its inherent skills, knowledge etc. an organization's ability to retain a high percentage of its workforce is an asset for continuity and future development. Fluctuation typically puts organisations under stress; effort and expenses to integrate and train new employees also puts a strain on organisations as is generally known from start-up companies. However, retention may have a downside in so far as organisations must ensure taking on board new employees esp. young employees in order to balance the maturity of workforce so that continuity of operation is not put at risk.   |  |   |   |  |  |   |   |
| KPI                      | ESG 3-1   |  |   |   |  |  |   |   |
| Description              | % of employees leaving p.a. / total employees (FTE?) Corporate  | % of employees leaving p.a. / total employees (FTE?) Benchmark |   |   |  |  |   |   |
| Shortname                | staff.turn.corp   | staff.turn.bench   |   |   |  |  |   |   |
| Unit / Calculation       | Percentage  | Percentage   |   |   |  |  |   |   |
| Format                   | xx.xx %, numeric  | xx.xx %, numeric   |   |   |  |  |   |   |
| Sector                   | All   | All  |   |   |  |  |   |   |

| ESG                                       |  |   |   |   |  |  |  |
|---|--|---|---|---|--|--|--|
| <b>ESG 4 Training &amp; qualification</b> |  |   |   |   |  |  |  |
| Definition and Reference                  | Training and education provides an important aspect of the organisation's commitment to sustaining excellency by investing in employees' skills and knowhow. When comparing this KPI within a peer group it helps to understand the organization's preparedness to improve process or product quality. Fur further information please check R195 Human Resources Development Recommendation, 2004 at <a href="http://www.ilo.org/iloex/cgi-lex/convde.pl?R195">http://www.ilo.org/iloex/cgi-lex/convde.pl?R195</a> |   |   |   |  |  |  |
| KPI                                       | <b>ESG 4-1</b>   |   | <b>ESG 4-2</b>  |   |  |  |  |
| Description                               | % of trained employees p.a. / total employees (FTE?) Corporate   | % of trained employees p.a. / total employees (FTE?) Benchmark                              | Average expenses on training per employee p.a. Corporate          | Average expenses on training per employee p.a. Benchmark          |  |  |  |
| Shortname                                 | training.empl.corp   | training.empl.bench   | training.\$.empl.corp   | training.\$.empl.bench  |  |  |  |
| Unit / Calculation                        | Days   | Days  | Currency \$ / € '000  | Currency \$ / € '000  |  |  |  |
| Format                                    | xxx.x, numeric   | xxx.x, numeric  | xxx,xxx.xx  | xxx,xxx.xx  |  |  |  |
| Sector                                    | All  | All   | All   | All   |  |  |  |
| <b>ESG 5 Maturity of workforce</b>        |  |   |   |   |  |  |  |
| Definition and Reference                  | Understanding the maturity of a workforce is key for assessing the risk of over-aging of the workforce i.e. the phenomenon that a large proportion of the workforce is retiring in a relatively short span. Whilst it is desirable that corporates continuously recruit new staff members within a timeframe that allows transfer of knowledge and experience from mature parts of the workforce experience shows that often such provident action is far from being standard practice in many corporates.         |   |   |   |  |  |  |
| KPI                                       | <b>ESG 5-1</b>   |   | <b>ESG 5-2</b>  |   |  |  |  |
| Description                               | Age structure/distribution (number of employees per age group, 10 year intervals) Corporate  | Age structure/distribution (number of employees per age group, 10 year intervals) Benchmark | % of workforce to retire in next 5 years Corporate                | % of workforce to retire in next 5 years Benchmark                |  |  |  |
| Shortname                                 | Arith.mean.age.workforce.corp  | Arith.mean.age.workforce.bench  | perc.retire.5yrs.corp   | perc.retire.5yrs.bench  |  |  |  |
| Unit / Calculation                        | Years  | Years   | Percentage  | Percentage  |  |  |  |
| Format                                    | xx.x, numeric  | xx.x, numeric   | xx.x %, numeric   | xx.x %, numeric   |  |  |  |
| Sector                                    | All  | All   | All   | All   |  |  |  |
| <b>ESG 6 Absenteeism rate</b>             |  |   |   |   |  |  |  |
| Definition and Reference                  | Absenteeism is a relatively effective indicator of workforce morale. Especially in industrial contexts accident is an indicator for workforce morale. Health Rate ("German: Gesundheitsquote") was added as an additional KPI. Health Rate describes working hours actual in relation to contractual working hours total; thus, effects of overtime hours are adjusted.  |   |   |   |  |  |  |
| Applied KPI                               | <b>ESG 6-1</b>   |   |   |   |  |  |  |
| Description                               | Number of mandays lost per employee p.a. Corporate   | Number of mandays lost per employee p.a. Benchmark  |   |   |  |  |  |
| Shortname                                 | mandays.lost.corp  | mandays.lost.bench  |   |   |  |  |  |
| Unit / Calculation                        | Days   | Days  |   |   |  |  |  |
| Format                                    | xxx.x, numeric   | xxx.x, numeric  |   |   |  |  |  |
| Sector                                    | All  | All   |   |   |  |  |  |
| <b>ESG 7 Litigation risks</b>             |  |   |   |   |  |  |  |
| Definition and Reference                  | From an economic perspective, compliance reduces either directly in terms of fines or indirectly through impacts on reputation incurred financial risks. Additionally an organization's compliance record may have an influence on its ability to expand operations or gain permits. Anti-competitive behavior both bears reputational risk and monetary effects through fines and legal sanctions. Recent incidents within the European Union e.g. show the negative impact on organisations' P&L.                |   |   |   |  |  |  |
| KPI                                       | <b>ESG 7-1</b>   | <b>ESG 7-2</b>  | <b>ESG 7-3</b>  | <b>ESG 7-4</b>  |  |  |  |
| Description                               | Expenses and fines on filings and law suits related to anti-competitive behaviour, anti-trust and monopoly practices Corporate   | Reserves on preventive measurements Corporate   | (other) litigation payments, total in \$, € past period Corporate | (other) litigation payments, reserves in \$, € forecast Corporate |  |  |  |
| Shortname                                 | fines.antitrust&.corp  | reserv.prev.antitrust&.corp   | litigation.payments.tot\$.corp                                    | litigation.payments.fcast\$.corp                                  |  |  |  |
| Unit / Calculation                        | Currency \$ / € '000   | Currency \$ / € '000  | US \$, €  | US \$, €  |  |  |  |
| Format                                    | xxx,xxx,xxx,xx numeric   | xxx,xxx,xxx,xx numeric  | xxx,xxx,xxx,xxx.--  | xxx,xxx,xxx,xxx.--  |  |  |  |
| Sector                                    | All  | All   | All   | All   |  |  |  |

| ESG                      | ESG 8 Corruption   |  |  |  |  |  |  |  |
|--------------------------|--|--|--|--|--|--|--|--|
| Definition and Reference | <p>The concept of corruption does not necessarily apply easily in certain emerging markets in so far as market participation may seem to require local representatives to play along perceived "rules" of non-compliant behavior. Stewardship requires senior management to clearly and unmistakably set policies which provide orientation to local workforce. In return, targets for market penetration in markets susceptible to forms of corruption should take into account limits of growth if growth would imply breach of anti-corruption policies.</p> <p>F&amp;C Investments (re Report 4 th Quarter 2007, page 8p) measure the costs associated with bribery by an anonymized but authentic example: a Swiss engineering company found guilty on paying a bribe in Africa of \$ 1 Mill, payed a fine of \$ 16 Mill, incurred \$ 76 Mill. forensic accounting and compliance costs (incl. 43,000 lawyer-hours), lost \$ 200 mill. on the contraction; reputation damage and management distraction are not accounted for as unquantifiable.</p> <p>Transparency International (<a href="http://www.transparency.org">www.transparency.org</a>) measures corruption and bribery around the globe and is a valid score for any score or ranking on corruption.</p> |  |  |  |  |  |  |  |
| KPI                      | ESG 8-1  |  |  |  |  |  |  |  |
| Description              | % of revenues in regions with TI corruption index below 6.0 Corporate  | % of revenues in regions with TI corruption index below 6.0 Benchmark                |  |  |  |  |  |  |
| Shortname                | corruption.index.corp  | corruption.index.bench   |  |  |  |  |  |  |
| Unit / Calculation       | Source: Transparency International Corruption Score  | Source: Transparency International Corruption Score                                  |  |  |  |  |  |  |
| Format                   | xx.xx %  | xx.xx %  |  |  |  |  |  |  |
| Sector                   | All  | All  |  |  |  |  |  |  |
| ESG                      | ESG 9 Revenues from new products   |  |  |  |  |  |  |  |
| Definition and Reference | <p>The amount of resources an organisation is prepared to spent on products which will be marketable in a distant future is one of the most important indicators for future profit growth potentials. Any meaningful KPI in this area will also serve to investors for understanding how current cashflows can be continued when products and services mature. Depending on the industry it may be necessary that KPIs for e.g. products, patents, R&amp;D encompass activities with external agencies such as technological suppliers or academic forms of cooperation.</p>   |  |  |  |  |  |  |  |
| KPI                      | ESG 9-1  |  | ESG 9-2  |  |  |  |  |  |
| Description              | Percentage of revenues from products with lifecycle smaller than 12 months Corporate   | Percentage of revenues from products with lifecycle smaller than 12 months Benchmark | Percentage of new products with lifecycle smaller than 12 months / total product portfolio Corporate | Percentage of new products with lifecycle smaller than 12 months / total product portfolio benchmark |  |  |  |  |
| Shortname                | rev\$.newprod.corp   | rev\$.newprod.bench  | rev\$.newprod.corp   | rev\$.newprod.bench  |  |  |  |  |
| Unit / Calculation       | Percentage   | Percentage   | Percentage   | Percentage   |  |  |  |  |
| Format                   | xx.xx %  | xx.xx %  | xx.xx %  | xx.xx %  |  |  |  |  |
| Sector                   | All  | All  | All  | All  |  |  |  |  |

## Sector Industrial Transportation [2770]

### A. Overview of sector-specific ESGs

| <b>E</b><br><b>Environmental</b>   | <b>S</b><br><b>Social</b>   | <b>G</b><br><b>Governance</b>             | <b>V</b><br><b>Longterm Viability</b>  |
|--|---|---|--|
| ESG 10 Deployment of renewable energy<br>ESG 11 NO, SO Emissions<br>ESG 12 Waste | ESG 19 Investments in accordance with ESG<br>ESG 20 Supplier agreements in accordance with ESG<br>ESG 21 Health & safety of products<br>ESG 22 Restructuring-related relocation of jobs | ESG 24 Contributions to political parties | ESG 25 R&D expenses<br>ESG 28 Customer retention<br>ESG 29 Customer satisfaction |

### B. Overview of sector-specific ESGs and relating KPIs

| <b>ESG</b>  | <b>KPI</b>  |
|---|---|
| <b>ESG 10 Deployment of renewable energy</b>  | ESG 10-1 % of energy in kwh from renewable energy sources as of total energy consumed<br>ESG 10-2 % of energy in kwh from combined heat and power generation as of total energy consumed                  |
| <b>ESG 11 NO, SO Emissions</b>  | ESG 11-4 NO, SO Emissions by passenger-km<br>ESG 11-5 NO, SO Emissions by passenger-mile<br>ESG 11-6 NO, SO Emissions by cargo-km<br>ESG 11-7 NO, SO Emissions by cargo-mile                              |
| <b>ESG 12 Waste</b>   | ESG 12-1 Waste by unit produced   |
| <b>ESG 19 Investments in accordance with ESG criteria incl. investments in associates and minority stakes</b> | ESG 19-1 Percentage of total investments, investments in associates and minority stakes in accordance with ESG criteria as of total investments   |
| <b>ESG 20 Supplier agreements and supply chain partners screened for accordance with ESG</b>                  | ESG 20-1 Percentage of suppliers and supply chain partners screened for accordance with ESG-criteria as of total supply chain   |
| <b>ESG 21 Health &amp; safety aspects of products</b>   | ESG 21-1 Total spendings on product safety / revenue<br>ESG 21-2 Percentage of product recalls for safety or health reasons as of total recalls<br>ESG 21-3 Spendings on product safety per unit produced |
| <b>ESG 22 Restructuring related relocation of jobs</b>  | ESG 22-1 Total cost of relocation in \$, € incl. Indemnity, pay-off, outplacement, hiring, training, consulting   |
| <b>ESG 24 Contributions to political parties</b>  | ESG 24-1 Contributions to political parties as percentage of revenues   |

|                                     |  |
|-------------------------------------|--|
| <b>ESG 25 R&amp;D expenses</b>      | ESG 25-1 Total R&D expenses in \$, €   |
|                                     | ESG 25-2 Total R&D expenses in \$, € as a percentage of total revenues   |
|                                     | ESG 25-3 Total R&D expenses or funding of research to external partners, suppliers or academic research in \$, €                                   |
|                                     | ESG 25-4 Total R&D expenses or funding of research to external partners, suppliers or academic research in \$, € as a percentage of total revenues |
| <b>ESG 28 Customer retention</b>    | ESG 28-1 Percentage of new customers as of total customers   |
|                                     | ESG 28-2 Average length of time of customer relationship in years  |
|                                     | ESG 28-3 Share-of-market by product, productline, segment, region or total   |
| <b>ESG 29 Customer satisfaction</b> | ESG 29-1 Percentage of satisfied customers as of total customers   |
|                                     | ESG 29-2 Percentage of revenues from repeat business as of total business  |

## C. Sector-specific ESGs Industrial Transportation

| ESG                      | ESG 10 Deployment of renewable energy  |  |   |   |  |  |  |  |
|--------------------------|--|--|---|---|--|--|--|--|
| Definition and Reference | As governments move to regulate activities that contribute to climate change, companies that are directly or indirectly responsible for emissions face regulatory risk through increased costs or other factors impacting competitiveness. Limits on greenhouse gas emissions can also create opportunities for organizations as new technologies and markets are created. Renewable energy is an example for this. Within this ESG 'renewable' is defined as any energy which is neither generated thermally e.g. from nuclear power or from fossil sources.  |  |   |   |  |  |  |  |
| KPI                      | ESG 10-1   |  | ESG 10-2  |   |  |  |  |  |
| Description              | Percentage of energy in kwh from renewable energy sources as of total energy consumed Corporate  | Percentage of energy in kwh from renewable energy sources as of total energy consumed Benchmark            | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Corporate | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Benchmark |  |  |  |  |
| Shortname                | perc.renew.ener.corp   | perc.renew.ener.bench  | perc.renew.ener.corp  | perc.renew.ener.bench   |  |  |  |  |
| Unit / Calculation       | Percentage   | Percentage   | Percentage  | Percentage  |  |  |  |  |
| Format                   | xx.xx %, numeric   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  |  |  |  |  |
| ESG                      | ESG 11 NO, SO Emissions  |  |   |   |  |  |  |  |
| Definition and Reference | Greenhouse gas emissions are the main cause of climate change. This Indicator can be used to explain targets for regulations or trading systems at international or national levels. It also provides insights into the potential cost implications of taxation or trading systems for reporting companies.<br><br>Please refer to the Greenhouse Gas Protocol: "The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. The GHG Protocol Initiative, a decade-long partnership between the World Resources Institute and the World Business Council for Sustainable Development, is working with businesses, governments, and environmental groups around the world to build a new generation of credible and effective programs for tackling climate change." Source: www.ghgprotocol.org<br><br>Other definitions can be found at ISO Organisation ( <a href="http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.htm#quantifying">http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.htm#quantifying</a> ). The newly developed standards ISO 14064 and ISO 14065 provide an internationally agreed framework for measuring GHG emissions and verifying claims made about them so that "a tonne of carbon is always a tonne of carbon".<br><br>Other sources:<br>VFU Indicators: Internal Environmental Performance Indicators for the Financial Industry: see <a href="http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VFU_Indicators_2005_Calculation_File_February_2007.xls">http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VFU_Indicators_2005_Calculation_File_February_2007.xls</a> |  |   |   |  |  |  |  |
| KPI                      | ESG 11-4   |  | ESG 11-5  |   | ESG 11-6                               |  | ESG 11-7                                 |  |
| Description              | NO,SO Emissions by passenger-km Corporate  | NO,SO Emissions by passenger-km Benchmark  | NO,SO Emissions by passenger-mile Corporate   | NO,SO Emissions by passenger-mile Benchmark   | NO,SO Emissions by cargo-km Corporate  | NO,SO Emissions by cargo-km Benchmark  | NO,SO Emissions by cargo-mile Corporate  | NO,SO Emissions by cargo-mile Benchmark  |
| Shortname                | NOSO.emiss.passkm.corp   | NOSO.emiss.passkm.bench  | NOSO.emiss.passmile.corp  | NOSO.emiss.passmile.bench   | NOSO.emiss.cargokm.corp                | NOSO.emiss.cargokm.bench               | NOSO.emiss.cargomile.corp                | NOSO.emiss.cargomile.bench               |
| Unit / Calculation       | Total NO,SO Emissions / total passenger-km   | Total NO,SO Emissions / total passenger-km   | Total NO,SO Emissions / total passenger-mile  | Total NO,SO Emissions / total passenger-mile  | Total NO,SO Emissions / total cargo-km | Total NO,SO Emissions / total cargo-km | Total NO,SO Emissions / total cargo-mile | Total NO,SO Emissions / total cargo-mile |
| ESG                      | ESG 12 Waste   |  |   |   |  |  |  |  |
| Definition and Reference | Proposed indicators:<br>- waste in specific terms (kilogramm, ton, litres, gallons etc.) per unit produced e.g. X tons of waste / 1 ton of car produced, x litres of water contaminated / 1 ton of material produced.<br><br>DEFRA/UK proposes: Waste can be measured by estimating the number and weight of rubbish bags that leave the business over a set period of time. If the waste is sorted prior to disposal, then Defra says that more detailed measurement of specific waste, such as tonnes of glass can be made, but waste can be treated as a general category. Waste should be reported in metric tonnes per annum. In the UK, many companies already record this information as the UK landfill tax is charged per tonne. Defra guidelines say that where possible, waste should be broken down into separate categories, such as paper, glass, aluminium and the final route of disposal, for example, 50% to landfill, 30% incinerated and 20% recycled reported. If an estimation method has been used then this should also be reported.   |  |   |   |  |  |  |  |
| Applied KPI              | ESG 12-1   |  |   |   |  |  |  |  |
| Description              | Waste by unit produced Corporate   | Waste by unit produced Benchmark   |   |   |  |  |  |  |
| Shortname                | waste.unit.corp  | waste.unit.bench   |   |   |  |  |  |  |
| Unit / Calculation       | Total waste related to production / number of units produced in specific measure (ton, gram, ounce, litre)   | Total waste related to production / number of units produced in specific measure (ton, gram, ounce, litre) |   |   |  |  |  |  |
| Format                   | xxx.xxx.xx [unit measure] / unit   | xxx.xxx.xx [unit measure] / unit   |   |   |  |  |  |  |
| KPI                      | ESG 12-2   |  |   |   |  |  |  |  |
| Description              | % of waste recycled Corporate  | % of waste recycled Benchmark  |   |   |  |  |  |  |
| Shortname                | waste.%recycle.corp  | waste.%recycle.bench   |   |   |  |  |  |  |
| Unit / Calculation       | Waste recycled / Total waste   | Waste recycled / Total waste   |   |   |  |  |  |  |
| Format                   | xx.xx %  | xx.xx %  |   |   |  |  |  |  |

|                                 |   |  |  |  |  |  |  |
|---------------------------------|---|--|--|--|--|--|--|
| <b>ESG</b>                      | <b>ESG 19 Investments in accordance with ESG criteria incl. investments in associates and minority stakes</b>   |  |  |  |  |  |  |
| <b>Definition and Reference</b> | Investing without taking human right issues such as environmental aspects or child-labour into account bear substantial reputational risks for organisations. Direct investments should reflect minimum standards of sustainability e.g. environmental compatibility. Moreover, organisations may underestimate the potential lever of their investment policies vis-a-vis third party suppliers e.g. in emerging markets or third-world countries. By ways of negotiating minimum standards of compliance with human rights standards such as minimum wages for workers, safety standards and occlusion of malpractices of an organisation's suppliers the investing party can assert human rights acknowledgement of its third party suppliers. |  |  |  |  |  |  |
| <b>KPI</b>                      | <b>ESG 19-1</b>   |  |  |  |  |  |  |
| <b>Description</b>              | Percentage of total investments and investments in associates in accordance to ESG as of total investments and investments in associates Corporate  | Percentage of total investments and investments in associates in accordance to ESG as of total investments and investments in associates Benchmark |  |  |  |  |  |
| <b>Shortname</b>                | %inv.ESG.screen.corp  | %inv.ESG.screen.bench  |  |  |  |  |  |
| <b>Unit / Calculation</b>       | Percentage  | Percentage   |  |  |  |  |  |
| <b>Format</b>                   | xx.xx %, numeric  | xx.xx %, numeric   |  |  |  |  |  |
| <b>ESG</b>                      | <b>ESG 20 Supplier agreements and supply chain partners screened for accordance with ESG</b>  |  |  |  |  |  |  |
| <b>Definition and Reference</b> | Investing without taking human right issues such as environmental aspects or child-labour into account bear substantial reputational risks for organisations. Direct investments should reflect minimum standards of sustainability e.g. environmental compatibility. Moreover, organisations may underestimate the potential lever of their investment policies vis-a-vis third party suppliers e.g. in emerging markets or third-world countries. By ways of negotiating minimum standards of compliance with human rights standards such as minimum wages for workers, safety standards and occlusion of malpractices of an organisation's suppliers the investing party can assert human rights acknowledgement of its third party suppliers. |  |  |  |  |  |  |
| <b>KPI</b>                      | <b>ESG 20-1</b>   |  |  |  |  |  |  |
| <b>Description</b>              | Percentage of suppliers screened for accordance to ESG as of total number of suppliers Corporate  | Percentage of suppliers screened for accordance to ESG as of total number of suppliers Benchmark   |  |  |  |  |  |
| <b>Shortname</b>                | %supplychain.ESG.screen.corp  | %supplychain.ESG.screen.bench  |  |  |  |  |  |
| <b>Unit / Calculation</b>       | Percentage  | Percentage   |  |  |  |  |  |
| <b>Format</b>                   | xx.xx %, numeric  | xx.xx %, numeric   |  |  |  |  |  |

| ESG  |  |   |  |   |   |   |  |
|--|--|---|--|---|---|---|--|
| <b>ESG 21 Health &amp; safety aspects of products</b>  |  |   |  |   |   |   |  |
| Definition and Reference                               | Health and safety of products have an influence on the reputation of the company. The lack of health and safety standards can reduce sales in the case of an accident for example. Moreover, with consumer protection on the rise and an increasing awareness of consumers about compatibility of materials used, undesired side-effects of product usage litigation risks for corporates producing in low-wage zones increase. On the other hand companies may achieve premium margins for products which cater to consumers' increased demand for products in accordance with highest safety and health standards. |   |  |   |   |   |  |
| KPI  | <b>ESG 21-1</b>  |   | <b>ESG 21-2</b>  |   | <b>ESG 21-3</b>   |   |  |
| Description  | Total spendings on product safety Corporate as a percentage of revenues Corporate  | Total spendings on product safety Corporate as a percentage of revenues Benchmark | Percentage of product recalls for safety or health reason as of total products sold or shipped Corporate | Percentage of product recalls for safety or health reason as of total products sold or shipped Benchmark                    | Spendings on product safety per unit produced Corporate   | Total spendings on product safety per unit produced Benchmark   |  |
| Shortname  | % spend.prodsafety.rev.corp  | % spend.prodsafety.rev.bench  | % prod.recall.of tot.corp  | % prod.recall.of tot.bench  | \$ spend.prodsafety.unit.corp   | \$ spend.prodsafety.unit.bench  |  |
| Unit / Calculation                                     | %  | %   | xx.xx %  | xx.xx %   | €, \$   | €, \$   |  |
| Format   | xx.xx %  | xx.xx %   | xxx,xxx,xxx,xxx €, \$  | xx.xx %, numeric  | xxx,xxx,xxx,xxx €, \$   | xx.xx %, numeric  |  |
| <b>ESG 22 Restructuring-related relocation of jobs</b> |  |   |  |   |   |   |  |
| Definition and Reference                               | The capacity of an organisation to deliver performance depends on the proverbial human capital i.e. resources, skills and knowledge of the organisation. Whenever relocation of a large part of the workforce occurs, be it to low-wage labour markets, be it to offshore suppliers there is a both a factor of savings to the cost structure of the organisation but also a loss of knowledge and skills, hence a decrease of the value of the company. Recruiting of employees after relocating a site, an office etc., on the other hands, incurs cost for hiring, training and integration.                      |   |  |   |   |   |  |
| KPI  | <b>ESG 22-1</b>  |   |  |   |   |   |  |
| Description  | Total cost of relocation in \$, € including indemnity, pay-off, outplacement, hiring, training, consulting   |   |  |   |   |   |  |
| Shortname  | reloc.cost.corp  |   |  |   |   |   |  |
| Unit / Calculation                                     | Currency \$ / € '000   |   |  |   |   |   |  |
| Format   | xxx,xxx,xxx,xx numeric   |   |  |   |   |   |  |
| <b>ESG 24 Contributions to political parties</b>       |  |   |  |   |   |   |  |
| Definition and Reference                               | In many western cultures contributions to political parties are generally perceived as a service to the democratic system which carries the organisation. However, a well-balanced contribution to a variety of political organisations sets off the risk of an organisation as being perceived as pursuing interests directly related to organisational goals. Nevertheless, investors may question both the necessity of contribution to political parties and the legitimacy as any contribution in monetary terms is an outflow of profits!  |   |  |   |   |   |  |
| KPI  | <b>ESG 24-1</b>  |   |  |   |   |   |  |
| Description  | % of contributions to political parties in \$, € / revenue Corporate   | % of contributions to political parties in \$, € / revenue Benchmark              |  |   |   |   |  |
| Shortname  | % contr.parties.rev.corp   | % contr.parties.rev.bench   |  |   |   |   |  |
| Unit / Calculation                                     | Currency \$ / € '000   | Currency \$ / € '000  |  |   |   |   |  |
| Format   | xxx,xxx,xxx,xx numeric   | xxx,xxx,xxx,xx numeric  |  |   |   |   |  |
| <b>ESG 25 R&amp;D expenses</b>                         |  |   |  |   |   |   |  |
| Definition and Reference                               | The amount of resources an organisation is prepared to spent on products which will be marketable in a distant future is one of the most important indicators for future profit growth potentials. Any meaningful KPI in this area will also serve to investors for understanding how current cashflows can be continued when products and services mature. Depending on the industry it may be necessary that KPIs for e.g. products, patents, R&D encompass activities with external agencies such as technological suppliers or academic forms of cooperation.  |   |  |   |   |   |  |
| KPI  | <b>ESG 25-1</b>  | <b>ESG 25-2</b>   |  | <b>ESG 25-3</b>   | <b>ESG 25-4</b>   |   |  |
| Description  | Total R&D Expenses in US \$ or € Corporate   | Total R&D Expenses in US \$ or € as % of revenue Corporate                        | Total R&D Expenses in US \$ or € as % of revenue Bench   | Total R&D Expenses or funding of research on ESG to external agents, suppliers or academic research in US \$ or € Corporate | Total R&D Expenses or funding of research on ESG to external agents, suppliers or academic research as % of revenue Corporate | Total R&D Expenses or funding of research on ESG to external agents, suppliers or academic research as % of revenue Benchmark |  |
| Shortname  | \$ r&d.expenses.corp   | R&d.expenses.% rev.corp   | R&d.expenses.% rev.bench   | \$ r&d.extagents.corp   | R&d.extagents.% rev.corp  | R&d.extagents.% rev.bench   |  |
| Unit / Calculation                                     | US \$, €   | Percentage  | Percentage   | US \$, €  | Percentage  | Percentage  |  |
| Format   | xxx,xxx,xxx,xxx,--   | xx.xx %, numeric  | xx.xx %, numeric   | xxx,xxx,xxx,xxx,--  | xx.xx %, numeric  | xx.xx %, numeric  |  |

| ESG                                 |  |   |  |  |   |  |  |
|-------------------------------------|--|---|--|--|---|--|--|
| <b>ESG 28 Customer retention</b>    |  |   |  |  |   |  |  |
| Definition and Reference            | Monitoring the intake of new customers whilst seeking to retain as many customers as possible is generally seen as the formula for customer-oriented companies. Whilst it seems contradictory in terms to target new customers whilst striving for repeat business through maintaining good business relations with an existing clientele experience shows that successful companies typically have a "natural" turnover of customers with the aim to identify those customers which offer the biggest potential sales and/or profitability. Measuring customer retention and share-of-market is key to maintaining a long-term perspective. |   |  |  |   |  |  |
| <b>KPI</b>                          | <b>ESG 28-1</b>  |   | <b>ESG 28-2</b>  |  | <b>ESG 28-3</b>   |  |  |
| Description                         | % of new customers as of existing customers Corporate  | % of new customers as of existing customers Corporate             | Average length of time of customer relationship in years Corporate                         | Average length of time of customer relationship in years Benchmark                         | Share-of-market by product, segment, productline or total |  |  |
| Shortname                           | newcust.existcust.%corp  | newcust.existcust.%bench  | av.custrel.years.corp  | av.custrel.years.bench   | som.[prodline].%corp                                      |  |  |
| Unit / Calculation                  | Percentage   | Percentage  | Years  | Years  | Percentage  |  |  |
| Format                              | xx.x %   | xx.x %  | xx,x   | xx,x   | xx.x %  |  |  |
| <b>ESG 29 Customer satisfaction</b> |  |   |  |  |   |  |  |
| Definition and Reference            | Having satisfied customers is the ultimate goal of any organisation. Specifically, experience tells us that measuring customer satisfaction with the aim of finding areas of improvement is important to maintain sustainable share-of-markets. Customer defection may have erosive effects as it typically occurs as a slow and undetected process until it gains a momentum at which it is difficult to counterbalance.  |   |  |  |   |  |  |
| <b>KPI</b>                          | <b>ESG 29-1</b>  |   | <b>ESG 29-2</b>  |  |   |  |  |
| Description                         | Percentage of satisfied customers as of total customers Corporate  | Percentage of satisfied customers as of total customers Benchmark | Customer retention: percentage of revenues from repeat business / total business Corporate | Customer retention: percentage of revenues from repeat business / total business Benchmark |   |  |  |
| Shortname                           | cust.sat.corp  | cust.sat.bench  | repeat.bus.corp  | repeat.bus.bench   |   |  |  |
| Unit / Calculation                  | Percentage   | Percentage  | Percentage   | Percentage   |   |  |  |
| Format                              | xx.xx %  | xx.xx %   | xx.xx %  | xx.xx %  |   |  |  |

## Sector Automobiles [3353]

### A. Overview of sector-specific ESGs

| <b>E</b><br><b>Environmental</b>   | <b>S</b><br><b>Social</b>   | <b>G</b><br><b>Governance</b>             | <b>V</b><br><b>Longterm Viability</b>  |
|--|---|---|--|
| ESG 10 Deployment of renewable energy<br>ESG 11 NO, SO Emissions<br>ESG 12 Waste<br>ESG 13 Environmental compatibility<br>ESG 14 End-of-lifecycle impact | ESG 19 Investments in accordance with ESG<br>ESG 20 Supplier agreements in accordance with ESG<br>ESG 21 Health & safety of products<br>ESG 22 Restructuring-related relocation of jobs | ESG 24 Contributions to political parties | ESG 25 R&D expenses<br>ESG 26 Patents<br>ESG 28 Customer retention<br>ESG 29 Customer satisfaction |

### B. Overview of sector-specific ESGs and relating KPIs

| <b>ESG</b>  | <b>KPI</b>  |
|---|---|
| <b>ESG 10 Deployment of renewable energy</b>  | ESG 10-1 % of energy in kwh from renewable energy sources as of total energy consumed<br>ESG 10-2 % of energy in kwh from combined heat and power generation as of total energy consumed                  |
| <b>ESG 11 NO, SO Emissions</b>  | ESG 11-8 NO, SO Emissions total production sites  |
| <b>ESG 12 Waste</b>   | ESG 12-1 Waste by unit produced<br>ESG 12-2 % of waste recycled   |
| <b>ESG 13 Environmental compatibility</b>   | ESG 13-1 Average fuel consumption of fleet of sold cars<br>ESG 13-2 Percentage of ISO 14001 certified sites corporates  |
| <b>ESG 14 End-of-lifecycle impact</b>   | ESG 14-1 Percentage of material recovered for reusage and at end of life-cycle  |
| <b>ESG 19 Investments in accordance with ESG criteria incl. investments in associates and minority stakes</b> | ESG 19-1 Percentage of total investments, investments in associates and minority stakes in accordance with ESG criteria as of total investments   |
| <b>ESG 20 Supplier agreements and supply chain partners screened for accordance with ESG</b>                  | ESG 20-1 Percentage of suppliers and supply chain partners screened for accordance with ESG-criteria as of total supply chain   |
| <b>ESG 21 Health &amp; safety aspects of products</b>   | ESG 21-1 Total spendings on product safety / revenue<br>ESG 21-2 Percentage of product recalls for safety or health reasons as of total recalls<br>ESG 21-3 Spendings on product safety per unit produced |
| <b>ESG 22 Restructuring related relocation of jobs</b>  | ESG 22-1 Total cost of relocation in \$, € incl. Indemnity, pay-off, outplacement, hiring, training, consulting   |
| <b>ESG 24 Contributions to political parties</b>  | ESG 24-1 Contributions to political parties as percentage of revenues   |

|                                     |   |
|-------------------------------------|---|
| <b>ESG 25 R&amp;D expenses</b>      | ESG 25-1 Total R&D expenses in \$, €  |
|                                     | ESG 25-2 Total R&D expenses in \$, € as a percentage of total revenues                                  |
| <b>ESG 26 Patents</b>               | ESG 26-1 Number of patents registered within last 12 months   |
|                                     | ESG 26-2 Number of patents registered within last 12 months as percentage of total number of patents    |
|                                     | ESG 26-3 Number of patents due to expire within next 12 months  |
|                                     | ESG 26-4 Number of patents due to expire within next 12 months as percentage of total number of patents |
| <b>ESG 28 Customer retention</b>    | ESG 28-1 Percentage of new customers as of total customers  |
|                                     | ESG 28-2 Average length of time of customer relationship in years                                       |
|                                     | ESG 28-3 Share-of-market by product, productline, segment, region or total                              |
| <b>ESG 29 Customer satisfaction</b> | ESG 29-1 Percentage of satisfied customers as of total customers  |
|                                     | ESG 29-2 Percentage of revenues from repeat business as of total business                               |

## C. Sector-specific ESGs Automobiles

| ESG                      | ESG 10 Deployment of renewable energy  |  |   |   |  |  |  |  |
|--------------------------|--|--|---|---|--|--|--|--|
| Definition and Reference | As governments move to regulate activities that contribute to climate change, companies that are directly or indirectly responsible for emissions face regulatory risk through increased costs or other factors impacting competitiveness. Limits on greenhouse gas emissions can also create opportunities for organizations as new technologies and markets are created. Renewable energy is an example for this. Within this ESG 'renewable' is defined as any energy which is neither generated thermally e.g. from nuclear power or from fossil sources.  |  |   |   |  |  |  |  |
| KPI                      | ESG 10-1   |  | ESG 10-2  |   |  |  |  |  |
| Description              | Percentage of energy in kwh from renewable energy sources as of total energy consumed Corporate  | Percentage of energy in kwh from renewable energy sources as of total energy consumed Benchmark            | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Corporate | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Benchmark |  |  |  |  |
| Shortname                | perc.renew.ener.corp   | perc.renew.ener.bench  | perc.renew.ener.corp  | perc.renew.ener.bench   |  |  |  |  |
| Unit / Calculation       | Percentage   | Percentage   | Percentage  | Percentage  |  |  |  |  |
| Format                   | xx.xx %, numeric   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  |  |  |  |  |
| ESG                      | ESG 11 NO <sub>x</sub> , SO Emissions  |  |   |   |  |  |  |  |
| Definition and Reference | Greenhouse gas emissions are the main cause of climate change. This Indicator can be used to explain targets for regulations or trading systems at international or national levels. It also provides insights into the potential cost implications of taxation or trading systems for reporting companies.<br><br>Please refer to the Greenhouse Gas Protocol: "The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. The GHG Protocol Initiative, a decade-long partnership between the World Resources Institute and the World Business Council for Sustainable Development, is working with businesses, governments, and environmental groups around the world to build a new generation of credible and effective programs for tackling climate change." Source: www.ghgprotocol.org<br><br>Other definitions can be found at ISO Organisation ( <a href="http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.htm#quantifying">http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.htm#quantifying</a> ). The newly developed standards ISO 14064 and ISO 14065 provide an internationally agreed framework for measuring GHG emissions and verifying claims made about them so that "a tonne of carbon is always a tonne of carbon".<br><br>Other sources:<br>VFU Indicators: Internal Environmental Performance Indicators for the Financial Industry: see <a href="http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VFU_Indicators_2005_Calculation_File_February_2007.xls">http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VFU_Indicators_2005_Calculation_File_February_2007.xls</a> |  |   |   |  |  |  |  |
| KPI                      | ESG 11-8   |  |   |   |  |  |  |  |
| Description              | NO <sub>x</sub> , SO Emissions total production sites Corporate  | NO <sub>x</sub> , SO Emissions total production sites Benchmark  |   |   |  |  |  |  |
| Shortname                | NOSO.emiss.prodsites.corp  | NOSO.emiss.prodsites.bench   |   |   |  |  |  |  |
| Unit / Calculation       | Total CO <sub>2</sub> Emissions of all production sites  | Total CO <sub>2</sub> Emissions of all production sites  |   |   |  |  |  |  |
| Format                   | xxx,xxx,xxx.xx MtCO <sub>2</sub>   | xxx,xxx,xxx.xx MtCO <sub>2</sub>   |   |   |  |  |  |  |
| ESG                      | ESG 12 Waste   |  |   |   |  |  |  |  |
| Definition and Reference | Proposed indicators:<br>- waste in specific terms (kilogramm, ton, litres, gallons etc.) per unit produced e.g. X tons of waste / 1 ton of car produced, x litres of water contaminated / 1 ton of material produced.<br><br>DEFRA/UK proposes: Waste can be measured by estimating the number and weight of rubbish bags that leave the business over a set period of time. If the waste is sorted prior to disposal, then Defra says that more detailed measurement of specific waste, such as tonnes of glass can be made, but waste can be treated as a general category. Waste should be reported in metric tonnes per annum. In the UK, many companies already record this information as the UK landfill tax is charged per tonne. Defra guidelines say that where possible, waste should be broken down into separate categories, such as paper, glass, aluminium and the final route of disposal, for example, 50% to landfill, 30% incinerated and 20% recycled reported. If an estimation method has been used then this should also be reported.   |  |   |   |  |  |  |  |
| Applied KPI              | ESG 12-1   |  | ESG 12-2  |   |  |  |  |  |
| Description              | Waste by unit produced Corporate   | Waste by unit produced Benchmark   | % of waste recycled Corporate   | % of waste recycled Benchmark   |  |  |  |  |
| Shortname                | waste.unit.corp  | waste.unit.bench   | waste.%recycle.corp   | waste.%recycle.bench  |  |  |  |  |
| Unit / Calculation       | Total waste related to production / number of units produced in specific measure (ton, gram, ounce, litre)   | Total waste related to production / number of units produced in specific measure (ton, gram, ounce, litre) | Waste recycled / Total waste  | Waste recycled / Total waste  |  |  |  |  |
| Format                   | xxx,xxx.xx [unit measure] / unit   | xxx,xxx.xx [unit measure] / unit   | xx.xx %   | xx.xx %   |  |  |  |  |

| ESG                      |   | ESG 13 Environmental compatibility   |  |  |  |  |  |
|--------------------------|---|--|--|--|--|--|--|
| Definition and Reference | Product markets should reflect the effort of companies to reduce emissions because for some products, e.g. cars the highest proportion of life cycle emissions is during the operational stage. Thus emissions of the product can have a very high impact on the climate. Companies are facing regulatory risk due to reduction targets e.g. for fleet emissions.   |  |  |  |  |  |  |
| KPI                      | ESG 13-1  |  |  |  |  |  |  |
| Description              | Average fuel consumption of fleet of sold vehicles Corporate  | Average fuel consumption of fleet of sold vehicles Benchmark   |  |  |  |  |  |
| Shortname                | av.fuel.cons.fleet.corp   | av.fuel.cons.fleet.bench   |  |  |  |  |  |
| Unit / Calculation       | average fuel consumption across entire fleet in litres per 100 km   | average fuel consumption across entire fleet in litres per 100 km  |  |  |  |  |  |
| Format                   | xx.xx l / 100km   | xx.xx l / 100km  |  |  |  |  |  |
| KPI                      | ESG 13-2  |  |  |  |  |  |  |
| Description              | Percentage of ISO 14001 certified sites Corporates, further information <a href="http://www.iso14000-iso14001-environmental-management.com/">http://www.iso14000-iso14001-environmental-management.com/</a>   | Percentage of ISO 14001 certified sites benchmark, further information <a href="http://www.iso14000-iso14001-environmental-management.com/">http://www.iso14000-iso14001-environmental-management.com/</a> |  |  |  |  |  |
| Shortname                | %.ISO14001.sites.corp   | %.ISO14001.sites.bench   |  |  |  |  |  |
| Unit / Calculation       | Number of sites with ISO 14001 certification / number of total sites  | Number of sites with ISO 14001 certification / number of total sites   |  |  |  |  |  |
| Format                   | xx.xx %   | xx.xx %  |  |  |  |  |  |
| ESG                      |   | ESG 14 End-of-lifecycle impact   |  |  |  |  |  |
| Definition and Reference | The reclaiming of resources at the end of the life cycle has an impact on the cost of the company. This impact depends for example on the composition of the product (e.g. recyclability of materials, level of hazardous materials) and the market for used components.  |  |  |  |  |  |  |
| KPI                      | ESG 14-1  |  |  |  |  |  |  |
| Description              | Percentage of material recovered for reusing at end of lifecycle of product Corporate   | Percentage of material recovered for reusing at end of lifecycle of product Benchmark  |  |  |  |  |  |
| Shortname                | %.recover.mat.endlife.corp  | %.recover.mat.endlife.bench  |  |  |  |  |  |
| Unit / Calculation       | Material being recovered / total material built   | Material being recovered / total material built  |  |  |  |  |  |
| Format                   | xx.xx %   | xx.xx %  |  |  |  |  |  |
| ESG                      |   | ESG 19 Investments in accordance with ESG criteria incl. investments in associates and minority stakes   |  |  |  |  |  |
| Definition and Reference | Investing without taking human right issues such as environmental aspects or child-labour into account bear substantial reputational risks for organisations. Direct investments should reflect minimum standards of sustainability e.g. environmental compatibility. Moreover, organisations may underestimate the potential lever of their investment policies vis-a-vis third party suppliers e.g. in emerging markets or third-world countries. By ways of negotiating minimum standards of compliance with human rights standards such as minimum wages for workers, safety standards and occlusion of malpractices of an organisation's suppliers the investing party can assert human rights acknowledgement of its third party suppliers. |  |  |  |  |  |  |
| KPI                      | ESG 19-1  |  |  |  |  |  |  |
| Description              | Percentage of total investments and investments in associates in accordance to ESG as of total investments and investments in associates Corporate  | Percentage of total investments and investments in associates in accordance to ESG as of total investments and investments in associates Benchmark   |  |  |  |  |  |
| Shortname                | %inv.ESG.screen.corp  | %inv.ESG.screen.bench  |  |  |  |  |  |
| Unit / Calculation       | Percentage  | Percentage   |  |  |  |  |  |
| Format                   | xx.xx %, numeric  | xx.xx %, numeric   |  |  |  |  |  |

|                                 |   |  |  |  |   |   |  |
|---------------------------------|---|--|--|--|---|---|--|
| <b>ESG</b>                      | <b>ESG 20 Supplier agreements and supply chain partners screened for accordance with ESG</b>  |  |  |  |   |   |  |
| <b>Definition and Reference</b> | Investing without taking human right issues such as environmental aspects or child-labour into account bear substantial reputational risks for organisations. Direct investments should reflect minimum standards of sustainability e.g. environmental compatibility. Moreover, organisations may underestimate the potential lever of their investment policies vis-a-vis third party suppliers e.g. in emerging markets or third-world countries. By ways of negotiating minimum standards of compliance with human rights standards such as minimum wages for workers, safety standards and occlusion of malpractices of an organisation's suppliers the investing party can assert human rights acknowledgement of its third party suppliers. |  |  |  |   |   |  |
| <b>KPI</b>                      | <b>ESG 20-1</b>   |  |  |  |   |   |  |
| <b>Description</b>              | Percentage of suppliers screened for accordance to ESG as of total number of suppliers Corporate  | Percentage of suppliers screened for accordance to ESG as of total number of suppliers Benchmark |  |  |   |   |  |
| <b>Shortname</b>                | %supplychain.ESG.screen.corp  | %supplychain.ESG.screen.bench  |  |  |   |   |  |
| <b>Unit / Calculation</b>       | Percentage  | Percentage   |  |  |   |   |  |
| <b>Format</b>                   | xx.xx %, numeric  | xx.xx %, numeric   |  |  |   |   |  |
| <b>ESG</b>                      | <b>ESG 21 Health &amp; safety aspects of products</b>   |  |  |  |   |   |  |
| <b>Definition and Reference</b> | Health and safety of products have an influence on the reputation of the company. The lack of health and safety standards can reduce sales in the case of an accident for example. Moreover, with consumer protection on the rise and an increasing awareness of consumers about compatibility of materials used, undesired side-effects of product usage litigation risks for corporates producing in low-wage zones increase. On the other hand companies may achieve premium margins for products which cater to consumers' increased demand for products in accordance with highest safety and health standards.  |  |  |  |   |   |  |
| <b>KPI</b>                      | <b>ESG 21-1</b>   |  | <b>ESG 21-2</b>  |  | <b>ESG 21-3</b>   |   |  |
| <b>Description</b>              | Total spendings on product safety Corporate as a percentage of revenues Corporate   | Total spendings on product safety Corporate as a percentage of revenues Benchmark                | Percentage of product recalls for safety or health reason as of total products sold or shipped Corporate | Percentage of product recalls for safety or health reason as of total products sold or shipped Benchmark | Spendings on product safety per unit produced Corporate | Total spendings on product safety per unit produced Benchmark |  |
| <b>Shortname</b>                | %spend.prodsafety.rev.corp  | %spend.prodsafety.rev.bench  | %prod.recall.ofot.corp   | %prod.recall.ofot.bench  | \$.spend.prodsafety.unit.corp                           | \$.spend.prodsafety.unit.bench                                |  |
| <b>Unit / Calculation</b>       | %   | %  | xx.xx %  | xx.xx %  | €, \$   | €, \$   |  |
| <b>Format</b>                   | xx.xx %   | xx.xx %  | xxx,xxx,xxx,xxx \$, €  | xx.xx %, numeric   | xxx,xxx,xxx,xxx \$, €                                   | xx.xx %, numeric  |  |
| <b>ESG</b>                      | <b>ESG 22 Restructuring-related relocation of jobs</b>  |  |  |  |   |   |  |
| <b>Definition and Reference</b> | The capacity of an organisation to deliver performance depends on the proverbial human capital i.e. resources, skills and knowledge of the organisation. Whenever relocation of a large part of the workforce occurs, be it to low-wage labour markets, be it to offshore suppliers there is a both a factor of savings to the cost structure of the organisation but also a loss of knowledge and skills, hence a decrease of the value of the company. Recruiting of employees after relocating a site, an office etc., on the other hands, incurs cost for hiring, training and integration.   |  |  |  |   |   |  |
| <b>KPI</b>                      | <b>ESG 22-1</b>   |  |  |  |   |   |  |
| <b>Description</b>              | Total cost of relocation in \$, € including indemnity, pay-off, outplacement, hiring, training, consulting  |  |  |  |   |   |  |
| <b>Shortname</b>                | reloc.cost.corp   |  |  |  |   |   |  |
| <b>Unit / Calculation</b>       | Currency \$ / € '000  |  |  |  |   |   |  |
| <b>Format</b>                   | xxx,xxx,xxx,xx numeric  |  |  |  |   |   |  |
| <b>ESG</b>                      | <b>ESG 24 Contributions to political parties</b>  |  |  |  |   |   |  |
| <b>Definition and Reference</b> | In many western cultures contributions to political parties are generally perceived as a service to the democratic system which carries the organisation. However, a well-balanced contribution to a variety of political organisations sets off the risk of an organisation as being perceived as pursuing interests directly related to organisational goals. Nevertheless, investors may question both the necessity of contribution to political parties and the legitimacy as any contribution in monetary terms is an outflow of profits!   |  |  |  |   |   |  |
| <b>KPI</b>                      | <b>ESG 24-1</b>   |  |  |  |   |   |  |
| <b>Description</b>              | % of contributions to political parties in \$, € / revenue Corporate  | % of contributions to political parties in \$, € / revenue Benchmark                             |  |  |   |   |  |
| <b>Shortname</b>                | %contr.parties.rev.corp   | %contr.parties.rev.bench   |  |  |   |   |  |
| <b>Unit / Calculation</b>       | Currency \$ / € '000  | Currency \$ / € '000   |  |  |   |   |  |
| <b>Format</b>                   | xxx,xxx,xxx,xx numeric  | xxx,xxx,xxx,xx numeric   |  |  |   |   |  |

| ESG                                 |  |  |  |  |   |   |                 |
|-------------------------------------|--|--|--|--|---|---|-----------------|
| <b>ESG 25 R&amp;D expenses</b>      |  |  |  |  |   |   |                 |
| Definition and Reference            | The amount of resources an organisation is prepared to spend on products which will be marketable in a distant future is one of the most important indicators for future profit growth potentials. Any meaningful KPI in this area will also serve to investors for understanding how current cashflows can be continued when products and services mature. Depending on the industry it may be necessary that KPIs for e.g. products, patents, R&D encompass activities with external agencies such as technological suppliers or academic forms of cooperation.  |  |  |  |   |   |                 |
| KPI                                 | <b>ESG 25-1</b>  |  | <b>ESG 25-2</b>  |  |   |   |                 |
| Description                         | Total R&D Expenses in US \$ or € Corporate   | Total R&D Expenses in US \$ or € as % of revenue Corporate                                     | Total R&D Expenses in US \$ or € as % of revenue Bench   |  |   |   |                 |
| Shortname                           | \$.r&d.expenses.corp   | R&D.expenses.%rev.corp   | R&D.expenses.%rev.bench  |  |   |   |                 |
| Unit / Calculation                  | US \$, €   | Percentage   | Percentage   |  |   |   |                 |
| Format                              | xxx,xxx,xxx,xxx,--   | xx.xx %, numeric   | xx.xx %, numeric   |  |   |   |                 |
| <b>ESG 26 Patents</b>               |  |  |  |  |   |   |                 |
| Definition and Reference            | The amount of resources an organisation is prepared to spend on products which will be marketable in a distant future is one of the most important indicators for future profit growth potentials. Any meaningful KPI in this area will also serve to investors for understanding how current cashflows can be continued when products and services mature. Depending on the industry it may be necessary that KPIs for e.g. products, patents, R&D encompass activities with external agencies such as technological suppliers or academic forms of cooperation.  |  |  |  |   |   |                 |
| KPI                                 | <b>ESG 26-1</b>  |  | <b>ESG 26-2</b>  |  | <b>ESG 26-3</b>   |   | <b>ESG 26-4</b> |
| Description                         | Number of patents registered within last 12 months Corporate   | Percentage of patents registered within last 12 months as of total number of patents Corporate | Percentage of patents registered within last 12 months as of total number of patents Benchmark | Number of patents due to expire within next 12 months Corporate                            | Percentage of patents due to expire within next 12 months as of total number of patents Corporate | Percentage of patents due to expire within next 12 months as of total number of patents Benchmark |                 |
| Shortname                           | patents.reg.12mths.corp  | %patents.reg.12mths.tot.corp   | %patents.reg.12mths.tot.bench  | patents.expire.12mths.corp   | %patents.expire.12mths.tot.corp   | %patents.expire.12mths.tot.bench  |                 |
| Unit / Calculation                  | numerical  | Percentage   | Percentage   | numerical  | Percentage  | Percentage  |                 |
| Format                              | xx,xxx   | xx.xx %, numeric   | xx.xx %, numeric   | xx,xxx   | xx.xx %, numeric  | xx.xx %, numeric  |                 |
| <b>ESG 28 Customer retention</b>    |  |  |  |  |   |   |                 |
| Definition and Reference            | Monitoring the intake of new customers whilst seeking to retain as many customers as possible is generally seen as the formula for customer-oriented companies. Whilst it seems contradictory in terms to target new customers whilst striving for repeat business through maintaining good business relations with an existing clientele experience shows that successful companies typically have a "natural" turnover of customers with the aim to identify those customers which offer the biggest potential sales and/or profitability. Measuring customer retention and share-of-market is key to maintaining a long-term perspective. |  |  |  |   |   |                 |
| KPI                                 | <b>ESG 28-1</b>  |  | <b>ESG 28-2</b>  |  | <b>ESG 28-3</b>   |   |                 |
| Description                         | % of new customers as of existing customers Corporate  | % of new customers as of existing customers Benchmark  | Average length of time of customer relationship in years Corporate                             | Average length of time of customer relationship in years Benchmark                         | Share-of-market by product, segment, productline or total   |   |                 |
| Shortname                           | newcust.existcust.%corp  | newcust.existcust.%bench   | av.custrel.years.corp  | av.custrel.years.bench   | som.[prodline].%corp  |   |                 |
| Unit / Calculation                  | Percentage   | Percentage   | Years  | Years  | Percentage  |   |                 |
| Format                              | xx.x %   | xx.x %   | xx,x   | xx,x   | xx.x %  |   |                 |
| <b>ESG 29 Customer satisfaction</b> |  |  |  |  |   |   |                 |
| Definition and Reference            | Having satisfied customers is the ultimate goal of any organisation. Specifically, experience tells us that measuring customer satisfaction with the aim of finding areas of improvement is important to maintain sustainable share-of-markets. Customer defection may have erosive effects as it typically occurs as a slow and undetected process until it gains a momentum at which it is difficult to counterbalance.  |  |  |  |   |   |                 |
| KPI                                 | <b>ESG 29-1</b>  |  | <b>ESG 29-2</b>  |  |   |   |                 |
| Description                         | Percentage of satisfied customers as of total customers Corporate  | Percentage of satisfied customers as of total customers Benchmark                              | Customer retention: percentage of revenues from repeat business / total business Corporate     | Customer retention: percentage of revenues from repeat business / total business Benchmark |   |   |                 |
| Shortname                           | cust.sat.corp  | cust.sat.bench   | repeat.bus.corp  | repeat.bus.bench   |   |   |                 |
| Unit / Calculation                  | Percentage   | Percentage   | Percentage   | Percentage   |   |   |                 |
| Format                              | xx.xx %  | xx.xx %  | xx.xx %  | xx.xx %  |   |   |                 |

## Sector Electricity Utilities [7530]

### A. Overview of sector-specific ESGs

| <b>E</b><br><b>Environmental</b>   | <b>S</b><br><b>Social</b>  | <b>G</b><br><b>Governance</b>             | <b>V</b><br><b>Longterm Viability</b>  |
|--|--|---|--|
| ESG 10 Deployment of renewable energy<br>ESG 11 NO, SO Emissions<br>ESG 13 Environmental compatibility | ESG 19 Investments in accordance with ESG<br>ESG 21 Health & safety of products<br>ESG 22 Restructuring-related relocation of jobs | ESG 24 Contributions to political parties | ESG 25 R&D expenses<br>ESG 28 Customer retention<br>ESG 29 Customer satisfaction |

### B. Overview of sector-specific ESGs and relating KPIs

| <b>ESG</b>  | <b>KPI</b>  |
|---|---|
| <b>ESG 10 Deployment of renewable energy</b>  | ESG 10-1 % of energy in kwh from renewable energy sources as of total energy consumed   |
|   | ESG 10-2 % of energy in kwh from combined heat and power generation as of total energy consumed   |
|   | ESG 10-3 Investments in Renewable Energy Generation as of Total Investments   |
| <b>ESG 11 NO, SO Emissions</b>  | ESG 11-1 NO, SO Emissions total   |
|   | ESG 11-2 NO, SO Emission by generation portfolio coal-fired   |
|   | ESG 11-3 NO, SO Emission by kwh produced  |
| <b>ESG 13 Environmental compatibility</b>   | ESG 13-3 Percentage of renewable energy produced as of total energy produced  |
|   | ESG 13-4 Total renewable energy produced from biomass   |
|   | ESG 13-5 Total renewable energy produced from wind  |
|   | ESG 13-6 Total renewable energy produced from hydro   |
|   | ESG 13-7 Percentage of revenues from eco-labeled products   |
| <b>ESG 19 Investments in accordance with ESG criteria incl. investments in associates and minority stakes</b> | ESG 19-1 Percentage of total investments, investments in associates and minority stakes in accordance with ESG criteria as of total investments |
| <b>ESG 21 Health &amp; safety aspects of products</b>   | ESG 21-1 Total spendings on product safety / revenue  |
|   | ESG 21-2 Percentage of product recalls for safety or health reasons as of total recalls   |
|   | ESG 21-3 Spendings on product safety per unit produced  |

|  |  |
|--|--|
| <b>ESG 22 Restructuring related relocation of jobs</b> | ESG 22-1 Total cost of relocation in \$, € incl. Indemnity, pay-off, outplacement, hiring, training, consulting  |
| <b>ESG 24 Contributions to political parties</b>       | ESG 24-1 Contributions to political parties as percentage of revenues  |
| <b>ESG 25 R&amp;D expenses</b>                         | ESG 25-3 Total R&D expenses or funding of research to external partners, suppliers or academic research in \$, €<br>ESG 25-4 Total R&D expenses or funding of research to external partners, suppliers or academic research in \$, € as a percentage of total revenues |
| <b>ESG 28 Customer retention</b>                       | ESG 28-1 Percentage of new customers as of total customers<br>ESG 28-2 Average length of time of customer relationship in years<br>ESG 28-3 Share-of-market by product, productline, segment, region or total  |
| <b>ESG 29 Customer satisfaction</b>                    | ESG 29-1 Percentage of satisfied customers as of total customers<br>ESG 29-2 Percentage of revenues from repeat business as of total business  |

## C. Sector-specific ESGs Electricity Utilities

| ESG                      | ESG 10 Deployment of renewable energy  |   |   |   |  |  |   |   |
|--------------------------|--|---|---|---|--|--|---|---|
| Definition and Reference | As governments move to regulate activities that contribute to climate change, companies that are directly or indirectly responsible for emissions face regulatory risk through increased costs or other factors impacting competitiveness. Limits on greenhouse gas emissions can also create opportunities for organizations as new technologies and markets are created. Renewable energy is an example for this. Within this ESG 'renewable' is defined as any energy which is neither generated thermally e.g. from nuclear power or from fossil sources.  |   |   |   |  |  |   |   |
| KPI                      | ESG 10-1   |   | ESG 10-2  |   | ESG 10-3   |  |   |   |
| Description              | Percentage of energy in kwh from renewable energy sources as of total energy consumed Corporate  | Percentage of energy in kwh from renewable energy sources as of total energy consumed Benchmark | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Corporate | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Benchmark | Investments in Renewable Energy Generation as of Total Investments Corporate | Investments in Renewable Energy Generation as of Total Investments Benchmark |   |   |
| Shortname                | perc.renew.ener.corp   | perc.renew.ener.bench   | perc.renew.ener.corp  | perc.renew.ener.bench   | %inv.renew.total.corp  | %inv.renew.total.bench   |   |   |
| Unit / Calculation       | Percentage   | Percentage  | Percentage  | Percentage  | Percentage   | Percentage   |   |   |
| Format                   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  | xx.xx %, numeric  | xx.xx %, numeric   | xx.xx %, numeric   |   |   |
| ESG                      | ESG 11 NO, SO Emissions  |   |   |   |  |  |   |   |
| Definition and Reference | Greenhouse gas emissions are the main cause of climate change. This Indicator can be used to explain targets for regulations or trading systems at international or national levels. It also provides insights into the potential cost implications of taxation or trading systems for reporting companies.<br><br>Please refer to the Greenhouse Gas Protocol: "The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. The GHG Protocol Initiative, a decade-long partnership between the World Resources Institute and the World Business Council for Sustainable Development, is working with businesses, governments, and environmental groups around the world to build a new generation of credible and effective programs for tackling climate change." Source: www.ghgprotocol.org<br><br>Other definitions can be found at ISO Organisation ( <a href="http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.htm#quantifying">http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.htm#quantifying</a> ). The newly developed standards ISO 14064 and ISO 14065 provide an internationally agreed framework for measuring GHG emissions and verifying claims made about them so that "a tonne of carbon is always a tonne of carbon".<br><br>Other sources:<br>VFU Indicators: Internal Environmental Performance Indicators for the Financial Industry: see <a href="http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VFU_Indicators_2005_Calculation_File_February_2007.xls">http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VFU_Indicators_2005_Calculation_File_February_2007.xls</a> |   |   |   |  |  |   |   |
| KPI                      | ESG 11-1   |   | ESG 11-2  |   | ESG 11-3   |  |   |   |
| Description              | NO, SO Emissions Total Corporate   | NO, SO Emissions Total Benchmark  | NO, SO Emissions by Generation Portfolio Coal-Fired Powerstation Corporate                                | NO, SO Emissions by Generation Portfolio Coal-Fired Powerstation Benchmark                                | NO, SO Emissions by Kilowatthour produced Corporate                          | NO, SO Emissions by Kilowatthour produced Benchmark                          |   |   |
| Shortname                | NOSO.emiss.total.corp  | NOSO.emiss.total.bench  | NOSO.emiss.employee.corp  | NOSO.emiss.employee.bench   | NOSO.kwh.corp  | NOSO.kwh.bench   |   |   |
| Unit / Calculation       | Total NO, SO Emissions in Million tons   | Total NO, SO Emissions in Million tons  | Total NO, SO Emissions in Million tons  | Total NO, SO Emissions in Million tons  | Total NO, SO emissions / total kwh produced                                  | Total NO, SO emissions / total kwh produced                                  |   |   |
| Format                   | xxx,xxx,xxx.xx MtNOSO  | xxx,xxx,xxx.xx MtNOSO   | xxx.xx MtCO2  | xxx.xx MtCO2  | xxxx g/ kwh  | xxxx g / kwh   |   |   |
| ESG                      | ESG 13 Environmental compatibility   |   |   |   |  |  |   |   |
| Definition and Reference | Product markets should reflect the effort of companies to reduce emissions because for some products, e.g. cars the highest proportion of life cycle emissions is during the operational stage. Thus emissions of the product can have a very high impact on the climate. Companies are facing regulatory risk due to reduction targets e.g. for fleet emissions.  |   |   |   |  |  |   |   |
| KPI                      | ESG 13-3   |   | ESG 13-4  |   | ESG 13-5   |  | ESG 13-6  |   |
| Description              | Percentage of renewable energy produced as of total energy produced Corporate  | Percentage of renewable energy produced as of total energy produced Benchmark                   | Total Renewable Electricity produced from biomass Corporate   | Total Renewable Electricity produced from biomass Corporate   | Total Renewable Electricity produced from wind Corporate                     | Total Renewable Electricity produced from wind Corporate                     | Total Renewable Electricity produced from hydro Corporate | Total Renewable Electricity produced from hydro Corporate |
| Shortname                | %renewable.prod.corp   | %renewable.prod.bench   | total.renew.biomass.prod.corp   | total.renew.biomass.prod.bench  | total.renew.wind.prod.corp   | total.renew.wind.prod.bench  | total.renew.hydro.prod.corp                               | total.renew.hydro.prod.bench                              |
| Unit / Calculation       | Renewable emergy produced in GWh / total energy produced in GWh  | Renewable emergy produced in GWh / total energy produced in GWh                                 | Renewable electricity produced from biomass in GWh  | Renewable electricity produced from biomass in GWh  | Renewable electricity produced from wind in GWh                              | Renewable electricity produced from wind in GWh                              | Renewable electricity produced from hydro in GWh          | Renewable electricity produced from hydro in GWh          |
| Format                   | xx.xx %  | xx.xx %   | x,xxx GWh   | x,xxx GWh   | x,xxx GWh  | x,xxx GWh  | x,xxx GWh   | x,xxx GWh   |
| KPI                      | ESG 13-7   |   |   |   |  |  |   |   |
| Description              | Percentage of eco-labeled products sold Corporate  | Percentage of eco-labeled products sold Benchmark   |   |   |  |  |   |   |
| Shortname                | %ecolabel.sold.corp  | %ecolabel.sold.bench  |   |   |  |  |   |   |
| Unit / Calculation       | For a catalogue of eco-labeled products in the EU check <a href="http://www.eco-label.com">www.eco-label.com</a> . Calculation: revenues from eco-labeled products / total revenues  |   |   |   |  |  |   |   |
| Format                   | xx.xx %  | xx.xx %   |   |   |  |  |   |   |

| ESG   |   |  |  |  |   |   |  |
|---|---|--|--|--|---|---|--|
| <b>ESG 19 Investments in accordance with ESG criteria incl. investments in associates and minority stakes</b> |   |  |  |  |   |   |  |
| Definition and Reference  | Investing without taking human right issues such as environmental aspects or child-labour into account bear substantial reputational risks for organisations. Direct investments should reflect minimum standards of sustainability e.g. environmental compatibility. Moreover, organisations may underestimate the potential lever of their investment policies vis-a-vis third party suppliers e.g. in emerging markets or third-world countries. By ways of negotiating minimum standards of compliance with human rights standards such as minimum wages for workers, safety standards and occlusion of malpractices of an organisation's suppliers the investing party can assert human rights acknowledgement of its third party suppliers. |  |  |  |   |   |  |
| KPI   | <b>ESG 19-1</b>   |  |  |  |   |   |  |
| Description   | Percentage of total investments and investments in associates in accordance to ESG as of total investments and investments in associates Corporate  | Percentage of total investments and investments in associates in accordance to ESG as of total investments and investments in associates Benchmark |  |  |   |   |  |
| Shortname   | %inv.ESG.screen.corp  | %inv.ESG.screen.bench  |  |  |   |   |  |
| Unit / Calculation  | Percentage  | Percentage   |  |  |   |   |  |
| Format  | xx.xx %, numeric  | xx.xx %, numeric   |  |  |   |   |  |
| <b>ESG 21 Health &amp; safety aspects of products</b>   |   |  |  |  |   |   |  |
| Definition and Reference  | Health and safety of products have an influence on the reputation of the company. The lack of health and safety standards can reduce sales in the case of an accident for example. Moreover, with consumer protection on the rise and an increasing awareness of consumers about compatibility of materials used, undesired side-effects of product usage litigation risks for corporates producing in low-wage zones increase. On the other hand companies may achieve premium margins for products which cater to consumers' increased demand for products in accordance with highest safety and health standards.  |  |  |  |   |   |  |
| KPI   | <b>ESG 21-1</b>   |  | <b>ESG 21-2</b>  |  | <b>ESG 21-3</b>   |   |  |
| Description   | Total spendings on product safety Corporate as a percentage of revenues Corporate   | Total spendings on product safety Corporate as a percentage of revenues Benchmark  | Percentage of product recalls for safety or health reason as of total products sold or shipped Corporate | Percentage of product recalls for safety or health reason as of total products sold or shipped Benchmark | Spendings on product safety per unit produced Corporate | Total spendings on product safety per unit produced Benchmark |  |
| Shortname   | % spend.prodsafety.rev.corp   | % spend.prodsafety.rev.bench   | % prod.recall.of tot.corp  | % prod.recall.of tot.bench   | \$ spend.prodsafety.unit.corp                           | \$ spend.prodsafety.unit.bench                                |  |
| Unit / Calculation  | %   | %  | xx.xx %  | xx.xx %  | \$, €   | \$, €   |  |
| Format  | xx.xx %   | xx.xx %  | xxx,xxx,xxx,xxx \$, €  | xx.xx %, numeric   | xxx,xxx,xxx,xxx \$, €                                   | xx.xx %, numeric  |  |
| <b>ESG 22 Restructuring-related relocation of jobs</b>  |   |  |  |  |   |   |  |
| Definition and Reference  | The capacity of an organisation to deliver performance depends on the proverbial human capital i.e. resources, skills and knowledge of the organisation. Whenever relocation of a large part of the workforce occurs, be it to low-wage labour markets, be it to offshore suppliers there is a both a factor of savings to the cost structure of the organisation but also a loss of knowledge and skills, hence a decrease of the value of the company. Recruiting of employees after relocating a site, an office etc., on the other hands, incurs cost for hiring, training and integration.   |  |  |  |   |   |  |
| KPI   | <b>ESG 22-1</b>   |  |  |  |   |   |  |
| Description   | Total cost of relocation in \$, € including indemnity, pay-off, outplacement, hiring, training, consulting  |  |  |  |   |   |  |
| Shortname   | reloc.cost.corp   |  |  |  |   |   |  |
| Unit / Calculation  | Currency \$ / € '000  |  |  |  |   |   |  |
| Format  | xxx,xxx,xxx,xx numeric  |  |  |  |   |   |  |
| <b>ESG 24 Contributions to political parties</b>  |   |  |  |  |   |   |  |
| Definition and Reference  | In many western cultures contributions to political parties are generally perceived as a service to the democratic system which carries the organisation. However, a well-balanced contribution to a variety of political organisations sets off the risk of an organisation as being perceived as pursuing interests directly related to organisational goals. Nevertheless, investors may question both the necessity of contribution to political parties and the legitimacy as any contribution in monetary terms is an outflow of profits!   |  |  |  |   |   |  |
| KPI   | <b>ESG 24-1</b>   |  |  |  |   |   |  |
| Description   | % of contributions to political parties in \$, € / revenue Corporate  | % of contributions to political parties in \$, € / revenue Benchmark   |  |  |   |   |  |
| Shortname   | % contr.parties.rev.corp  | % contr.parties.rev.bench  |  |  |   |   |  |
| Unit / Calculation  | Currency \$ / € '000  | Currency \$ / € '000   |  |  |   |   |  |
| Format  | xxx,xxx,xxx,xx numeric  | xxx,xxx,xxx,xx numeric   |  |  |   |   |  |

| ESG                                 |  |   |   |  |   |  |
|-------------------------------------|--|---|---|--|---|--|
| <b>ESG 25 R&amp;D expenses</b>      |  |   |   |  |   |  |
| Definition and Reference            | The amount of resources an organisation is prepared to spend on products which will be marketable in a distant future is one of the most important indicators for future profit growth potentials. Any meaningful KPI in this area will also serve to investors for understanding how current cashflows can be continued when products and services mature. Depending on the industry it may be necessary that KPIs for e.g. products, patents, R&D encompass activities with external agencies such as technological suppliers or academic forms of cooperation.  |   |   |  |   |  |
| KPI                                 | <b>ESG 25-3</b>  |   | <b>ESG 25-4</b>   |  |   |  |
| Description                         | Total R&D Expenses or funding of research on ESG to external agents, suppliers or academic research in US \$ or € Corporate  | Total R&D Expenses or funding of research on ESG to external agents, suppliers or academic research as % of revenue Corporate | Total R&D Expenses or funding of research on ESG to external agents, suppliers or academic research as % of revenue Benchmark |  |   |  |
| Shortname                           | \$.r&d.extagents.corp  | R&D.extagents.%rev.corp   | R&D.extagents.%rev.bench  |  |   |  |
| Unit / Calculation                  | US \$, €   | Percentage  | Percentage  |  |   |  |
| Format                              | xxx,xxx,xxx,xxx.--   | xx.xx %, numeric  | xx.xx %, numeric  |  |   |  |
| <b>ESG 28 Customer retention</b>    |  |   |   |  |   |  |
| Definition and Reference            | Monitoring the intake of new customers whilst seeking to retain as many customers as possible is generally seen as the formula for customer-oriented companies. Whilst it seems contradictory in terms to target new customers whilst striving for repeat business through maintaining good business relations with an existing clientele experience shows that successful companies typically have a "natural" turnover of customers with the aim to identify those customers which offer the biggest potential sales and/or profitability. Measuring customer retention and share-of-market is key to maintaining a long-term perspective. |   |   |  |   |  |
| KPI                                 | <b>ESG 28-1</b>  |   | <b>ESG 28-2</b>   |  | <b>ESG 28-3</b>   |  |
| Description                         | % of new customers as of existing customers Corporate  | % of new customers as of existing customers Corporate   | Average length of time of customer relationship in years Corporate  | Average length of time of customer relationship in years Benchmark                         | Share-of-market by product, segment, productline or total |  |
| Shortname                           | newcust.existcust.%corp  | newcust.existcust.%bench  | av.custrel.years.corp   | av.custrel.years.bench   | som.[prodline].%corp                                      |  |
| Unit / Calculation                  | Percentage   | Percentage  | Years   | Years  | Percentage  |  |
| Format                              | xx.x %   | xx.x %  | xx,x  | xx,x   | xx.x %  |  |
| <b>ESG 29 Customer satisfaction</b> |  |   |   |  |   |  |
| Definition and Reference            | Having satisfied customers is the ultimate goal of any organisation. Specifically, experience tells us that measuring customer satisfaction with the aim of finding areas of improvement is important to maintain sustainable share-of-markets. Customer defection may have erosive effects as it typically occurs as a slow and undetected process until it gains a momentum at which it is difficult to counterbalance.  |   |   |  |   |  |
| KPI                                 | <b>ESG 29-1</b>  |   | <b>ESG 29-2</b>   |  |   |  |
| Description                         | Percentage of satisfied customers as of total customers Corporate  | Percentage of satisfied customers as of total customers Benchmark   | Customer retention: percentage of revenues from repeat business / total business Corporate                                    | Customer retention: percentage of revenues from repeat business / total business Benchmark |   |  |
| Shortname                           | cust.sat.corp  | cust.sat.bench  | repeat.bus.corp   | repeat.bus.bench   |   |  |
| Unit / Calculation                  | Percentage   | Percentage  | Percentage  | Percentage   |   |  |
| Format                              | xx.xx %  | xx.xx %   | xx.xx %   | xx.xx %  |   |  |

## Sector Banks [8350]

### A. Overview of sector-specific ESGs

| <b>E</b><br><b>Environmental</b>                      | <b>S</b><br><b>Social</b>  | <b>G</b><br><b>Governance</b>             | <b>V</b><br><b>Longterm Viability</b>                     |
|---|--|---|---|
| ESG 10 Deployment of renewable energy<br>ESG 12 Waste | ESG 15 Diversity<br>ESG 16 % of Credit loans, undergone ESG screening<br>ESG 17 % of funds managed in accordance to ESG criteria<br>ESG 18 Financial instruments held in accordance to ESG criteria<br>ESG 22 Restructuring-related relocation of jobs | ESG 24 Contributions to political parties | ESG 28 Customer retention<br>ESG 29 Customer satisfaction |

### B. Overview of sector-specific ESGs and relating KPIs

| <b>ESG</b>  | <b>KPI</b>  |
|---|---|
| <b>ESG 10 Deployment of renewable energy</b>  | ESG 10-1 % of energy in kwh from renewable energy sources as of total energy consumed                           |
|   | ESG 10-2 % of energy in kwh from combined heat and power generation as of total energy consumed                 |
| <b>ESG 12 Waste</b>   | ESG 12-1 Waste by unit produced   |
|   | ESG 12-2 % of waste recycled  |
| <b>ESG 15 Diversity</b>   | ESG 15-1 Percentage of female employees as of total   |
|   | ESG 15-2 Percentage of female managers as of total  |
| <b>ESG 16 Percentage of credit loans, investments and prop trading activities undergone ESG screening</b> | ESG 16-1 Percentage of credit loans undergone ESG-screening   |
|   | ESG 16-2 Percentage of prop trading activities undergone ESG screening  |
| <b>ESG 17 Percentage of funds managed in accordance to ESG-criteria</b>                                   | ESG 17-1 Percentage of funds managed in accordance to ESG-criteria  |
| <b>ESG 18 Financial instruments, investment property held in accordance to ESG-criteria</b>               | ESG 18-1 Percentage of financial instruments, investment property held in accordance to ESG-criteria            |
| <b>ESG 22 Restructuring related relocation of jobs</b>  | ESG 22-1 Total cost of relocation in \$, € incl. Indemnity, pay-off, outplacement, hiring, training, consulting |
| <b>ESG 24 Contributions to political parties</b>  | ESG 24-1 Contributions to political parties as percentage of revenues   |
| <b>ESG 28 Customer retention</b>  | ESG 28-1 Percentage of new customers as of total customers  |
|   | ESG 28-2 Average length of time of customer relationship in years   |
|   | ESG 28-3 Share-of-market by product, productline, segment, region or total                                      |
| <b>ESG 29 Customer satisfaction</b>   | ESG 29-1 Percentage of satisfied customers as of total customers  |
|   | ESG 29-2 Percentage of revenues from repeat business as of total business                                       |

## C. Sector-specific ESGs Banks

| ESG  |  |  |   |   |  |
|--|--|--|---|---|--|
| <b>ESG 10 Deployment of renewable energy</b> |  |  |   |   |  |
| Definition and Reference                     | As governments move to regulate activities that contribute to climate change, companies that are directly or indirectly responsible for emissions face regulatory risk through increased costs or other factors impacting competitiveness. Limits on greenhouse gas emissions can also create opportunities for organizations as new technologies and markets are created. Renewable energy is an example for this. Within this ESG 'renewable' is defined as any energy which is neither generated thermally e.g. from nuclear power or from fossil sources.  |  |   |   |  |
| KPI  | <b>ESG 10-1</b>  |  | <b>ESG 10-2</b>   |   |  |
| Description                                  | Percentage of energy in kwh from renewable energy sources as of total energy consumed Corporate  | Percentage of energy in kwh from renewable energy sources as of total energy consumed Benchmark            | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Corporate | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Benchmark |  |
| Shortname                                    | perc.renew.ener.corp   | perc.renew.ener.bench  | perc.renew.ener.corp  | perc.renew.ener.bench   |  |
| Unit / Calculation                           | Percentage   | Percentage   | Percentage  | Percentage  |  |
| Format                                       | xx.xx %, numeric   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  |  |
| <b>ESG 12 Waste</b>                          |  |  |   |   |  |
| Definition and Reference                     | Proposed indicators:<br>- waste in specific terms (kilogramm, ton, litres, gallons etc.) per unit produced e.g. X tons of waste / 1 ton of car produced, x litres of water contaminated / 1 ton of material produced.<br><br>DEFRA/UK proposes: Waste can be measured by estimating the number and weight of rubbish bags that leave the business over a set period of time. If the waste is sorted prior to disposal, then Defra says that more detailed measurement of specific waste, such as tonnes of glass can be made, but waste can be treated as a general category. Waste should be reported in metric tonnes per annum. In the UK, many companies already record this information as the UK landfill tax is charged per tonne. Defra guidelines say that where possible, waste should be broken down into separate categories, such as paper, glass, aluminium and the final route of disposal, for example, 50% to landfill, 30% incinerated and 20% recycled reported. If an estimation method has been used then this should also be reported.   |  |   |   |  |
| Applied KPI                                  | <b>ESG 12-1</b>  |  | <b>ESG 12-2</b>   |   |  |
| Description                                  | Waste by unit produced Corporate   | Waste by unit produced Benchmark   | % of waste recycled Corporate   | % of waste recycled Benchmark   |  |
| Shortname                                    | waste.unit.corp  | waste.unit.bench   | waste.%recycle.corp   | waste.%recycle.bench  |  |
| Unit / Calculation                           | Total waste related to production / number of units produced in specific measure (ton, gram, ounce, litre)   | Total waste related to production / number of units produced in specific measure (ton, gram, ounce, litre) | Waste recycled / Total waste  | Waste recycled / Total waste  |  |
| Format                                       | xxx.xxx.xx [unit measure] / unit   | xxx.xxx.xx [unit measure] / unit   | xx.xx %   | xx.xx %   |  |
| <b>ESG 15 Diversity</b>                      |  |  |   |   |  |
| Definition and Reference                     | Quote from Wikipedia: "The "business case for diversity", theorizes that in a global marketplace, a company that employs a diverse workforce (both men and women, people of many generations, people from ethnically and racially diverse backgrounds etc.) is better able to understand the demographics of the marketplace it serves and is thus better equipped to thrive in that marketplace than a company that has a more limited range of employee demographics. An additional corollary suggests that a company that supports the diversity of its workforce can also improve employee satisfaction, productivity and retention. This portion of the business case, often referred to as inclusion, relates to how an organization utilizes its various relevant diversities. If a workforce is diverse, but the employer takes little or no advantage of that breadth of that experience, then it cannot monetize whatever benefits background diversity might offer."<br><br>Source: Wikipedia, 4 February 2008, <a href="http://en.wikipedia.org/wiki/Diversity_%28business%29">http://en.wikipedia.org/wiki/Diversity_%28business%29</a><br><br>Helpful tools and further background information can be found at <a href="http://www.workinfo.com/free/Downloads/40.htm">http://www.workinfo.com/free/Downloads/40.htm</a> . |  |   |   |  |
| KPI  | <b>ESG 15-1</b>  |  | <b>ESG 15-2</b>   |   |  |
| Description                                  | Percentage of female employees as of total employees Corporate   | Percentage of female employees as of total employees Benchmark   | Percentage of female managers as of total managers Corporate  | Percentage of female managers as of total managers Benchmark  |  |
| Shortname                                    | %divers.female.total.corp  | %divers.female.total.bench   | divers.female.managers.total.corp   | divers.female.managers.total.bench  |  |
| Unit / Calculation                           | Percentage   | Percentage   | Percentage  | Percentage  |  |
| Format                                       | xx.xx %, numeric   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  |  |

|                                 |  |   |   |   |  |  |  |  |
|---------------------------------|--|---|---|---|--|--|--|--|
| <b>ESG</b>                      | <b>ESG 16 % of credit loans, investments and prop trading activities undergone ESG screening</b>   |   |   |   |  |  |  |  |
| <b>Definition and Reference</b> | Funding is one of the most effective levers in giving ESG-issues and topics priority. Through making funds available as loans and credits for ESG-compliant investments banks can be pivotal in serving to stir engagements in areas such as climate change, ethical supply chain management and corruption. Yet, even if the banking industry's credit granting process does not explicitly take into account ESG issues the process itself should be geared to identifying business cases potentially detrimental to ESG aspects and rigorously decline granting loans and credits to this business cases. Additionally to credit and loans, Prop Trading need to be monitored with regards to ESG compliance. |   |   |   |  |  |  |  |
| <b>KPI</b>                      | <b>ESG 16-1</b>  |   | <b>ESG 16-2</b>   |   |  |  |  |  |
| <b>Description</b>              | Percentage of total loans undergone ESG screening Corporate  | Percentage of total loans undergone ESG screening Benchmark.  | Percentage of prop trading activities undergone ESG screening Corporate | Percentage of prop trading activities undergone ESG screening Benchmark |  |  |  |  |
| <b>Shortname</b>                | %.loans.ESG.screen.corp  | %.loans.ESG.screen.bench  | proptrad.ESG.screen.corp  | proptrad.ESG.screen.bench   |  |  |  |  |
| <b>Unit / Calculation</b>       | Percentage   | Percentage  | Percentage  | Percentage  |  |  |  |  |
| <b>Format</b>                   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  | xx.xx %, numeric  |  |  |  |  |
| <b>ESG</b>                      | <b>ESG 17 % of funds managed in accordance to ESG criteria</b>   |   |   |   |  |  |  |  |
| <b>Definition and Reference</b> | Through increasing the percentage of funds managed in accordance to ESG criteria the Re-Insurance industries can produce effective engagement of an institutional investor.  |   |   |   |  |  |  |  |
| <b>KPI</b>                      | <b>ESG 17-1</b>  |   |   |   |  |  |  |  |
| <b>Description</b>              | Percentage of total funds held in accordance with ESG criteria Corporate.  | Percentage of total funds held in accordance with ESG criteria benchmark.   |   |   |  |  |  |  |
| <b>Shortname</b>                | %.funds.ESG.screen.corp  | %.funds.ESG.screen.bench  |   |   |  |  |  |  |
| <b>Unit / Calculation</b>       | Percentage   | Percentage  |   |   |  |  |  |  |
| <b>Format</b>                   | xx.xx %, numeric   | xx.xx %, numeric  |   |   |  |  |  |  |
| <b>ESG</b>                      | <b>ESG 18 Financial instruments, investment property held in accordance to ESG criteria</b>  |   |   |   |  |  |  |  |
| <b>Definition and Reference</b> | Definitons of financial instruments and investment property can be found at IFRS (cf. IAS 39, 40)  |   |   |   |  |  |  |  |
| <b>KPI</b>                      | <b>ESG 18-1</b>  |   |   |   |  |  |  |  |
| <b>Description</b>              | Percentage of total financial instruments, investment property held in accordance to ESG as of total investments, investments in associates, financial instruments, investment property Corporate  | Percentage of total financial instruments, investment property held in accordance to ESG as of total investments, investments in associates, financial instruments, investment property Benchmark |   |   |  |  |  |  |
| <b>Shortname</b>                | %.fininstrum.ESG.screen.corp   | %.fininstrum.ESG.screen.bench   |   |   |  |  |  |  |
| <b>Unit / Calculation</b>       | Percentage   | Percentage  |   |   |  |  |  |  |
| <b>Format</b>                   | xx.xx %, numeric   | xx.xx %, numeric  |   |   |  |  |  |  |
| <b>ESG</b>                      | <b>ESG 22 Restructuring-related relocation of jobs</b>   |   |   |   |  |  |  |  |
| <b>Definition and Reference</b> | The capacity of an organisation to deliver performance depends on the proverbial human capital i.e. resources, skills and knowledge of the organisation. Whenever relocation of a large part of the workforce occurs, be it to low-wage labour markets, be it to offshore suppliers there is a both a factor of savings to the cost structure of the organisation but also a loss of knowledge and skills, hence a decrease of the value of the company. Recruiting of employees after relocating a site, an office etc., on the other hands, incurs cost for hiring, training and integration.  |   |   |   |  |  |  |  |
| <b>KPI</b>                      | <b>ESG 22-1</b>  |   |   |   |  |  |  |  |
| <b>Description</b>              | Total cost of relocation in \$, € including indemnity, pay-off, outplacement, hiring, training, consulting   |   |   |   |  |  |  |  |
| <b>Shortname</b>                | reloc.cost.corp  |   |   |   |  |  |  |  |
| <b>Unit / Calculation</b>       | Currency \$ / € '000   |   |   |   |  |  |  |  |
| <b>Format</b>                   | xxx,xxx,xxx,xx numeric   |   |   |   |  |  |  |  |
| <b>ESG</b>                      | <b>ESG 24 Contributions to political parties</b>   |   |   |   |  |  |  |  |
| <b>Definition and Reference</b> | In many western cultures contributions to political parties are generally perceived as a service to the democratic system which carries the organisation. However, a well-balanced contribution to a variety of political organisations sets off the risk of an organisation as being perceived as pursuing interests directly related to organisational goals. Nevertheless, investors may question both the necessity of contribution to political parties and the legitimacy as any contribution in monetary terms is an outflow of profits!  |   |   |   |  |  |  |  |
| <b>KPI</b>                      | <b>ESG 24-1</b>  |   |   |   |  |  |  |  |
| <b>Description</b>              | % of contributions to political parties in \$, € / revenue Corporate   | % of contributions to political parties in \$, € / revenue Benchmark  |   |   |  |  |  |  |
| <b>Shortname</b>                | %.contr.parties.rev.corp   | %.contr.parties.rev.bench   |   |   |  |  |  |  |
| <b>Unit / Calculation</b>       | Currency \$ / € '000   | Currency \$ / € '000  |   |   |  |  |  |  |
| <b>Format</b>                   | xxx,xxx,xxx,xx numeric   | xxx,xxx,xxx,xx numeric  |   |   |  |  |  |  |

| ESG                                 |  |   |  |  |   |  |  |
|-------------------------------------|--|---|--|--|---|--|--|
| <b>ESG 28 Customer retention</b>    |  |   |  |  |   |  |  |
| Definition and Reference            | Monitoring the intake of new customers whilst seeking to retain as many customers as possible is generally seen as the formula for customer-oriented companies. Whilst it seems contradictory in terms to target new customers whilst striving for repeat business through maintaining good business relations with an existing clientele experience shows that successful companies typically have a "natural" turnover of customers with the aim to identify those customers which offer the biggest potential sales and/or profitability. Measuring customer retention and share-of-market is key to maintaining a long-term perspective. |   |  |  |   |  |  |
| <b>KPI</b>                          | <b>ESG 28-1</b>  |   | <b>ESG 28-2</b>  |  | <b>ESG 28-3</b>   |  |  |
| Description                         | % of new customers as of existing customers Corporate  | % of new customers as of existing customers Corporate             | Average length of time of customer relationship in years Corporate                         | Average length of time of customer relationship in years Benchmark                         | Share-of-market by product, segment, productline or total |  |  |
| Shortname                           | newcust.existcust.%corp  | newcust.existcust.%bench  | av.custrel.years.corp  | av.custrel.years.bench   | som.[prodline].%corp                                      |  |  |
| Unit / Calculation                  | Percentage   | Percentage  | Years  | Years  | Percentage  |  |  |
| Format                              | xx.x %   | xx.x %  | xx,x   | xx,x   | xx.x %  |  |  |
| <b>ESG 29 Customer satisfaction</b> |  |   |  |  |   |  |  |
| Definition and Reference            | Having satisfied customers is the ultimate goal of any organisation. Specifically, experience tells us that measuring customer satisfaction with the aim of finding areas of improvement is important to maintain sustainable share-of-markets. Customer defection may have erosive effects as it typically occurs as a slow and undetected process until it gains a momentum at which it is difficult to counterbalance.  |   |  |  |   |  |  |
| <b>KPI</b>                          | <b>ESG 29-1</b>  |   | <b>ESG 29-2</b>  |  |   |  |  |
| Description                         | Percentage of satisfied customers as of total customers Corporate  | Percentage of satisfied customers as of total customers Benchmark | Customer retention: percentage of revenues from repeat business / total business Corporate | Customer retention: percentage of revenues from repeat business / total business Benchmark |   |  |  |
| Shortname                           | cust.sat.corp  | cust.sat.bench  | repeat.bus.corp  | repeat.bus.bench   |   |  |  |
| Unit / Calculation                  | Percentage   | Percentage  | Percentage   | Percentage   |   |  |  |
| Format                              | xx.xx %  | xx.xx %   | xx.xx %  | xx.xx %  |   |  |  |

## Sector Nonlife Insurance [8530]

### A. Overview of sector-specific ESGs

| <b>E</b><br><b>Environmental</b>      | <b>S</b><br><b>Social</b>   | <b>G</b><br><b>Governance</b>  | <b>V</b><br><b>Longterm Viability</b>   |
|---------------------------------------|---|--|---|
| ESG 10 Deployment of renewable energy | ESG 15 Diversity<br>ESG 17 % of funds managed in accordance to ESG criteria<br>ESG 18 Financial instruments held in accordance to ESG criteria<br>ESG 22 Restructuring-related relocation of jobs | ESG 23 Dimension of pending legal proceedings<br>ESG 24 Contributions to political parties | ESG 27 Investments in research on new risk<br>ESG 28 Customer retention<br>ESG 29 Customer satisfaction |

### B. Overview of sector-specific ESGs and relating KPIs

| <b>ESG</b>  | <b>KPI</b>  |
|---|---|
| <b>ESG 10 Deployment of renewable energy</b>  | ESG 10-1 % of energy in kwh from renewable energy sources as of total energy consumed                           |
|   | ESG 10-2 % of energy in kwh from combined heat and power generation as of total energy consumed                 |
| <b>ESG 15 Diversity</b>   | ESG 15-1 Percentage of female employees as of total   |
|   | ESG 15-2 Percentage of female managers as of total  |
| <b>ESG 17 Percentage of funds managed in accordance to ESG-criteria</b>                     | ESG 17-1 Percentage of funds managed in accordance to ESG-criteria  |
| <b>ESG 18 Financial instruments, investment property held in accordance to ESG-criteria</b> | ESG 18-1 Percentage of financial instruments, investment property held in accordance to ESG-criteria            |
| <b>ESG 22 Restructuring related relocation of jobs</b>                                      | ESG 22-1 Total cost of relocation in \$, € incl. Indemnity, pay-off, outplacement, hiring, training, consulting |
| <b>ESG 23 Dimensions of pending legal proceedings</b>                                       | ESG 23-1 Amount in \$, € in controversy, dispute from legal proceedings   |
|   | ESG 23-2 Amount in \$, € in controversy, dispute from legal proceedings as a percentage from total revenues     |
| <b>ESG 24 Contributions to political parties</b>  | ESG 24-1 Contributions to political parties as percentage of revenues   |
| <b>ESG 27 Investments in research on new risk</b>   | ESG 27-1 Total investments in research on new risk in \$, €   |
|   | ESG 27-2 Total investments in research on new risk in mandays   |
|   | ESG 27-3 Total investments in research on new risk in \$, € as a percentage of revenues                         |

|                                     |  |
|-------------------------------------|--|
| <b>ESG 28 Customer retention</b>    | ESG 28-1 Percentage of new customers as of total customers                 |
|                                     | ESG 28-2 Average length of time of customer relationship in years          |
|                                     | ESG 28-3 Share-of-market by product, productline, segment, region or total |
| <b>ESG 29 Customer satisfaction</b> | ESG 29-1 Percentage of satisfied customers as of total customers           |
|                                     | ESG 29-2 Percentage of revenues from repeat business as of total business  |

## C. Sector-specific ESGs Nonlife Insurance

| ESG                      | ESG 10 Deployment of renewable energy  |   |   |   |  |  |  |  |
|--------------------------|--|---|---|---|--|--|--|--|
| Definition and Reference | As governments move to regulate activities that contribute to climate change, companies that are directly or indirectly responsible for emissions face regulatory risk through increased costs or other factors impacting competitiveness. Limits on greenhouse gas emissions can also create opportunities for organizations as new technologies and markets are created. Renewable energy is an example for this. Within this ESG 'renewable' is defined as any energy which is neither generated thermally e.g. from nuclear power or from fossil sources.  |   |   |   |  |  |  |  |
| KPI                      | ESG 10-1   |   | ESG 10-2  |   |  |  |  |  |
| Description              | Percentage of energy in kwh from renewable energy sources as of total energy consumed Corporate  | Percentage of energy in kwh from renewable energy sources as of total energy consumed Benchmark   | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Corporate | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Benchmark |  |  |  |  |
| Shortname                | perc.renew.ener.corp   | perc.renew.ener.bench   | perc.renew.ener.corp  | perc.renew.ener.bench   |  |  |  |  |
| Unit / Calculation       | Percentage   | Percentage  | Percentage  | Percentage  |  |  |  |  |
| Format                   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  | xx.xx %, numeric  |  |  |  |  |
| ESG                      | ESG 15 Diversity   |   |   |   |  |  |  |  |
| Definition and Reference | Quote from Wikipedia: "The "business case for diversity", theorizes that in a global marketplace, a company that employs a diverse workforce (both men and women, people of many generations, people from ethnically and racially diverse backgrounds etc.) is better able to understand the demographics of the marketplace it serves and is thus better equipped to thrive in that marketplace than a company that has a more limited range of employee demographics. An additional corollary suggests that a company that supports the diversity of its workforce can also improve employee satisfaction, productivity and retention. This portion of the business case, often referred to as inclusion, relates to how an organization utilizes its various relevant diversities. If a workforce is diverse, but the employer takes little or no advantage of that breadth of that experience, then it cannot monetize whatever benefits background diversity might offer."<br><br>Source: Wikipedia, 4 February 2008, <a href="http://en.wikipedia.org/wiki/Diversity_%28business%29">http://en.wikipedia.org/wiki/Diversity_%28business%29</a><br><br>Helpful tools and further background information can be found at <a href="http://www.workinfo.com/free/Downloads/40.htm">http://www.workinfo.com/free/Downloads/40.htm</a> . |   |   |   |  |  |  |  |
| KPI                      | ESG 15-1   |   | ESG 15-2  |   |  |  |  |  |
| Description              | Percentage of female employees as of total employees Corporate   | Percentage of female employees as of total employees Benchmark  | Percentage of female managers as of total managers Corporate  | Percentage of female managers as of total managers Benchmark  |  |  |  |  |
| Shortname                | %.divers.female.total.corp   | %.divers.female.total.bench   | divers.female.managers.total.corp   | divers.female.managers.total.bench  |  |  |  |  |
| Unit / Calculation       | Percentage   | Percentage  | Percentage  | Percentage  |  |  |  |  |
| Format                   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  | xx.xx %, numeric  |  |  |  |  |
| ESG                      | ESG 17 % of funds managed in accordance to ESG criteria  |   |   |   |  |  |  |  |
| Definition and Reference | Through increasing the percentage of funds managed in accordance to ESG criteria the Re-Insurance industries can produce effective engagement of an institutional investor.  |   |   |   |  |  |  |  |
| KPI                      | ESG 17-1   |   |   |   |  |  |  |  |
| Description              | Percentage of total funds held in accordance with ESG criteria Corporate.  | Percentage of total funds held in accordance with ESG criteria benchmark.   |   |   |  |  |  |  |
| Shortname                | %.funds.ESG.screen.corp  | %.funds.ESG.screen.bench  |   |   |  |  |  |  |
| Unit / Calculation       | Percentage   | Percentage  |   |   |  |  |  |  |
| Format                   | xx.xx %, numeric   | xx.xx %, numeric  |   |   |  |  |  |  |
| ESG                      | ESG 18 Financial Instruments, investment property held in accordance to ESG criteria   |   |   |   |  |  |  |  |
| Definition and Reference | Definitons of financial instruments and investment property can be found at IFRS (cf. IAS 39, 40)  |   |   |   |  |  |  |  |
| KPI                      | ESG 18-1   |   |   |   |  |  |  |  |
| Description              | Percentage of total financial instruments, investment property held in accordance to ESG as of total investments, investments in associates, financial instruments, investment property Corporate  | Percentage of total financial instruments, investment property held in accordance to ESG as of total investments, investments in associates, financial instruments, investment property Benchmark |   |   |  |  |  |  |
| Shortname                | %.fininstrum.ESG.screen.corp   | %.fininstrum.ESG.screen.bench   |   |   |  |  |  |  |
| Unit / Calculation       | Percentage   | Percentage  |   |   |  |  |  |  |
| Format                   | xx.xx %, numeric   | xx.xx %, numeric  |   |   |  |  |  |  |

| ESG                      |   | ESG 22 Restructuring-related relocation of jobs   |   |   |          |
|--------------------------|---|---|---|---|----------|
| Definition and Reference | The capacity of an organisation to deliver performance depends on the proverbial human capital i.e. resources, skills and knowledge of the organisation. Whenever relocation of a large part of the workforce occurs, be it to low-wage labour markets, be it to offshore suppliers there is a both a factor of savings to the cost structure of the organisation but also a loss of knowledge and skills, hence a decrease of the value of the company. Recruiting of employees after relocating a site, an office etc., on the other hands, incurs cost for hiring, training and integration. |   |   |   |          |
| KPI                      | ESG 22-1  |   |   |   |          |
| Description              | Total cost of relocation in \$, € including indemnity, pay-off, outplacement, hiring, training, consulting  |   |   |   |          |
| Shortname                | reloc.cost.corp   |   |   |   |          |
| Unit / Calculation       | Currency \$ / € '000  |   |   |   |          |
| Format                   | xxx,xxx,xxx,xx numeric  |   |   |   |          |
| ESG                      |   | ESG 23 Dimension of pending legal proceedings   |   |   |          |
| Definition and Reference | The dimension of pending legal proceedings is a first-level risk indicator and as such important for investors and financial analysts. However, rather than quoting the number of proceedings corporates should quote the amount in dispute or controversy.   |   |   |   |          |
| KPI                      | ESG 23-1  |   | ESG 23-2  |   |          |
| Description              | Amount in dispute/controversy from legal proceedings Corporate.   | Amount in dispute/controversy from legal proceedings as percentage from total revenue Corporate | Amount in dispute/controversy from legal proceedings as percentage from total revenue Benchmark |   |          |
| Shortname                | controvery.legalproc.\$.corp  | controvery.legalproc.%rev.corp  | controvery.legalproc.%rev.bench   |   |          |
| Unit / Calculation       | US \$, €  | Percentage  | Percentage  |   |          |
| Format                   | xxx,xxx,xxx,xxx.--  | xx.xx %, numeric  | xx.xx %, numeric  |   |          |
| ESG                      |   | ESG 24 Contributions to political parties   |   |   |          |
| Definition and Reference | In many western cultures contributions to political parties are generally perceived as a service to the democratic system which carries the organisation. However, a well-balanced contribution to a variety of political organisations sets off the risk of an organisation as being perceived as pursuing interests directly related to organisational goals. Nevertheless, investors may question both the necessity of contribution to political parties and the legitimacy as any contribution in monetary terms is an outflow of profits!   |   |   |   |          |
| KPI                      | ESG 24-1  |   |   |   |          |
| Description              | % of contributions to political parties in \$, € / revenue Corporate  | % of contributions to political parties in \$, € / revenue Benchmark                            |   |   |          |
| Shortname                | % contr.parties.rev.corp  | % contr.parties.rev.bench   |   |   |          |
| Unit / Calculation       | Currency \$ / € '000  | Currency \$ / € '000  |   |   |          |
| Format                   | xxx,xxx,xxx,xx numeric  | xxx,xxx,xxx,xx numeric  |   |   |          |
| ESG                      |   | ESG 27 Investments in research on new risk  |   |   |          |
| Definition and Reference | Understanding risk, especially analysing causal chains which lead to the emergence of new risk is a key activity of any re-insurance and insurance business. Through identifying early warning indicators and also linking seemingly unrelated phenomenon in environment and societies insurance industries seek to arrive at resilient and workable occurrence probabilities to be priced. Hence, any resource spent in the area of understanding new risk may be seen as a genuine investment in the longterm viability of re-insurance companies.  |   |   |   |          |
| KPI                      | ESG 27-1  |   | ESG 27-2  |   | ESG 27-3 |
| Description              | Total investments in US \$ or € on new risk Corporate   | Total investments in mandays on new risk Corporate  | Total investments in US \$ or € on new risk as % of revenue Corporate                           | Total investments in US \$ or € on new risk as % of revenue Bench |          |
| Shortname                | invest.newrisk.\$.corp  | invest.new.risk.mandays.corp  | invest.newrisk.%rev.corp  | invest.newrisk.%rev.bench   |          |
| Unit / Calculation       | US \$, €  | Mandays   | Percentage  | Percentage  |          |
| Format                   | xxx,xxx,xxx,xxx.--  | xxx,xxx.--  | xx.xx %, numeric  | xx.xx %, numeric  |          |

| ESG                                 |  |   |  |  |   |  |  |
|-------------------------------------|--|---|--|--|---|--|--|
| <b>ESG 28 Customer retention</b>    |  |   |  |  |   |  |  |
| Definition and Reference            | Monitoring the intake of new customers whilst seeking to retain as many customers as possible is generally seen as the formula for customer-oriented companies. Whilst it seems contradictory in terms to target new customers whilst striving for repeat business through maintaining good business relations with an existing clientele experience shows that successful companies typically have a "natural" turnover of customers with the aim to identify those customers which offer the biggest potential sales and/or profitability. Measuring customer retention and share-of-market is key to maintaining a long-term perspective. |   |  |  |   |  |  |
| <b>KPI</b>                          | <b>ESG 28-1</b>  |   | <b>ESG 28-2</b>  |  | <b>ESG 28-3</b>   |  |  |
| Description                         | % of new customers as of existing customers Corporate  | % of new customers as of existing customers Corporate             | Average length of time of customer relationship in years Corporate                         | Average length of time of customer relationship in years Benchmark                         | Share-of-market by product, segment, productline or total |  |  |
| Shortname                           | newcust.existcust.%corp  | newcust.existcust.%bench  | av.custrel.years.corp  | av.custrel.years.bench   | som.[prodline].%corp                                      |  |  |
| Unit / Calculation                  | Percentage   | Percentage  | Years  | Years  | Percentage  |  |  |
| Format                              | xx.x %   | xx.x %  | xx,x   | xx,x   | xx.x %  |  |  |
| <b>ESG 29 Customer satisfaction</b> |  |   |  |  |   |  |  |
| Definition and Reference            | Having satisfied customers is the ultimate goal of any organisation. Specifically, experience tells us that measuring customer satisfaction with the aim of finding areas of improvement is important to maintain sustainable share-of-markets. Customer defection may have erosive effects as it typically occurs as a slow and undetected process until it gains a momentum at which it is difficult to counterbalance.  |   |  |  |   |  |  |
| <b>KPI</b>                          | <b>ESG 29-1</b>  |   | <b>ESG 29-2</b>  |  |   |  |  |
| Description                         | Percentage of satisfied customers as of total customers Corporate  | Percentage of satisfied customers as of total customers Benchmark | Customer retention: percentage of revenues from repeat business / total business Corporate | Customer retention: percentage of revenues from repeat business / total business Benchmark |   |  |  |
| Shortname                           | cust.sat.corp  | cust.sat.bench  | repeat.bus.corp  | repeat.bus.bench   |   |  |  |
| Unit / Calculation                  | Percentage   | Percentage  | Percentage   | Percentage   |   |  |  |
| Format                              | xx.xx %  | xx.xx %   | xx.xx %  | xx.xx %  |   |  |  |

## A selection of sector-specific ESGs and KPIs with recommendations for which sectors to apply

| ESG                      | ESG 10 Deployment of renewable energy  |   |   |   |  |  |  |                            |
|--------------------------|--|---|---|---|--|--|--|----------------------------|
| Definition and Reference | As governments move to regulate activities that contribute to climate change, companies that are directly or indirectly responsible for emissions face regulatory risk through increased costs or other factors impacting competitiveness. Limits on greenhouse gas emissions can also create opportunities for organizations as new technologies and markets are created. Renewable energy is an example for this. Within this ESG 'renewable' is defined as any energy which is neither generated thermally e.g. from nuclear power or from fossil sources.  |   |   |   |  |  |  |                            |
| KPI                      | ESG 10-1   |   | ESG 10-2  |   | ESG 10-3   |  |  |                            |
| Description              | Percentage of energy in kwh from renewable energy sources as of total energy consumed Corporate  | Percentage of energy in kwh from renewable energy sources as of total energy consumed Benchmark | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Corporate | Percentage of energy in kwh from combined heat and power generation as of total energy consumed Benchmark | Investments in Renewable Energy Generation as of Total Investments Corporate | Investments in Renewable Energy Generation as of Total Investments Benchmark |  |                            |
| Shortname                | perc.renew.ener.corp   | perc.renew.ener.bench   | perc.renew.ener.corp  | perc.renew.ener.bench   | %.inv.renew.total.corp   | %.inv.renew.total.bench  |  |                            |
| Unit / Calculation       | Percentage   | Percentage  | Percentage  | Percentage  | Percentage   | Percentage   |  |                            |
| Format                   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  | xx.xx %, numeric  | xx.xx %, numeric   | xx.xx %, numeric   |  |                            |
| Sector                   | All  | All   | All   | All   | ELECTRIC UTILITIES 7530  | ELECTRIC UTILITIES 7530  |  |                            |
| ESG                      | ESG 11 NO, SO Emissions  |   |   |   |  |  |  |                            |
| Definition and Reference | Greenhouse gas emissions are the main cause of climate change. This Indicator can be used to explain targets for regulations or trading systems at international or national levels. It also provides insights into the potential cost implications of taxation or trading systems for reporting companies.<br><br>Please refer to the Greenhouse Gas Protocol: "The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. The GHG Protocol Initiative, a decade-long partnership between the World Resources Institute and the World Business Council for Sustainable Development, is working with businesses, governments, and environmental groups around the world to build a new generation of credible and effective programs for tackling climate change." Source: www.ghgprotocol.org<br><br>Other definitions can be found at ISO Organisation ( <a href="http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.htm#quantifying">http://www.iso.org/iso/hot_topics/hot_topics_climate_change_tools.htm#quantifying</a> ). The newly developed standards ISO 14064 and ISO 14065 provide an internationally agreed framework for measuring GHG emissions and verifying claims made about them so that "a tonne of carbon is always a tonne of carbon".<br><br>Other sources:<br>VfU Indicators: Internal Environmental Performance Indicators for the Financial Industry: see <a href="http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VfU_Indicators_2005_Calculation_File_February_2007.xls">http://www.vfu.de/scin/userdata/File/Downloads/update%202007/VfU_Indicators_2005_Calculation_File_February_2007.xls</a> |   |   |   |  |  |  |                            |
| KPI                      | ESG 11-1   |   |   |   |  |  |  |                            |
| Description              | NO, SO Emissions Total Corporate   | NO, SO Emissions Total Benchmark  |   |   |  |  |  |                            |
| Shortname                | NOSO.emiss.total.corp  | NOSO.emiss.total.bench  |   |   |  |  |  |                            |
| Unit / Calculation       | Total NO, SO Emissions in Million tons   | Total NO, SO Emissions in Million tons  |   |   |  |  |  |                            |
| Format                   | xxx,xxx,xxx.xx MinOSO  | xxx,xxx,xxx.xx MinOSO   |   |   |  |  |  |                            |
| Sectors                  | Oil & Gas Producers [0530]   | Oil Equipment, Services & Distribution [0570]   | Chemicals [1350]  | Forestry & Paper [1730]   | Industrial Metals [1750]   | Mining [1770]  | Construction & Materials [2350]        | Aerospace & Defense [2710] |
|                          | General Industrials [2720]   | Electronic & Electrical Equipment [2730]  | Industrial Engineering [2750]   | Industrial Transportation [2770]  | Support Services [2790]  | Automobiles [3353]   | Beverages [3530]                       | Food Producers [3570]      |
|                          | Household Goods [3720]   | Leisure Goods [3740]  | Personal Goods [3760]   | Tobacco [3780]  | Health Care Equipment & Services [4530]                                      | Pharmaceuticals & Biotechnology [4570]                                       | Food & Drug Retailer [5330]            | General Retailers [5370]   |
|                          | Media [5550]   | Travel & Leisure [5750]   | Fixed Line Telecommunications [6530]  | Mobile Telecommunications [6570]  | <b>Electricity Utilities [7530]</b>  | Gas, Water & Multiutilities [7570]   | Banks [8350]                           | Nonlife Insurance [8530]   |
|                          | Life Insurance [8570]  | Real Estate [8730]  | General Financial [8770]  | Equity Investment Instruments [8980]  | X  | Software & Computer Services [9530]  | Technology Hardware & Equipment [9570] |                            |

| KPI                | ESG 11-2   |  | ESG 11-3  |   |   |  |  |  |
|--------------------|--|--|---|---|---|--|--|--|
| Description        | NO, SO Emissions by Generation Portfolio Coal-Fired Powerstation Corporate | NO, SO Emissions by Generation Portfolio Coal-Fired Powerstation Benchmark | NO, SO Emissions by Kilowatthour produced Corporate | NO, SO Emissions by Kilowatthour produced Benchmark |   |  |  |  |
| Shortname          | NOSO.emiss.employee.corp   | NOSO.emiss.employee.bench  | NOSO.kwh.corp                                       | NOSO.kwh.bench                                      |   |  |  |  |
| Unit / Calculation | Total NO, SO Emissions in Million tons                                     | Total NO, SO Emissions in Million tons                                     | Total NO, SO emissions / total kwh produced         | Total NO, SO emissions / total kwh produced         |   |  |  |  |
| Format             | xxx.xx MtCO2   | xxx.xx MtCO2   | xxxx g / kwh  | xxxx g / kwh  |   |  |  |  |
| Sectors            | Oil & Gas Producers [0530]   | Oil Equipment, Services & Distribution [0570]                              | Chemicals [1350]                                    | Forestry & Paper [1730]                             | Industrial Metals [1750]                | Mining [1770]                          | Construction & Materials [2350]          | Aerospace & Defense [2710]               |
|                    | General Industrials [2720]   | Electronic & Electrical Equipment [2730]                                   | Industrial Engineering [2750]                       | Industrial Transportation [2770]                    | Support Services [2790]                 | Automobiles [3353]                     | Beverages [3530]                         | Food Producers [3570]                    |
|                    | Household Goods [3720]   | Leisure Goods [3740]   | Personal Goods [3760]                               | Tobacco [3780]                                      | Health Care Equipment & Services [4530] | Pharmaceuticals & Biotechnology [4570] | Food & Drug Retailer [5330]              | General Retailers [5370]                 |
|                    | Media [5550]   | Travel & Leisure [5750]  | Fixed Line Telecommunications [6530]                | Mobile Telecommunications [6570]                    | Electricity Utilities [7530]            | Gas, Water & Multiutilities [7570]     | Banks [8350]                             | Nonlife Insurance [8530]                 |
|                    | Life Insurance [8570]  | Real Estate [8730]   | General Financial [8770]                            | Equity Investment Instruments [8980]                | Nonequity Investment Instruments [8990] | Software & Computer Services [9530]    | Technology Hardware & Equipment [9570]   |  |
|                    |  |  |   |   |   |  |  |  |
| KPI                | ESG 11-4   |  | ESG 11-5  |   | ESG 11-6                                |  | ESG 11-7                                 |  |
| Description        | NO,SO Emissions by passenger-km Corporate                                  | NO,SO Emissions by passenger-km Benchmark                                  | NO,SO Emissions by passenger-mile Corporate         | NO,SO Emissions by passenger-mile Benchmark         | NO,SO Emissions by cargo-km Corporate   | NO,SO Emissions by cargo-km Benchmark  | NO,SO Emissions by cargo-mile Corporate  | NO,SO Emissions by cargo-mile Benchmark  |
| Shortname          | NOSO.emiss.passkm.corp   | NOSO.emiss.passkm.bench  | NOSO.emiss.passmile.corp                            | NOSO.emiss.passmile.bench                           | NOSO.emiss.cargokm.corp                 | NOSO.emiss.cargokm.bench               | NOSO.emiss.cargomile.corp                | NOSO.emiss.cargomile.bench               |
| Unit / Calculation | Total NO,SO Emissions / total passenger-km                                 | Total NO,SO Emissions / total passenger-km                                 | Total NO,SO Emissions / total passenger-mile        | Total NO,SO Emissions / total passenger-mile        | Total NO,SO Emissions / total cargo-km  | Total NO,SO Emissions / total cargo-km | Total NO,SO Emissions / total cargo-mile | Total NO,SO Emissions / total cargo-mile |
| Format             | xxx,xxx.xx g/km  | xxx,xxx.xx g/km  | xxx,xxx.xx g/km                                     | xxx,xxx.xx g/km                                     | xxx,xxx.xx g/km                         | xxx,xxx.xx g/km                        | xxx,xxx.xx g/km                          | xxx,xxx.xx g/km                          |
| Sectors            | Oil & Gas Producers [0530]   | Oil Equipment, Services & Distribution [0570]                              | Chemicals [1350]                                    | Forestry & Paper [1730]                             | Industrial Metals [1750]                | Mining [1770]                          | Construction & Materials [2350]          | Aerospace & Defense [2710]               |
|                    | General Industrials [2720]   | Electronic & Electrical Equipment [2730]                                   | Industrial Engineering [2750]                       | Industrial Transportation [2770]                    | Support Services [2790]                 | Automobiles [3353]                     | Beverages [3530]                         | Food Producers [3570]                    |
|                    | Household Goods [3720]   | Leisure Goods [3740]   | Personal Goods [3760]                               | Tobacco [3780]                                      | Health Care Equipment & Services [4530] | Pharmaceuticals & Biotechnology [4570] | Food & Drug Retailer [5330]              | General Retailers [5370]                 |
|                    | Media [5550]   | Travel & Leisure [5750]  | Fixed Line Telecommunications [6530]                | Mobile Telecommunications [6570]                    | Electricity Utilities [7530]            | Gas, Water & Multiutilities [7570]     | Banks [8350]                             | Nonlife Insurance [8530]                 |
|                    | Life Insurance [8570]  | Real Estate [8730]   | General Financial [8770]                            | Equity Investment Instruments [8980]                | Nonequity Investment Instruments [8990] | Software & Computer Services [9530]    | Technology Hardware & Equipment [9570]   |  |
|                    |  |  |   |   |   |  |  |  |

| KPI                | ESG 11-8  |   |                                      |                                      |   |  |                                     |  |
|--------------------|---|---|--------------------------------------|--------------------------------------|---|--|-------------------------------------|--|
| Description        | NO, SO Emissions total production sites Corporate | NO, SO Emissions total production sites Benchmark |                                      |                                      |   |  |                                     |  |
| Shortname          | NOSO.emiss.prodsites.corp                         | NOSO.emiss.prodsites.bench                        |                                      |                                      |   |  |                                     |  |
| Unit / Calculation | Total CO2 Emissions of all production sites       | Total CO2 Emissions of all production sites       |                                      |                                      |   |  |                                     |  |
| Format             | xxx,xxx,xxx.xx MtCO2                              | xxx,xxx,xxx.xx MtCO2                              |                                      |                                      |   |  |                                     |  |
| Sectors            | Oil & Gas Producers [0530]                        | Oil Equipment, Services & Distribution [0570]     | Chemicals [1350]                     | Forestry & Paper [1730]              | Industrial Metals [1750]                | Mining [1770]                          | Construction & Materials [2350]     | Aerospace & Defense [2710]             |
|                    | General Industrials [2720]                        | Electronic & Electrical Equipment [2730]          | Industrial Engineering [2750]        | Industrial Transportation [2770]     | Support Services [2790]                 | <b>Automobiles [3353]</b>              | Beverages [3530]                    | Food Producers [3570]                  |
|                    | Household Goods [3720]                            | Leisure Goods [3740]                              | Personal Goods [3760]                | Tobacco [3780]                       | Health Care Equipment & Services [4530] | <b>X</b>                               | Food & Drug Retailer [5330]         | General Retailers [5370]               |
|                    | Media [5550]                                      | Travel & Leisure [5750]                           | Fixed Line Telecommunications [6530] | Mobile Telecommunications [6570]     | Electricity Utilities [7530]            | Pharmaceuticals & Biotechnology [4570] | Banks [8350]                        | Nonlife Insurance [8530]               |
|                    | Life Insurance [8570]                             | Real Estate [8730]                                | General Financial [8770]             | Equity Investment Instruments [8980] | Nonequity Investment Instruments [8990] | Gas, Water & Multiutilities [7570]     | Software & Computer Services [9530] | Technology Hardware & Equipment [9570] |
|                    |   |   |                                      |                                      |   |  |                                     |  |
|                    |   |   |                                      |                                      |   |  |                                     |  |

| ESG                        | ESG 12 Waste   |  |   |   |  |   |  |                            |
|----------------------------|--|--|---|---|--|---|--|----------------------------|
| Definition and Reference   | <p>Proposed indicators:<br/>- waste in specific terms (kilogramm, ton, litres, gallons etc.) per unit produced e.g. X tons of waste / 1 ton of car produced, x litres of water contaminated / 1 ton of material produced.</p> <p>DEFRA/UK proposes: Waste can be measured by estimating the number and weight of rubbish bags that leave the business over a set period of time. If the waste is sorted prior to disposal, then Defra says that more detailed measurement of specific waste, such as tonnes of glass can be made, but waste can be treated as a general category. Waste should be reported in metric tonnes per annum. In the UK, many companies already record this information as the UK landfill tax is charged per tonne. Defra guidelines say that where possible, waste should be broken down into separate categories, such as paper, glass, aluminium and the final route of disposal, for example, 50% to landfill, 30% incinerated and 20% recycled reported. If an estimation method has been used then this should also be reported.</p> |  |   |   |  |   |  |                            |
| Applied KPI                | <b>ESG 12-1</b>  |  |   |   |  |   |  |                            |
| Description                | Waste by unit produced Corporate   | Waste by unit produced Benchmark   |   |   |  |   |  |                            |
| Shortname                  | waste.unit.corp  | waste.unit.bench   |   |   |  |   |  |                            |
| Unit / Calculation         | Total waste related to production / number of units produced in specific measure (ton, gram, ounce, litre)   | Total waste related to production / number of units produced in specific measure (ton, gram, ounce, litre) |   |   |  |   |  |                            |
| Format                     | xxx.xxx.xx [unit measure] / unit   | xxx.xxx.xx [unit measure] / unit   |   |   |  |   |  |                            |
| Sectors                    | <b>Oil &amp; Gas Producers [0530]</b>  | Oil Equipment, Services & Distribution [0570]  | <b>Chemicals [1350]</b>                 | <b>Forestry &amp; Paper [1730]</b>      | <b>Industrial Metals [1750]</b>        | <b>Mining [1770]</b>                              | <b>Construction &amp; Materials [2350]</b> | Aerospace & Defense [2710] |
|                            | X  |  | X                                       | X                                       | X                                      | X   | X  |                            |
| General Industrials [2720] | <b>Electronic &amp; Electrical Equipment [2730]</b>  | <b>Industrial Engineering [2750]</b>   | <b>Industrial Transportation [2770]</b> | Support Services [2790]                 | <b>Automobiles [3353]</b>              | <b>Beverages [3530]</b>                           | <b>Food Producers [3570]</b>               |                            |
|                            | X  | X  | X                                       |   | X                                      | X   | X  |                            |
| Household Goods [3720]     | Leisure Goods [3740]   | Personal Goods [3760]  | Tobacco [3780]                          | Health Care Equipment & Services [4530] | Pharmaceuticals & Biotechnology [4570] | Food & Drug Retailer [5330]                       | General Retailers [5370]                   |                            |
|                            |  |  |   |   |  |   |  |                            |
| Media [5550]               | <b>Travel &amp; Leisure [5750]</b>   | Fixed Line Telecommunications [6530]   | Mobile Telecommunications [6570]        | Electricity Utilities [7530]            | Gas, Water & Multiutilities [7570]     | <b>Banks [8350]</b>                               | Nonlife Insurance [8530]                   |                            |
|                            | X  |  |   |   |  | X   |  |                            |
| Life Insurance [8570]      | Real Estate [8730]   | General Financial [8770]   | Equity Investment Instruments [8980]    | Nonequity Investment Instruments [8990] | Software & Computer Services [9530]    | <b>Technology Hardware &amp; Equipment [9570]</b> |  |                            |
|                            |  |  |   |   |  | X   |  |                            |
| KPI                        | <b>ESG 12-2</b>  |  |   |   |  |   |  |                            |
| Description                | % of waste recycled Corporate  | % of waste recycled Benchmark  |   |   |  |   |  |                            |
| Shortname                  | waste.%recycle.corp  | waste.%recycle.bench   |   |   |  |   |  |                            |
| Unit / Calculation         | Waste recycled / Total waste   | Waste recycled / Total waste   |   |   |  |   |  |                            |
| Format                     | xx.xx %  | xx.xx %  |   |   |  |   |  |                            |
| Sectors                    | <b>Oil &amp; Gas Producers [0530]</b>  | Oil Equipment, Services & Distribution [0570]  | <b>Chemicals [1350]</b>                 | <b>Forestry &amp; Paper [1730]</b>      | <b>Industrial Metals [1750]</b>        | <b>Mining [1770]</b>                              | <b>Construction &amp; Materials [2350]</b> | Aerospace & Defense [2710] |
|                            | X  |  | X                                       | X                                       | X                                      | X   | X  |                            |
| General Industrials [2720] | <b>Electronic &amp; Electrical Equipment [2730]</b>  | <b>Industrial Engineering [2750]</b>   | <b>Industrial Transportation [2770]</b> | Support Services [2790]                 | <b>Automobiles [3353]</b>              | <b>Beverages [3530]</b>                           | <b>Food Producers [3570]</b>               |                            |
|                            |  |  | X                                       |   | X                                      | X   | X  |                            |
| Household Goods [3720]     | Leisure Goods [3740]   | Personal Goods [3760]  | Tobacco [3780]                          | Health Care Equipment & Services [4530] | Pharmaceuticals & Biotechnology [4570] | Food & Drug Retailer [5330]                       | General Retailers [5370]                   |                            |
|                            |  |  |   |   |  |   |  |                            |
| Media [5550]               | <b>Travel &amp; Leisure [5750]</b>   | Fixed Line Telecommunications [6530]   | Mobile Telecommunications [6570]        | Electricity Utilities [7530]            | Gas, Water & Multiutilities [7570]     | <b>Banks [8350]</b>                               | Nonlife Insurance [8530]                   |                            |
|                            | X  |  |   |   |  | X   |  |                            |
| Life Insurance [8570]      | Real Estate [8730]   | General Financial [8770]   | Equity Investment Instruments [8980]    | Nonequity Investment Instruments [8990] | Software & Computer Services [9530]    | <b>Technology Hardware &amp; Equipment [9570]</b> |  |                            |
|                            |  |  |   |   |  | X   |  |                            |

| ESG                      | ESG 13 Environmental compatibility  |  |                                      |                                      |   |  |   |                            |
|--------------------------|---|--|--------------------------------------|--------------------------------------|---|--|---|----------------------------|
| Definition and Reference | Product markets should reflect the effort of companies to reduce emissions because for some products, e.g. cars the highest proportion of life cycle emissions is during the operational stage. Thus emissions of the product can have a very high impact on the climate. Companies are facing regulatory risk due to reduction targets e.g. for fleet emissions. |  |                                      |                                      |   |  |   |                            |
| KPI                      | <b>ESG 13-1</b>   |  |                                      |                                      |   |  |   |                            |
| Description              | Average fuel consumption of fleet of sold vehicles Corporate  | Average fuel consumption of fleet of sold vehicles Benchmark   |                                      |                                      |   |  |   |                            |
| Shortname                | av.fuel.cons.fleet.corp   | av.fuel.cons.fleet.bench   |                                      |                                      |   |  |   |                            |
| Unit / Calculation       | average fuel consumption across entire fleet in litres per 100 km   | average fuel consumption across entire fleet in litres per 100 km  |                                      |                                      |   |  |   |                            |
| Format                   | xx.xx l / 100km   | xx.xx l / 100km  |                                      |                                      |   |  |   |                            |
| Sectors                  | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]  | Chemicals [1350]                     | Forestry & Paper [1730]              | Industrial Metals [1750]                | Mining [1770]                                  | Construction & Materials [2350]                   | Aerospace & Defense [2710] |
|                          | General Industrials [2720]  | Electronic & Electrical Equipment [2730]   | Industrial Engineering [2750]        | Industrial Transportation [2770]     | Support Services [2790]                 | <b>Automobiles [3353]</b>                      | Beverages [3530]                                  | Food Producers [3570]      |
|                          |   |  |                                      |                                      |   | X  |   |                            |
|                          | Household Goods [3720]  | Leisure Goods [3740]   | Personal Goods [3760]                | Tobacco [3780]                       | Health Care Equipment & Services [4530] | Pharmaceuticals & Biotechnology [4570]         | Food & Drug Retailer [5330]                       | General Retailers [5370]   |
|                          | Media [5550]  | Travel & Leisure [5750]  | Fixed Line Telecommunications [6530] | Mobile Telecommunications [6570]     | Electricity Utilities [7530]            | Gas, Water & Multiutilities [7570]             | Banks [8350]                                      | Nonlife Insurance [8530]   |
|                          | Life Insurance [8570]   | Real Estate [8730]   | General Financial [8770]             | Equity Investment Instruments [8980] | Nonequity Investment Instruments [8990] | Software & Computer Services [9530]            | Technology Hardware & Equipment [9570]            |                            |
| KPI                      | <b>ESG 13-2</b>   |  |                                      |                                      |   |  |   |                            |
| Description              | Percentage of ISO 14001 certified sites Corporates, further information <a href="http://www.iso14000-iso14001-environmental-management.com/">http://www.iso14000-iso14001-environmental-management.com/</a>   | Percentage of ISO 14001 certified sites benchmark, further information <a href="http://www.iso14000-iso14001-environmental-management.com/">http://www.iso14000-iso14001-environmental-management.com/</a> |                                      |                                      |   |  |   |                            |
| Shortname                | %ISO14001.sites.corp  | %ISO14001.sites.bench  |                                      |                                      |   |  |   |                            |
| Unit / Calculation       | Number of sites with ISO 14001 certification / number of total sites  | Number of sites with ISO 14001 certification / number of total sites   |                                      |                                      |   |  |   |                            |
| Format                   | xx.xx %   | xx.xx %  |                                      |                                      |   |  |   |                            |
| Sectors                  | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]  | <b>Chemicals [1350]</b>              | <b>Forestry &amp; Paper [1730]</b>   | <b>Industrial Metals [1750]</b>         | Mining [1770]                                  | Construction & Materials [2350]                   | Aerospace & Defense [2710] |
|                          |   |  | X                                    | X                                    | X                                       |  |   |                            |
|                          | <b>General Industrials [2720]</b>   | <b>Electronic &amp; Electrical Equipment [2730]</b>  | <b>Industrial Engineering [2750]</b> | Industrial Transportation [2770]     | Support Services [2790]                 | <b>Automobiles [3353]</b>                      | Beverages [3530]                                  | Food Producers [3570]      |
|                          | X   | X  | X                                    |                                      |   | X  |   |                            |
|                          | Household Goods [3720]  | Leisure Goods [3740]   | Personal Goods [3760]                | Tobacco [3780]                       | Health Care Equipment & Services [4530] | Pharmaceuticals & Biotechnology [4570]         | Food & Drug Retailer [5330]                       | General Retailers [5370]   |
|                          | X   | X  | X                                    | X                                    | X                                       | X  |   |                            |
|                          | Media [5550]  | <b>Travel &amp; Leisure [5750]</b>   | Fixed Line Telecommunications [6530] | Mobile Telecommunications [6570]     | Electricity Utilities [7530]            | Gas, Water & Multiutilities [7570]             | Banks [8350]                                      | Nonlife Insurance [8530]   |
|                          |   | X  |                                      |                                      |   |  |   |                            |
|                          | Life Insurance [8570]   | Real Estate [8730]   | General Financial [8770]             | Equity Investment Instruments [8980] | Nonequity Investment Instruments [8990] | <b>Software &amp; Computer Services [9530]</b> | <b>Technology Hardware &amp; Equipment [9570]</b> |                            |
|                          |   |  |                                      |                                      |   | X  | X   |                            |

| KPI                | ESG 13-3  |   | ESG 13-4  |   | ESG 13-5   |  | ESG 13-6  |   |
|--------------------|---|---|---|---|--|--|---|---|
| Description        | Percentage of renewable energy produced as of total energy produced Corporate   | Percentage of renewable energy produced as of total energy produced Benchmark | Total Renewable Electricity produced from biomass Corporate | Total Renewable Electricity produced from biomass Corporate | Total Renewable Electricity produced from wind Corporate | Total Renewable Electricity produced from wind Corporate | Total Renewable Electricity produced from hydro Corporate | Total Renewable Electricity produced from hydro Corporate |
| Shortname          | % renewable.prod.corp   | % renewable.prod.bench  | total.renew.biomass.prod.corp                               | total.renew.biomass.prod.bench                              | total.renew.wind.prod.corp                               | total.renew.wind.prod.bench                              | total.renew.hydro.prod.corp                               | total.renew.hydro.prod.bench                              |
| Unit / Calculation | Renewable energy produced in GWh / total energy produced in GWh   | Renewable energy produced in GWh / total energy produced in GWh               | Renewable electricity produced from biomass in GWh          | Renewable electricity produced from biomass in GWh          | Renewable electricity produced from wind in GWh          | Renewable electricity produced from wind in GWh          | Renewable electricity produced from hydro in GWh          | Renewable electricity produced from hydro in GWh          |
| Format             | xx.xx %   | xx.xx %   | x,xxx GWh   | x,xxx GWh   | x,xxx GWh  | x,xxx GWh  | x,xxx GWh   | x,xxx GWh   |
| Sectors            | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]                                 | Chemicals [1350]  | Forestry & Paper [1730]                                     | Industrial Metals [1750]                                 | Mining [1770]  | Construction & Materials [2350]                           | Aerospace & Defense [2710]                                |
|                    | General Industrials [2720]  | Electronic & Electrical Equipment [2730]                                      | Industrial Engineering [2750]                               | Industrial Transportation [2770]                            | Support Services [2790]                                  | Automobiles [3353]                                       | Beverages [3530]  | Food Producers [3570]                                     |
|                    | Household Goods [3720]  | Leisure Goods [3740]  | Personal Goods [3760]                                       | Tobacco [3780]  | Health Care Equipment & Services [4530]                  | Pharmaceuticals & Biotechnology [4570]                   | Food & Drug Retailer [5330]                               | General Retailers [5370]                                  |
|                    | Media [5550]  | Travel & Leisure [5750]   | Fixed Line Telecommunications [6530]                        | Mobile Telecommunications [6570]                            | <b>Electricity Utilities [7530]</b>                      | <b>Gas, Water &amp; Multiutilities [7570]</b>            | Banks [8350]  | Nonlife Insurance [8530]                                  |
|                    | Life Insurance [8570]   | Real Estate [8730]  | General Financial [8770]                                    | Equity Investment Instruments [8980]                        | Nonequity Investment Instruments [8990]                  | Software & Computer Services [9530]                      | Technology Hardware & Equipment [9570]                    |   |
|                    |   |   |   |   | X  | X  |   |   |
| KPI                | ESG 13-7  |   |   |   |  |  |   |   |
| Description        | Percentage of eco-labeled products sold Corporate   | Percentage of eco-labeled products sold Benchmark                             |   |   |  |  |   |   |
| Shortname          | % ecolabel.sold.corp  | % ecolabel.sold.bench   |   |   |  |  |   |   |
| Unit / Calculation | For a catalogue of eco-labeled products in the EU check www.eco-label.com. Calculation: revenues from eco-labeled products / total revenues |   |   |   |  |  |   |   |
| Format             | xx.xx %   | xx.xx %   |   |   |  |  |   |   |
| Sectors            | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]                                 | Chemicals [1350]  | <b>Forestry &amp; Paper [1730]</b>                          | Industrial Metals [1750]                                 | Mining [1770]  | Construction & Materials [2350]                           | Aerospace & Defense [2710]                                |
|                    |   |   |   | X   |  |  |   |   |
|                    | General Industrials [2720]  | <b>Electronic &amp; Electrical Equipment [2730]</b>                           | Industrial Engineering [2750]                               | Industrial Transportation [2770]                            | Support Services [2790]                                  | Automobiles [3353]                                       | <b>Beverages [3530]</b>                                   | <b>Food Producers [3570]</b>                              |
|                    |   | X   |   |   |  |  | X   | X   |
|                    | <b>Household Goods [3720]</b>   | <b>Leisure Goods [3740]</b>   | <b>Personal Goods [3760]</b>                                | Tobacco [3780]  | Health Care Equipment & Services [4530]                  | Pharmaceuticals & Biotechnology [4570]                   | <b>Food &amp; Drug Retailer [5330]</b>                    | <b>General Retailers [5370]</b>                           |
|                    | X   | X   | X   |   |  |  | X   | X   |
|                    | Media [5550]  | <b>Travel &amp; Leisure [5750]</b>  | Fixed Line Telecommunications [6530]                        | Mobile Telecommunications [6570]                            | <b>Electricity Utilities [7530]</b>                      | <b>Gas, Water &amp; Multiutilities [7570]</b>            | Banks [8350]  | Nonlife Insurance [8530]                                  |
|                    |   | X   |   |   | X  | X  |   |   |
|                    | Life Insurance [8570]   | Real Estate [8730]  | General Financial [8770]                                    | Equity Investment Instruments [8980]                        | Nonequity Investment Instruments [8990]                  | Software & Computer Services [9530]                      | Technology Hardware & Equipment [9570]                    |   |
|                    |   |   |   |   |  |  |   |   |

| ESG                      | ESG 14 End-of-lifecycle impact   |   |  |  |   |   |   |                                 |
|--------------------------|--|---|--|--|---|---|---|---------------------------------|
| Definition and Reference | The reclaiming of resources at the end of the life cycle has an impact on the cost of the company. This impact depends for example on the composition of the product (e.g. recyclability of materials, level of hazardous materials) and the market for used components.   |   |  |  |   |   |   |                                 |
| KPI                      | <b>ESG 14-1</b>  |   |  |  |   |   |   |                                 |
| Description              | Percentage of material recovered for reusing at end of lifecycle of product Corporate  | Percentage of material recovered for reusing at end of lifecycle of product Benchmark |  |  |   |   |   |                                 |
| Shortname                | %_recover.mat.endlife.corp   | %_recover.mat.endlife.bench   |  |  |   |   |   |                                 |
| Unit / Calculation       | Material being recovered / total material built  | Material being recovered / total material built                                       |  |  |   |   |   |                                 |
| Format                   | xx.xx %  | xx.xx %   |  |  |   |   |   |                                 |
| Sectors                  | Oil & Gas Producers [0530]   | Oil Equipment, Services & Distribution [0570]   | Chemicals [1350]   | Forestry & Paper [1730]                                      | Industrial Metals [1750]                | Mining [1770]                                     | Construction & Materials [2350]                   | Aerospace & Defense [2710]      |
|                          | General Industrials [2720]   | Electronic & Electrical Equipment [2730]  | Industrial Engineering [2750]                                | Industrial Transportation [2770]                             | Support Services [2790]                 | <b>Automobiles [3353]</b>                         | Beverages [3530]                                  | Food Producers [3570]           |
|                          | <b>Household Goods [3720]</b>  | Leisure Goods [3740]  | Personal Goods [3760]  | Tobacco [3780]   | Health Care Equipment & Services [4530] | <b>Pharmaceuticals &amp; Biotechnology [4570]</b> | Food & Drug Retailer [5330]                       | General Retailers [5370]        |
|                          | <b>X</b>   |   |  |  |   | <b>X</b>  |   |                                 |
|                          | Media [5550]   | Travel & Leisure [5750]   | Fixed Line Telecommunications [6530]                         | Mobile Telecommunications [6570]                             | Electricity Utilities [7530]            | Gas, Water & Multiutilities [7570]                | Banks [8350]                                      | Nonlife Insurance [8530]        |
|                          | Life Insurance [8570]  | Real Estate [8730]  | General Financial [8770]                                     | Equity Investment Instruments [8980]                         | Nonequity Investment Instruments [8990] | <b>Software &amp; Computer Services [9530]</b>    | <b>Technology Hardware &amp; Equipment [9570]</b> |                                 |
|                          |  |   |  |  |   | <b>X</b>  | <b>X</b>  |                                 |
| ESG                      | <b>ESG 15 Diversity</b>  |   |  |  |   |   |   |                                 |
| Definition and Reference | Quote from Wikipedia: "The "business case for diversity", theorizes that in a global marketplace, a company that employs a diverse workforce (both men and women, people of many generations, people from ethnically and racially diverse backgrounds etc.) is better able to understand the demographics of the marketplace it serves and is thus better equipped to thrive in that marketplace than a company that has a more limited range of employee demographics. An additional corollary suggests that a company that supports the diversity of its workforce can also improve employee satisfaction, productivity and retention. This portion of the business case, often referred to as inclusion, relates to how an organization utilizes its various relevant diversities. If a workforce is diverse, but the employer takes little or no advantage of that breadth of that experience, then it cannot monetize whatever benefits background diversity might offer."<br>Source: Wikipedia, 4 February 2008, <a href="http://en.wikipedia.org/wiki/Diversity_%28business%29">http://en.wikipedia.org/wiki/Diversity_%28business%29</a><br>Helpful tools and further background information can be found at <a href="http://www.workinfo.com/free/Downloads/40.htm">http://www.workinfo.com/free/Downloads/40.htm</a> . |   |  |  |   |   |   |                                 |
| KPI                      | <b>ESG 15-1</b>  |   |  |  | <b>ESG 15-2</b>                         |   |   |                                 |
| Description              | Percentage of female employees as of total employees Corporate   | Percentage of female employees as of total employees Benchmark                        | Percentage of female managers as of total managers Corporate | Percentage of female managers as of total managers Benchmark |   |   |   |                                 |
| Shortname                | %_divers.female.total.corp   | %_divers.female.total.bench   | divers.female.managers.total.corp                            | divers.female.managers.total.bench                           |   |   |   |                                 |
| Unit / Calculation       | Percentage   | Percentage  | Percentage   | Percentage   |   |   |   |                                 |
| Format                   | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric   | xx.xx %, numeric   |   |   |   |                                 |
| Sectors                  | Oil & Gas Producers [0530]   | Oil Equipment, Services & Distribution [0570]   | Chemicals [1350]   | Forestry & Paper [1730]                                      | Industrial Metals [1750]                | Mining [1770]                                     | Construction & Materials [2350]                   | Aerospace & Defense [2710]      |
|                          | General Industrials [2720]   | Electronic & Electrical Equipment [2730]  | Industrial Engineering [2750]                                | Industrial Transportation [2770]                             | Support Services [2790]                 | Automobiles [3353]                                | Beverages [3530]                                  | Food Producers [3570]           |
|                          | Household Goods [3720]   | Leisure Goods [3740]  | Personal Goods [3760]  | Tobacco [3780]   | Health Care Equipment & Services [4530] | Pharmaceuticals & Biotechnology [4570]            | Food & Drug Retailer [5330]                       | General Retailers [5370]        |
|                          | Media [5550]   | Travel & Leisure [5750]   | Fixed Line Telecommunications [6530]                         | Mobile Telecommunications [6570]                             | Electricity Utilities [7530]            | Gas, Water & Multiutilities [7570]                | <b>Banks [8350]</b>                               | <b>Nonlife Insurance [8530]</b> |
|                          | <b>Life Insurance [8570]</b>   | Real Estate [8730]  | General Financial [8770]                                     | Equity Investment Instruments [8980]                         | Nonequity Investment Instruments [8990] | Software & Computer Services [9530]               | Technology Hardware & Equipment [9570]            |                                 |
|                          | <b>X</b>   |   |  |  |   |   | <b>X</b>  | <b>X</b>                        |

| ESG   |  |   |   |   |  |  |  |                                 |
|---|--|---|---|---|--|--|--|---------------------------------|
| ESG 16 % of credit loans, investments and prop trading activities undergone ESG screening |  |   |   |   |  |  |  |                                 |
| Definition and Reference  | Funding is one of the most effective levers in giving ESG-issues and topics priority. Through making funds available as loans and credits for ESG-compliant investments banks can be pivotal in serving to stir engagements in areas such as climate change, ethical supply chain management and corruption. Yet, even if the banking industry's credit granting process does not explicitly take into account ESG issues the process itself should be geared to identifying business cases potentially detrimental to ESG aspects and rigorously decline granting loans and credits to this business cases. Additionally to credit and loans, Prop Trading need to be monitored with regards to ESG compliance. |   |   |   |  |  |  |                                 |
| KPI   | ESG 16-1   |   | ESG 16-2  |   |  |  |  |                                 |
| Description   | Percentage of total loans undergone ESG screening Corporate  | Percentage of total loans undergone ESG screening Benchmark.              | Percentage of prop trading activities undergone ESG screening Corporate | Percentage of prop trading activities undergone ESG screening Benchmark |  |  |  |                                 |
| Shortname   | % loans.ESG.screen.corp  | % loans.ESG.screen.bench  | proptrad.ESG.screen.corp  | proptrad.ESG.screen.bench   |  |  |  |                                 |
| Unit / Calculation  | Percentage   | Percentage  | Percentage  | Percentage  |  |  |  |                                 |
| Format  | xx.xx %, numeric   | xx.xx %, numeric  | xx.xx %, numeric  | xx.xx %, numeric  |  |  |  |                                 |
| Sectors   | Oil & Gas Producers [0530]   | Oil Equipment, Services & Distribution [0570]                             | Chemicals [1350]  | Forestry & Paper [1730]   | Industrial Metals [1750]                       | Mining [1770]                          | Construction & Materials [2350]        | Aerospace & Defense [2710]      |
|   |  |   |   |   |  |  |  |                                 |
|   | General Industrials [2720]   | Electronic & Electrical Equipment [2730]                                  | Industrial Engineering [2750]   | Industrial Transportation [2770]  | Support Services [2790]                        | Automobiles [3353]                     | Beverages [3530]                       | Food Producers [3570]           |
|   |  |   |   |   |  |  |  |                                 |
|   | Household Goods [3720]   | Leisure Goods [3740]  | Personal Goods [3760]   | Tobacco [3780]  | Health Care Equipment & Services [4530]        | Pharmaceuticals & Biotechnology [4570] | Food & Drug Retailer [5330]            | General Retailers [5370]        |
|   |  |   |   |   |  |  |  |                                 |
|   | Media [5550]   | Travel & Leisure [5750]   | Fixed Line Telecommunications [6530]                                    | Mobile Telecommunications [6570]  | Electricity Utilities [7530]                   | Gas, Water & Multiutilities [7570]     | <b>Banks [8350]</b>                    | Nonlife Insurance [8530]        |
|   |  |   |   |   |  |  | <b>X</b>                               |                                 |
|   | Life Insurance [8570]  | Real Estate [8730]  | <b>General Financial [8770]</b>   | <b>Equity Investment Instruments [8980]</b>                             | <b>Nonequity Investment Instruments [8990]</b> | Software & Computer Services [9530]    | Technology Hardware & Equipment [9570] |                                 |
|   |  |   | <b>X</b>  | <b>X</b>  | <b>X</b>                                       |  |  |                                 |
| ESG   |  |   |   |   |  |  |  |                                 |
| ESG 17 % of funds managed in accordance to ESG criteria                                   |  |   |   |   |  |  |  |                                 |
| Definition and Reference  | Through increasing the percentage of funds managed in accordance to ESG criteria the Re-Insurance industries can produce effective engagement of an institutional investor.  |   |   |   |  |  |  |                                 |
| KPI   | ESG 17-1   |   |   |   |  |  |  |                                 |
| Description   | Percentage of total funds held in accordance with ESG criteria Corporate.  | Percentage of total funds held in accordance with ESG criteria benchmark. |   |   |  |  |  |                                 |
| Shortname   | % funds.ESG.screen.corp  | % funds.ESG.screen.bench  |   |   |  |  |  |                                 |
| Unit / Calculation  | Percentage   | Percentage  |   |   |  |  |  |                                 |
| Format  | xx.xx %, numeric   | xx.xx %, numeric  |   |   |  |  |  |                                 |
| Sectors   | Oil & Gas Producers [0530]   | Oil Equipment, Services & Distribution [0570]                             | Chemicals [1350]  | Forestry & Paper [1730]   | Industrial Metals [1750]                       | Mining [1770]                          | Construction & Materials [2350]        | Aerospace & Defense [2710]      |
|   |  |   |   |   |  |  |  |                                 |
|   | General Industrials [2720]   | Electronic & Electrical Equipment [2730]                                  | Industrial Engineering [2750]   | Industrial Transportation [2770]  | Support Services [2790]                        | Automobiles [3353]                     | Beverages [3530]                       | Food Producers [3570]           |
|   |  |   |   |   |  |  |  |                                 |
|   | Household Goods [3720]   | Leisure Goods [3740]  | Personal Goods [3760]   | Tobacco [3780]  | Health Care Equipment & Services [4530]        | Pharmaceuticals & Biotechnology [4570] | Food & Drug Retailer [5330]            | General Retailers [5370]        |
|   |  |   |   |   |  |  |  |                                 |
|   | Media [5550]   | Travel & Leisure [5750]   | Fixed Line Telecommunications [6530]                                    | Mobile Telecommunications [6570]  | Electricity Utilities [7530]                   | Gas, Water & Multiutilities [7570]     | <b>Banks [8350]</b>                    | <b>Nonlife Insurance [8530]</b> |
|   |  |   |   |   |  |  | <b>X</b>                               | <b>X</b>                        |
|   | <b>Life Insurance [8570]</b>   | Real Estate [8730]  | <b>General Financial [8770]</b>   | <b>Equity Investment Instruments [8980]</b>                             | <b>Nonequity Investment Instruments [8990]</b> | Software & Computer Services [9530]    | Technology Hardware & Equipment [9570] |                                 |
|   | <b>X</b>   |   | <b>X</b>  | <b>X</b>  | <b>X</b>                                       |  |  |                                 |

| ESG                      | ESG 18 Financial instruments, investment property held in accordance to ESG criteria  |   |                                      |   |  |  |  |                                 |
|--------------------------|---|---|--------------------------------------|---|--|--|--|---------------------------------|
| Definition and Reference | Definitions of financial instruments and investment property can be found at IFRS (cf. IAS 39, 40)  |   |                                      |   |  |  |  |                                 |
| KPI                      | <b>ESG 18-1</b>   |   |                                      |   |  |  |  |                                 |
| Description              | Percentage of total financial instruments, investment property held in accordance to ESG as of total investments, investments in associates, financial instruments, investment property Corporate | Percentage of total financial instruments, investment property held in accordance to ESG as of total investments, investments in associates, financial instruments, investment property Benchmark |                                      |   |  |  |  |                                 |
| Shortname                | %fininstrum.ESG.screen.corp   | %fininstrum.ESG.screen.bench  |                                      |   |  |  |  |                                 |
| Unit / Calculation       | Percentage  | Percentage  |                                      |   |  |  |  |                                 |
| Format                   | xx.xx %, numeric  | xx.xx %, numeric  |                                      |   |  |  |  |                                 |
| Sectors                  | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]   | Chemicals [1350]                     | Forestry & Paper [1730]                     | Industrial Metals [1750]                       | Mining [1770]                          | Construction & Materials [2350]        | Aerospace & Defense [2710]      |
|                          | General Industrials [2720]  | Electronic & Electrical Equipment [2730]  | Industrial Engineering [2750]        | Industrial Transportation [2770]            | Support Services [2790]                        | Automobiles [3353]                     | Beverages [3530]                       | Food Producers [3570]           |
|                          | Household Goods [3720]  | Leisure Goods [3740]  | Personal Goods [3760]                | Tobacco [3780]                              | Health Care Equipment & Services [4530]        | Pharmaceuticals & Biotechnology [4570] | Food & Drug Retailer [5330]            | General Retailers [5370]        |
|                          | Media [5550]  | Travel & Leisure [5750]   | Fixed Line Telecommunications [6530] | Mobile Telecommunications [6570]            | Electricity Utilities [7530]                   | Gas, Water & Multiutilities [7570]     | <b>Banks [8350]</b>                    | <b>Nonlife Insurance [8530]</b> |
|                          | Life Insurance [8570]   | Real Estate [8730]  | <b>General Financial [8770]</b>      | <b>Equity Investment Instruments [8980]</b> | <b>Nonequity Investment Instruments [8990]</b> | Software & Computer Services [9530]    | Technology Hardware & Equipment [9570] |                                 |
|                          |   |   | <b>X</b>                             | <b>X</b>                                    | <b>X</b>                                       |  | <b>X</b>                               | <b>X</b>                        |

| ESG                      | ESG 19 Investments in accordance with ESG criteria incl. investments in associates and minority stakes  |  |                                      |   |   |   |  |                                       |
|--------------------------|---|--|--------------------------------------|---|---|---|--|---------------------------------------|
| Definition and Reference | Investing without taking human right issues such as environmental aspects or child-labour into account bear substantial reputational risks for organisations. Direct investments should reflect minimum standards of sustainability e.g. environmental compatibility. Moreover, organisations may underestimate the potential lever of their investment policies vis-a-vis third party suppliers e.g. in emerging markets or third-world countries. By ways of negotiating minimum standards of compliance with human rights standards such as minimum wages for workers, safety standards and occlusion of malpractices of an organisation's suppliers the investing party can assert human rights acknowledgement of its third party suppliers. |  |                                      |   |   |   |  |                                       |
| KPI                      | <b>ESG 19-1</b>   |  |                                      |   |   |   |  |                                       |
| Description              | Percentage of total investments and investments in associates in accordance to ESG as of total investments and investments in associates Corporate  | Percentage of total investments and investments in associates in accordance to ESG as of total investments and investments in associates Benchmark |                                      |   |   |   |  |                                       |
| Shortname                | %inv.ESG.screen.corp  | %inv.ESG.screen.bench  |                                      |   |   |   |  |                                       |
| Unit / Calculation       | Percentage  | Percentage   |                                      |   |   |   |  |                                       |
| Format                   | xx.xx %, numeric  | xx.xx %, numeric   |                                      |   |   |   |  |                                       |
| Sectors                  | <b>Oil &amp; Gas Producers [0530]</b>   | <b>Oil Equipment, Services &amp; Distribution [0570]</b>   | <b>Chemicals [1350]</b>              | <b>Forestry &amp; Paper [1730]</b>      | <b>Industrial Metals [1750]</b>         | <b>Mining [1770]</b>                              | <b>Construction &amp; Materials [2350]</b> | <b>Aerospace &amp; Defense [2710]</b> |
|                          | X   | X  | X                                    | X                                       | X                                       | X   | X  |                                       |
|                          | General Industrials [2720]  | Electronic & Electrical Equipment [2730]   | Industrial Engineering [2750]        | <b>Industrial Transportation [2770]</b> | Support Services [2790]                 | <b>Automobiles [3353]</b>                         | Beverages [3530]                           | Food Producers [3570]                 |
|                          |   |  |                                      | X                                       |   | X   |  |                                       |
|                          | Household Goods [3720]  | Leisure Goods [3740]   | Personal Goods [3760]                | Tobacco [3780]                          | Health Care Equipment & Services [4530] | <b>Pharmaceuticals &amp; Biotechnology [4570]</b> | Food & Drug Retailer [5330]                | General Retailers [5370]              |
|                          |   |  |                                      |   |   | X   |  |                                       |
|                          | Media [5550]  | <b>Travel &amp; Leisure [5750]</b>   | Fixed Line Telecommunications [6530] | Mobile Telecommunications [6570]        | <b>Electricity Utilities [7530]</b>     | <b>Gas, Water &amp; Multiutilities [7570]</b>     | Banks [8350]                               | Nonlife Insurance [8530]              |
|                          |   | X  |                                      |   | X                                       | X   |  |                                       |
|                          | Life Insurance [8570]   | Real Estate [8730]   | General Financial [8770]             | Equity Investment Instruments [8980]    | Nonequity Investment Instruments [8990] | Software & Computer Services [9530]               | Technology Hardware & Equipment [9570]     |                                       |
|                          |   |  |                                      |   |   |   |  |                                       |

| ESG                       | ESG 20 Supplier agreements and supply chain partners screened for accordance with ESG   |  |  |  |   |   |  |                                       |
|---------------------------|---|--|--|--|---|---|--|---------------------------------------|
| Definition and Reference  | Investing without taking human right issues such as environmental aspects or child-labour into account bear substantial reputational risks for organisations. Direct investments should reflect minimum standards of sustainability e.g. environmental compatibility. Moreover, organisations may underestimate the potential lever of their investment policies vis-a-vis third party suppliers e.g. in emerging markets or third-world countries. By ways of negotiating minimum standards of compliance with human rights standards such as minimum wages for workers, safety standards and occlusion of malpractices of an organisation's suppliers the investing party can assert human rights acknowledgement of its third party suppliers. |  |  |  |   |   |  |                                       |
| KPI                       | <b>ESG 20-1</b>   |  |  |  |   |   |  |                                       |
| Description               | Percentage of suppliers screened for accordance to ESG as of total number of suppliers Corporate  | Percentage of suppliers screened for accordance to ESG as of total number of suppliers Benchmark |  |  |   |   |  |                                       |
| Shortname                 | %supplychain.ESG.screen.corp  | %supplychain.ESG.screen.bench  |  |  |   |   |  |                                       |
| Unit / Calculation Format | Percentage<br>xx.xx %, numeric  | Percentage<br>xx.xx %, numeric   |  |  |   |   |  |                                       |
| Sectors                   | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]  | <b>Chemicals [1350]</b>  | Forestry & Paper [1730]  | Industrial Metals [1750]                                | Mining [1770]   | Construction & Materials [2350]            | <b>Aerospace &amp; Defense [2710]</b> |
|                           |   |  | X  |  |   |   |  | X                                     |
|                           | General Industrials [2720]  | Electronic & Electrical Equipment [2730]   | <b>Industrial Engineering [2750]</b>   | <b>Industrial Transportation [2770]</b>  | Support Services [2790]                                 | <b>Automobiles [3353]</b>                                     | Beverages [3530]                           | <b>Food Producers [3570]</b>          |
|                           |   |  | X  | X  |   | X   |  | X                                     |
|                           | Household Goods [3720]  | Leisure Goods [3740]   | <b>Personal Goods [3760]</b>   | Tobacco [3780]   | Health Care Equipment & Services [4530]                 | <b>Pharmaceuticals &amp; Biotechnology [4570]</b>             | <b>Food &amp; Drug Retailer [5330]</b>     | <b>General Retailers [5370]</b>       |
|                           |   |  | X  |  |   | X   | X  | X                                     |
|                           | Media [5550]  | <b>Travel &amp; Leisure [5750]</b>   | Fixed Line Telecommunications [6530]   | Mobile Telecommunications [6570]   | Electricity Utilities [7530]                            | Gas, Water & Multiutilities [7570]                            | Banks [8350]                               | Nonlife Insurance [8530]              |
|                           |   | X  |  |  |   |   |  |                                       |
|                           | Life Insurance [8570]   | Real Estate [8730]   | General Financial [8770]   | Equity Investment Instruments [8980]   | Nonequity Investment Instruments [8990]                 | Software & Computer Services [9530]                           | Technology Hardware & Equipment [9570]     |                                       |
|                           |   |  |  |  |   |   |  |                                       |
|                           |   |  |  |  |   |   |  |                                       |
| ESG                       | ESG 21 Health & safety aspects of products  |  |  |  |   |   |  |                                       |
| Definition and Reference  | Health and safety of products have an influence on the reputation of the company. The lack of health and safety standards can reduce sales in the case of an accident for example. Moreover, with consumer protection on the rise and an increasing awareness of consumers about compatibility of materials used, undesired side-effects of product usage litigation risks for corporates producing in low-wage zones increase. On the other hand companies may achieve premium margins for products which cater to consumers' increased demand for products in accordance with highest safety and health standards.  |  |  |  |   |   |  |                                       |
| KPI                       | <b>ESG 21-1</b>   |  | <b>ESG 21-2</b>  |  | <b>ESG 21-3</b>   |   |  |                                       |
| Description               | Total spendings on product safety Corporate as a percentage of revenues Corporate   | Total spendings on product safety Corporate as a percentage of revenues Benchmark                | Percentage of product recalls for safety or health reason as of total products sold or shipped Corporate | Percentage of product recalls for safety or health reason as of total products sold or shipped Benchmark | Spendings on product safety per unit produced Corporate | Total spendings on product safety per unit produced Benchmark |  |                                       |
| Shortname                 | %spend.prodssafety.rev.corp   | %spend.prodssafety.rev.bench   | %prod.recall.ofot.corp   | %prod.recall.ofot.bench  | \$spend.prodssafety.unit.corp                           | \$spend.prodssafety.unit.bench                                |  |                                       |
| Unit / Calculation Format | %<br>xx.xx %  | %<br>xx.xx %   | xx.xx %<br>xxx,xxx,xxx,xxx \$, €   | xx.xx %<br>xx.xx %, numeric  | €, \$<br>xxx,xxx,xxx,xxx \$, €                          | €, \$<br>xx.xx %, numeric                                     |  |                                       |
| Sectors                   | <b>Oil &amp; Gas Producers [0530]</b>   | <b>Oil Equipment, Services &amp; Distribution [0570]</b>   | <b>Chemicals [1350]</b>  | Forestry & Paper [1730]  | <b>Industrial Metals [1750]</b>                         | <b>Mining [1770]</b>  | <b>Construction &amp; Materials [2350]</b> | <b>Aerospace &amp; Defense [2710]</b> |
|                           | X   | X  | X  |  | X   | X   | X  |                                       |
|                           | General Industrials [2720]  | Electronic & Electrical Equipment [2730]   | <b>Industrial Engineering [2750]</b>   | <b>Industrial Transportation [2770]</b>  | Support Services [2790]                                 | <b>Automobiles [3353]</b>                                     | Beverages [3530]                           | <b>Food Producers [3570]</b>          |
|                           | X   | X  | X  | X  |   | X   |  | X                                     |
|                           | Household Goods [3720]  | Leisure Goods [3740]   | <b>Personal Goods [3760]</b>   | <b>Tobacco [3780]</b>  | <b>Health Care Equipment &amp; Services [4530]</b>      | <b>Pharmaceuticals &amp; Biotechnology [4570]</b>             | Food & Drug Retailer [5330]                | General Retailers [5370]              |
|                           | X   | X  | X  | X  | X   | X   |  |                                       |
|                           | Media [5550]  | <b>Travel &amp; Leisure [5750]</b>   | Fixed Line Telecommunications [6530]   | Mobile Telecommunications [6570]   | <b>Electricity Utilities [7530]</b>                     | <b>Gas, Water &amp; Multiutilities [7570]</b>                 | Banks [8350]                               | Nonlife Insurance [8530]              |
|                           |   | X  |  |  | X   | X   |  |                                       |
|                           | Life Insurance [8570]   | Real Estate [8730]   | General Financial [8770]   | Equity Investment Instruments [8980]   | Nonequity Investment Instruments [8990]                 | Software & Computer Services [9530]                           | Technology Hardware & Equipment [9570]     |                                       |
|                           |   |  |  |  |   |   |  |                                       |
|                           |   |  |  |  |   |   |  |                                       |

| ESG  |   |   |   |                                      |   |  |  |                                 |
|--|---|---|---|--------------------------------------|---|--|--|---------------------------------|
| <b>ESG 22 Restructuring-related relocation of jobs</b> |   |   |   |                                      |   |  |  |                                 |
| Definition and Reference                               | The capacity of an organisation to deliver performance depends on the proverbial human capital i.e. resources, skills and knowledge of the organisation. Whenever relocation of a large part of the workforce occurs, be it to low-wage labour markets, be it to offshore suppliers there is a both a factor of savings to the cost structure of the organisation but also a loss of knowledge and skills, hence a decrease of the value of the company. Recruiting of employees after relocating a site, an office etc., on the other hands, incurs cost for hiring, training and integration. |   |   |                                      |   |  |  |                                 |
| KPI  | <b>ESG 22-1</b>   |   |   |                                      |   |  |  |                                 |
| Description  | Total cost of relocation in \$, € including indemnity, pay-off, outplacement, hiring, training, consulting  |   |   |                                      |   |  |  |                                 |
| Shortname  | reloc.cost.corp   |   |   |                                      |   |  |  |                                 |
| Unit / Calculation                                     | Currency \$ / € '000  |   |   |                                      |   |  |  |                                 |
| Format   | xxx,xxx,xxx,xx numeric  |   |   |                                      |   |  |  |                                 |
| Sector   | All   |   |   |                                      |   |  |  |                                 |
| <b>ESG 23 Dimension of pending legal proceedings</b>   |   |   |   |                                      |   |  |  |                                 |
| Definition and Reference                               | The dimension of pending legal proceedings is a first-level risk indicator and as such important for investors and financial analysts. However, rather than quoting the number of proceedings corporates should quote the amount in dispute or controversy.   |   |   |                                      |   |  |  |                                 |
| KPI  | <b>ESG 23-1</b>   |   | <b>ESG 23-2</b>   |                                      |   |  |  |                                 |
| Description  | Amount in dispute/controversy from legal proceedings Corporate.   |   | Amount in dispute/controversy from legal proceedings as percentage from total revenue Corporate |                                      | Amount in dispute/controversy from legal proceedings as percentage from total revenue Benchmark |  |  |                                 |
| Shortname  | controversy.legalproc.\$.corp   |   | controversy.legalproc.%rev.corp   |                                      | controversy.legalproc.%rev.bench  |  |  |                                 |
| Unit / Calculation                                     | US \$, €  |   | Percentage  |                                      | Percentage  |  |  |                                 |
| Format   | xxx,xxx,xxx,xxx.--  |   | xx.xx %, numeric  |                                      | xx.xx %, numeric  |  |  |                                 |
| Sectors  | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570] | Chemicals [1350]  | Forestry & Paper [1730]              | Industrial Metals [1750]  | Mining [1770]                          | Construction & Materials [2350]        | Aerospace & Defense [2710]      |
|  | General Industrials [2720]  | Electronic & Electrical Equipment [2730]      | Industrial Engineering [2750]   | Industrial Transportation [2770]     | Support Services [2790]   | Automobiles [3353]                     | Beverages [3530]                       | Food Producers [3570]           |
|  | Household Goods [3720]  | Leisure Goods [3740]                          | Personal Goods [3760]   | Tobacco [3780]                       | Health Care Equipment & Services [4530]   | Pharmaceuticals & Biotechnology [4570] | Food & Drug Retailer [5330]            | General Retailers [5370]        |
|  | Media [5550]  | Travel & Leisure [5750]                       | Fixed Line Telecommunications [6530]  | Mobile Telecommunications [6570]     | Electricity Utilities [7530]  | Gas, Water & Multiutilities [7570]     | Banks [8350]                           | <b>Nonlife Insurance [8530]</b> |
|  | Life Insurance [8570]   | Real Estate [8730]                            | General Financial [8770]  | Equity Investment Instruments [8980] | Nonequity Investment Instruments [8990]   | Software & Computer Services [9530]    | Technology Hardware & Equipment [9570] | <b>X</b>                        |
| <b>ESG 24 Contributions to political parties</b>       |   |   |   |                                      |   |  |  |                                 |
| Definition and Reference                               | In many western cultures contributions to political parties are generally perceived as a service to the democratic system which carries the organisation. However, a well-balanced contribution to a variety of political organisations sets off the risk of an organisation as being perceived as pursuing interests directly related to organisational goals. Nevertheless, investors may question both the necessity of contribution to political parties and the legitimacy as any contribution in monetary terms is an outflow of profits!   |   |   |                                      |   |  |  |                                 |
| KPI  | <b>ESG 24-1</b>   |   |   |                                      |   |  |  |                                 |
| Description  | % of contributions to political parties in \$, € / revenue Corporate  |   | % of contributions to political parties in \$, € / revenue Benchmark                            |                                      |   |  |  |                                 |
| Shortname  | % contr.parties.rev.corp  |   | % contr.parties.rev.bench   |                                      |   |  |  |                                 |
| Unit / Calculation                                     | Currency \$ / € '000  |   | Currency \$ / € '000  |                                      |   |  |  |                                 |
| Format   | xxx,xxx,xxx,xx numeric  |   | xxx,xxx,xxx,xx numeric  |                                      |   |  |  |                                 |
| Sector   | All   |   | All   |                                      |   |  |  |                                 |

| ESG                      | ESG 25 R&D expenses   |   |   |   |  |   |   |                                       |
|--------------------------|---|---|---|---|--|---|---|---------------------------------------|
| Definition and Reference | The amount of resources an organisation is prepared to spend on products which will be marketable in a distant future is one of the most important indicators for future profit growth potentials. Any meaningful KPI in this area will also serve to investors for understanding how current cashflows can be continued when products and services mature. Depending on the industry it may be necessary that KPIs for e.g. products, patents, R&D encompass activities with external agencies such as technological suppliers or academic forms of cooperation. |   |   |   |  |   |   |                                       |
| KPI                      | ESG 25-1  |   | ESG 25-2  |   |  |   |   |                                       |
| Description              | Total R&D Expenses in US \$ or € Corporate  | Total R&D Expenses in US \$ or € as % of revenue Corporate  | Total R&D Expenses in US \$ or € as % of revenue Bench Corporate  |   |  |   |   |                                       |
| Shortname                | \$.r&d.expenses.corp  | R&D.expenses.%rev.corp  | R&D.expenses.%rev.bench   |   |  |   |   |                                       |
| Unit / Calculation       | US \$, €  | Percentage  | Percentage  |   |  |   |   |                                       |
| Format                   | xxx,xxx,xxx,xxx.--  | xx.xx %, numeric  | xx.xx %, numeric  |   |  |   |   |                                       |
| Sectors                  | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]   | <b>Chemicals [1350]</b>   | Forestry & Paper [1730]                 | Industrial Metals [1750]                           | Mining [1770]                                     | Construction & Materials [2350]                   | <b>Aerospace &amp; Defense [2710]</b> |
|                          |   |   | X   |   |  |   |   | X                                     |
|                          | General Industrials [2720]  | <b>Electronic &amp; Electrical Equipment [2730]</b>   | <b>Industrial Engineering [2750]</b>  | <b>Industrial Transportation [2770]</b> | Support Services [2790]                            | <b>Automobiles [3353]</b>                         | Beverages [3530]                                  | Food Producers [3570]                 |
|                          |   | X   | X   | X                                       |  | X   |   |                                       |
|                          | Household Goods [3720]  | Leisure Goods [3740]  | Personal Goods [3760]   | Tobacco [3780]                          | <b>Health Care Equipment &amp; Services [4530]</b> | <b>Pharmaceuticals &amp; Biotechnology [4570]</b> | Food & Drug Retailer [5330]                       | General Retailers [5370]              |
|                          |   |   |   |   | X  | X   |   |                                       |
|                          | Media [5550]  | <b>Travel &amp; Leisure [5750]</b>  | Fixed Line Telecommunications [6530]  | Mobile Telecommunications [6570]        | Electricity Utilities [7530]                       | Gas, Water & Multiutilities [7570]                | Banks [8350]                                      | Nonlife Insurance [8530]              |
|                          |   | X   |   |   |  |   |   |                                       |
|                          | Life Insurance [8570]   | Real Estate [8730]  | General Financial [8770]  | Equity Investment Instruments [8980]    | Nonequity Investment Instruments [8990]            | <b>Software &amp; Computer Services [9530]</b>    | <b>Technology Hardware &amp; Equipment [9570]</b> |                                       |
|                          |   |   |   |   |  | X   | X   |                                       |
| KPI                      | ESG 25-3  |   | ESG 25-4  |   |  |   |   |                                       |
| Description              | Total R&D Expenses or funding of research on ESG to external agents, suppliers or academic research in US \$ or € Corporate   | Total R&D Expenses or funding of research on ESG to external agents, suppliers or academic research as % of revenue Corporate | Total R&D Expenses or funding of research on ESG to external agents, suppliers or academic research as % of revenue Benchmark |   |  |   |   |                                       |
| Shortname                | \$.r&d.extagents.corp   | R&D.extagents.%rev.corp   | R&D.extagents.%rev.bench  |   |  |   |   |                                       |
| Unit / Calculation       | US \$, €  | Percentage  | Percentage  |   |  |   |   |                                       |
| Format                   | xxx,xxx,xxx,xxx.--  | xx.xx %, numeric  | xx.xx %, numeric  |   |  |   |   |                                       |
| Sectors                  | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]   | Chemicals [1350]  | Forestry & Paper [1730]                 | Industrial Metals [1750]                           | Mining [1770]                                     | Construction & Materials [2350]                   | Aerospace & Defense [2710]            |
|                          |   |   |   |   |  |   |   |                                       |
|                          | General Industrials [2720]  | Electronic & Electrical Equipment [2730]  | Industrial Engineering [2750]   | <b>Industrial Transportation [2770]</b> | Support Services [2790]                            | Automobiles [3353]                                | Beverages [3530]                                  | Food Producers [3570]                 |
|                          |   |   |   | X                                       |  |   |   |                                       |
|                          | Household Goods [3720]  | Leisure Goods [3740]  | Personal Goods [3760]   | Tobacco [3780]                          | Health Care Equipment & Services [4530]            | Pharmaceuticals & Biotechnology [4570]            | Food & Drug Retailer [5330]                       | General Retailers [5370]              |
|                          |   |   |   |   |  |   |   |                                       |
|                          | Media [5550]  | <b>Travel &amp; Leisure [5750]</b>  | Fixed Line Telecommunications [6530]  | Mobile Telecommunications [6570]        | <b>Electricity Utilities [7530]</b>                | <b>Gas, Water &amp; Multiutilities [7570]</b>     | Banks [8350]                                      | Nonlife Insurance [8530]              |
|                          |   | X   |   |   | X  | X   |   |                                       |
|                          | Life Insurance [8570]   | Real Estate [8730]  | General Financial [8770]  | Equity Investment Instruments [8980]    | Nonequity Investment Instruments [8990]            | Software & Computer Services [9530]               | Technology Hardware & Equipment [9570]            |                                       |
|                          |   |   |   |   |  |   |   |                                       |

| ESG                      | ESG 26 Patents  |  |  |   |   |   |   |                                       |
|--------------------------|---|--|--|---|---|---|---|---------------------------------------|
| Definition and Reference | The amount of resources an organisation is prepared to spent on products which will be marketable in a distant future is one of the most important indicators for future profit growth potentials. Any meaningful KPI in this area will also serve to investors for understanding how current cashflows can be continued when products and services mature. Depending on the industry it may be necessary that KPIs for e.g. products, patents, R&D encompass activities with external agencies such as technological suppliers or academic forms of cooperation. |  |  |   |   |   |   |                                       |
| KPI                      | ESG 26-1  | ESG 26-2   | ESG 26-3   | ESG 26-4  |   |   |   |                                       |
| Description              | Number of patents registered within last 12 months Corporate  | Percentage of patents registered within last 12 months as of total number of patents Corporate | Percentage of patents registered within last 12 months as of total number of patents Benchmark | Number of patents due to expire within next 12 months Corporate   | Percentage of patents due to expire within next 12 months as of total number of patents Corporate | Percentage of patents due to expire within next 12 months as of total number of patents Benchmark |   |                                       |
| Shortname                | patents.reg.12mths.corp   | % patents.reg.12mths.tot.corp  | % patents.reg.12mths.tot.bench   | patents.expire.12mths.corp  | % patents.expire.12mths.tot.corp  | % patents.expire.12mths.tot.bench   |   |                                       |
| Unit / Calculation       | numerical   | Percentage   | Percentage   | numerical   | Percentage  | Percentage  |   |                                       |
| Format                   | xx,xxx  | xx.xx %, numeric   | xx.xx %, numeric   | xx,xxx  | xx.xx %, numeric  | xx.xx %, numeric  |   |                                       |
| Sectors                  | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]  | Chemicals [1350]   | Forestry & Paper [1730]   | Industrial Metals [1750]  | Mining [1770]   | Construction & Materials [2350]                   | <b>Aerospace &amp; Defense [2710]</b> |
|                          |   |  |  |   |   |   |   | X                                     |
|                          | General Industrials [2720]  | <b>Electronic &amp; Electrical Equipment [2730]</b>  | <b>Industrial Engineering [2750]</b>   | Industrial Transportation [2770]                                  | Support Services [2790]   | <b>Automobiles [3353]</b>   | Beverages [3530]                                  | Food Producers [3570]                 |
|                          |   | X  | X  |   |   | X   |   |                                       |
|                          | <b>Household Goods [3720]</b>   | Leisure Goods [3740]   | Personal Goods [3760]  | Tobacco [3780]  | Health Care Equipment & Services [4530]   | <b>Pharmaceuticals &amp; Biotechnology [4570]</b>   | Food & Drug Retailer [5330]                       | General Retailers [5370]              |
|                          | X   |  |  |   |   | X   |   |                                       |
|                          | Media [5550]  | Travel & Leisure [5750]  | Fixed Line Telecommunications [6530]   | Mobile Telecommunications [6570]                                  | Electricity Utilities [7530]  | Gas, Water & Multiutilities [7570]  | Banks [8350]                                      | Nonlife Insurance [8530]              |
|                          |   |  |  |   |   |   |   |                                       |
|                          | Life Insurance [8570]   | Real Estate [8730]   | General Financial [8770]   | Equity Investment Instruments [8980]                              | Nonequity Investment Instruments [8990]   | <b>Software &amp; Computer Services [9530]</b>  | <b>Technology Hardware &amp; Equipment [9570]</b> |                                       |
|                          |   |  |  |   |   | X   | X   |                                       |
| ESG                      | ESG 27 Investments in research on new risk  |  |  |   |   |   |   |                                       |
| Definition and Reference | Understanding risk, especially analysing causal chains which lead to the emergence of new risk is a key activity of any re-insurance and insurance business. Through identifying early warning indicators and also linking seemingly unrelated phenomenon in environment and societies insurance industries seek to arrive at resilient and workable occurrence probabilities to be priced. Hence, any resource spent in the area of understanding new risk may be seen as a genuine investment in the longterm viability of re-insurance companies.              |  |  |   |   |   |   |                                       |
| KPI                      | ESG 27-1  | ESG 27-2   | ESG 27-3   |   |   |   |   |                                       |
| Description              | Total investments in US \$ or € on new risk Corporate   | Total investments in mandays on new risk Corporate   | Total investments in US \$ or € on new risk as % of revenue Corporate                          | Total investments in US \$ or € on new risk as % of revenue Bench |   |   |   |                                       |
| Shortname                | invest.newrisk.\$corp   | invest.new.risk.mandays.corp   | invest.newrisk.%rev.corp   | invest.newrisk.%rev.bench   |   |   |   |                                       |
| Unit / Calculation       | US \$, €  | Mandays  | Percentage   | Percentage  |   |   |   |                                       |
| Format                   | xxx,xxx,xxx,xxx.--  | xxx,xxx.--   | xx.xx %, numeric   | xx.xx %, numeric  |   |   |   |                                       |
| Sectors                  | Oil & Gas Producers [0530]  | Oil Equipment, Services & Distribution [0570]  | Chemicals [1350]   | Forestry & Paper [1730]   | Industrial Metals [1750]  | Mining [1770]   | Construction & Materials [2350]                   | Aerospace & Defense [2710]            |
|                          |   |  |  |   |   |   |   |                                       |
|                          | General Industrials [2720]  | Electronic & Electrical Equipment [2730]   | Industrial Engineering [2750]  | Industrial Transportation [2770]                                  | Support Services [2790]   | Automobiles [3353]  | Beverages [3530]                                  | Food Producers [3570]                 |
|                          |   |  |  |   |   |   |   |                                       |
|                          | Household Goods [3720]  | Leisure Goods [3740]   | Personal Goods [3760]  | Tobacco [3780]  | Health Care Equipment & Services [4530]   | Pharmaceuticals & Biotechnology [4570]  | Food & Drug Retailer [5330]                       | General Retailers [5370]              |
|                          |   |  |  |   |   |   |   |                                       |
|                          | Media [5550]  | Travel & Leisure [5750]  | Fixed Line Telecommunications [6530]   | Mobile Telecommunications [6570]                                  | Electricity Utilities [7530]  | Gas, Water & Multiutilities [7570]  | Banks [8350]                                      | <b>Nonlife Insurance [8530]</b>       |
|                          |   |  |  |   |   |   |   | X                                     |
|                          | Life Insurance [8570]   | Real Estate [8730]   | General Financial [8770]   | Equity Investment Instruments [8980]                              | Nonequity Investment Instruments [8990]   | Software & Computer Services [9530]   | Technology Hardware & Equipment [9570]            |                                       |
|                          |   |  |  |   |   |   |   |                                       |

| ESG                          |  |   |  |  |   |   |  |                                       |
|------------------------------|--|---|--|--|---|---|--|---------------------------------------|
| ESG 28 Customer retention    |  |   |  |  |   |   |  |                                       |
| Definition and Reference     | Monitoring the intake of new customers whilst seeking to retain as many customers as possible is generally seen as the formula for customer-oriented companies. Whilst it seems contradictory in terms to target new customers whilst striving for repeat business through maintaining good business relations with an existing clientele experience shows that successful companies typically have a "natural" turnover of customers with the aim to identify those customers which offer the biggest potential sales and/or profitability. Measuring customer retention and share-of-market is key to maintaining a long-term perspective. |   |  |  |   |   |  |                                       |
| KPI                          | ESG 28-1   |   | ESG 28-2   |  | ESG 28-3  |   |  |                                       |
| Description                  | % of new customers as of existing customers Corporate  | % of new customers as of existing customers Corporate             | Average length of time of customer relationship in years Corporate                         | Average length of time of customer relationship in years Benchmark                         | Share-of-market by product, segment, productline or total |   |  |                                       |
| Shortname                    | newcust.existcust.%corp  | newcust.existcust.%bench  | av.custrel.years.corp  | av.custrel.years.bench   | som.[prodline].%corp                                      |   |  |                                       |
| Unit / Calculation           | Percentage   | Percentage  | Years  | Years  | Percentage  |   |  |                                       |
| Format                       | xx.x %   | xx.x %  | xx,x   | xx,x   | xx.x %  |   |  |                                       |
| Sectors                      | Oil & Gas Producers [0530]   | Oil Equipment, Services & Distribution [0570]                     | Chemicals [1350]   | Forestry & Paper [1730]  | Industrial Metals [1750]                                  | Mining [1770]                                     | Construction & Materials [2350]        | <b>Aerospace &amp; Defense [2710]</b> |
|                              |  |   |  |  |   |   |  | X                                     |
|                              | <b>General Industrials [2720]</b>  | <b>Electronic &amp; Electrical Equipment [2730]</b>               | Industrial Engineering [2750]  | <b>Industrial Transportation [2770]</b>  | Support Services [2790]                                   | <b>Automobiles [3353]</b>                         | <b>Beverages [3530]</b>                | <b>Food Producers [3570]</b>          |
|                              | X  | X   |  | X  |   | X   | X                                      | X                                     |
|                              | <b>Household Goods [3720]</b>  | <b>Leisure Goods [3740]</b>                                       | <b>Personal Goods [3760]</b>   | Tobacco [3780]   | Health Care Equipment & Services [4530]                   | <b>Pharmaceuticals &amp; Biotechnology [4570]</b> | <b>Food &amp; Drug Retailer [5330]</b> | <b>General Retailers [5370]</b>       |
|                              | X  | X   | X  |  |   | X   | X                                      | X                                     |
|                              | Media [5550]   | <b>Travel &amp; Leisure [5750]</b>                                | Fixed Line Telecommunications [6530]   | Mobile Telecommunications [6570]   | <b>Electricity Utilities [7530]</b>                       | Gas, Water & Multiutilities [7570]                | <b>Banks [8350]</b>                    | <b>Nonlife Insurance [8530]</b>       |
|                              |  | X   |  |  | X   |   | X                                      | X                                     |
|                              | Life Insurance [8570]  | Real Estate [8730]  | General Financial [8770]   | Equity Investment Instruments [8980]   | Nonequity Investment Instruments [8990]                   | Software & Computer Services [9530]               | Technology Hardware & Equipment [9570] |                                       |
|                              |  |   |  |  |   |   |  |                                       |
|                              |  |   |  |  |   |   |  |                                       |
| ESG                          |  |   |  |  |   |   |  |                                       |
| ESG 29 Customer satisfaction |  |   |  |  |   |   |  |                                       |
| Definition and Reference     | Having satisfied customers is the ultimate goal of any organisation. Specifically, experience tells us that measuring customer satisfaction with the aim of finding areas of improvement is important to maintain sustainable share-of-markets. Customer defection may have erosive effects as it typically occurs as a slow and undetected process until it gains a momentum at which it is difficult to counterbalance.  |   |  |  |   |   |  |                                       |
| KPI                          | ESG 29-1   |   | ESG 29-2   |  |   |   |  |                                       |
| Description                  | Percentage of satisfied customers as of total customers Corporate  | Percentage of satisfied customers as of total customers Benchmark | Customer retention: percentage of revenues from repeat business / total business Corporate | Customer retention: percentage of revenues from repeat business / total business Benchmark |   |   |  |                                       |
| Shortname                    | cust.sat.corp  | cust.sat.bench  | repeat.bus.corp  | repeat.bus.bench   |   |   |  |                                       |
| Unit / Calculation           | Percentage   | Percentage  | Percentage   | Percentage   |   |   |  |                                       |
| Format                       | xx.xx %  | xx.xx %   | xx.xx %  | xx.xx %  |   |   |  |                                       |
| Sector                       | All  | All   | All  | All  |   |   |  |                                       |

## Additional and complementary ESGs and KPIs you can report

| ESG                                       | KPI   |
|---|---|
| <b>ESG 1 Energy efficiency</b>            | ESG 1-3 Electric energy intake in kwh per unit produced   |
|   | ESG 1-4 Targets to reduce energy consumption in %   |
|   | ESG 1-5 Heat consumption total  |
|   | ESG 1-6 Fuel consumption per passenger-mile/km  |
|   | ESG 1-7 % of r&d expenses on increasing energy efficiency as of total r&d expenses  |
|   | ESG 1-8 Maintenance Capex in \$, € as of total revenue  |
| <b>ESG 4 Training &amp; qualification</b> | ESG 4-3 Total expenses on training and qualification in relation to revenues  |
| <b>ESG 5 Maturity of workforce</b>        | ESG 5-3 % of workforce to retire in next 5 years  |
|   | ESG 5-4 Average tenure of workforce   |
| <b>ESG 6 Absenteeism rate</b>             | ESG 6-2 Lost time incident in mandays / employee / p.a.   |
|   | ESG 6-3 Lost time incident in mandays / contractors and leased staff / p.a.   |
|   | ESG 6-4 Health rate   |
| <b>ESG 8 Corruption</b>                   | ESG 8-2 Percentage of business in countries in top, 2nd and 3rd quintile of transparency international corruption barometer |

| ESG                      | ESG 1 Energy efficiency  |   |  |  |                                  |                                  |  |  |
|--------------------------|--|---|--|--|----------------------------------|----------------------------------|--|--|
| Definition and Reference | Energy efficiency was defined as "any change in energy use that results in an increase in net benefits per unit of energy" ( <a href="http://www.pce.govt.nz/reports/pce_reports_glossary.shtml#e">http://www.pce.govt.nz/reports/pce_reports_glossary.shtml#e</a> ). Energy efficiency has a direct effect on operational costs and exposure to fluctuations in energy supply and prices.   |   |  |  |                                  |                                  |  |  |
| KPI                      | ESG 1-3  |   | ESG 1-4  |  | ESG 1-5                          |                                  | ESG 1-6  |  |
| Description              | - Energy intake in kwh per units produced Corporate  | - Energy intake in kwh per units produced Benchmark                                   | -Targets to reduce energy consumption Corporate          | -Targets to reduce energy consumption Benchmark          | Heat Consumption Total Corporate | Heat Consumption Total Benchmark | - Fuel consumption per passenger-mile/km Corporate | - Fuel consumption per passenger-mile/km Benchmark |
| Shortname                | ener.intake.unit.corp  | ener.intake.unit.bench  | targets.ener.cons.corp                                   | targets.ener.cons.bench                                  | ener.cons.tot.corp               | ener.cons.tot.bench              | fuel.cons.pass.mile.corp                           | fuel.cons.pass.mile.bench                          |
| Unit / Calculation       | kilowatthours (kwh) / unit output  | kilowatthours (kwh) / unit output   | percentage   | percentage   | kilowatthours (kwh) in '000s     | kilowatthours (kwh) in '000s     | fuel in litres / passenger-mile                    | fuel in litres / passenger-mile                    |
| Format                   | x,xxx,xxx.xx; numeric  | x,xxx,xxx.xx; numeric   | xx.xx %, numeric   | xx.xx %, numeric   | x,xxx,xxx,xxx.xx; numeric        | x,xxx,xxx,xxx.xx; numeric        | x,xxx.xx; numeric                                  | x,xxx.xx; numeric                                  |
| Sector                   | All  | All   | All  | All  | All                              | All                              | Industrial Transportation [2770]                   | Industrial Transportation [2770]                   |
| KPI                      | ESG 1-7  |   | ESG 1-8  |  |                                  |                                  |  |  |
| Description              | % of R&D expenses on increasing energy efficiency as of total R&D expenses Corporate   | % of R&D expenses on increasing energy efficiency as of total R&D expenses Benchmark  | Maintenance Capex in \$, € as of total revenue Corporate | Maintenance Capex in \$, € as of total revenue Benchmark |                                  |                                  |  |  |
| Shortname                | fuel.cons.pass.mile.corp   | fuel.cons.pass.mile.bench   | maint.capex.\$.corp                                      | maint.capex.\$.bench                                     |                                  |                                  |  |  |
| Unit / Calculation       | fuel in litres / passenger-mile  | fuel in litres / passenger-mile   | total maintenance capex in \$ or € / total revenues      | total maintenance capex in \$ or € / total revenues      |                                  |                                  |  |  |
| Format                   | x,xxx.xx; numeric  | x,xxx.xx; numeric   | xx.xx %  | xx.xx %  |                                  |                                  |  |  |
| Sector                   | All  | All   | Electricity Utilities[7530]                              | Electricity Utilities [7530]                             |                                  |                                  |  |  |
| ESG                      | ESG 4 Training & qualification   |   |  |  |                                  |                                  |  |  |
| Definition and Reference | Training and education provides an important aspect of the organisation's commitment to sustaining excellency by investing in employees' skills and knowhow. When comparing this KPI within a peer group it helps to understand the organization's preparedness to improve process or product quality. Fur further information please check R195 Human Resources Development Recommendation, 2004 at <a href="http://www.ilo.org/iloex/cgi-lex/convde.pl?R195">http://www.ilo.org/iloex/cgi-lex/convde.pl?R195</a> |   |  |  |                                  |                                  |  |  |
| KPI                      | ESG 4-3  |   |  |  |                                  |                                  |  |  |
| Description              | Total expenses on training and qualification in relation to turnover/sales Corporate   | Total expenses on training and qualification in relation to turnover/sales Benchmark  |  |  |                                  |                                  |  |  |
| Shortname                | training.total.\$.empl.corp  | training.total.\$.empl.bench  |  |  |                                  |                                  |  |  |
| Unit / Calculation       | percentage   | percentage  |  |  |                                  |                                  |  |  |
| Format                   | xx.xx %  | xx.xx %   |  |  |                                  |                                  |  |  |
| Sector                   | All  | All   |  |  |                                  |                                  |  |  |
| ESG                      | ESG 5 Maturity of workforce  |   |  |  |                                  |                                  |  |  |
| Definition and Reference | Understanding the maturity of a workforce is key for assessing the risk of over-aging of the workforce i.e. the phenomenon that a large proportion of the workforce is retiring in a relatively short span. Whilst it is desirable that corporates continuously recruit new staff members within a timeframe that allows transfer of knowledge and experience from mature parts of the workforce experience shows that often such provident action is far from being standard practice in many corporates.         |   |  |  |                                  |                                  |  |  |
| KPI                      | ESG 5-3  |   | ESG 5-4  |  |                                  |                                  |  |  |
| Description              | Percentage of workforce to retire within in next 5 years of reported period Corporate  | Percentage of workforce to retire within in next 5 years of reported period Benchmark | Average tenure of workforce Benchmark                    | Average tenure of workforce Benchmark                    |                                  |                                  |  |  |
| Shortname                | perc.retire.5yrs.corp  | perc.retire.5yrs.bench  | av.tenure.workforce.bench                                | av.tenure.workforce.bench                                |                                  |                                  |  |  |
| Unit / Calculation       | Percentage   | Percentage  | Years  | Years  |                                  |                                  |  |  |
| Format                   | xx.x %, numeric  | xx.x %, numeric   | xx.x, numeric  | xx.x, numeric  |                                  |                                  |  |  |
| Sector                   | All  | All   | All  | All  |                                  |                                  |  |  |

| ESG                      | ESG 6 Absenteeism rate   |   |   |   |   |   |  |
|--------------------------|--|---|---|---|---|---|--|
| Definition and Reference | Absenteeism is a relatively effective indicator of workforce morale. Especially in industrial contexts accident is an indicator for workforce morale. Health Rate ("German: Gesundheitsquote") was added as an additional KPI. Health Rate describes working hours actual in relation to contractual working hours total; thus, effects of overtime hours are adjusted.  |   |   |   |   |   |  |
| Applied KPI              | ESG 6-2  |   | ESG 6-3   |   | ESG 6-4   |   |  |
| Description              | Lost time incident in mandays lost per employee p.a. Corporate   | Lost time incident in mandays lost per employee p.a. Benchmark  | Lost time incident in mandays lost per contractors and leasing staff p.a. Corporate | Lost time incident in mandays lost per contractors and leasing staff p.a. Benchmark | Health Rate i.e. percentage of total working hours actual of total contractual hours Corporate. | Health Rate i.e. percentage of total working hours actual of total contractual hours Benchmark. |  |
| Shortname                | losttime.empl.incident.corp  | losttime.empl.incident.bench  | losttime.contract.incident.corp   | losttime.contract.incident.bench  | Health.rate.corp  | Health.rate.bench   |  |
| Unit / Calculation       | Days   | Days  | Days  | Days  | Percentage  | Percentage  |  |
| Format                   | xxx.x, numeric   | xxx.x, numeric  | xxx.x, numeric  | xxx.x, numeric  | xx.x %, numeric   | xx.x %, numeric   |  |
| Sector                   | Producing industries   | Producing industries  | Producing industries  | Producing industries  | All   | All   |  |
| ESG                      | ESG 8 Corruption   |   |   |   |   |   |  |
| Definition and Reference | The concept of corruption does not necessarily apply easily in certain emerging markets in so far as market participation may seem to require local representatives to play along perceived "rules" of non-compliant behavior. Stewardship requires senior management to clearly and unmistakably set policies which provide orientation to local workforce. In return, targets for market penetration in markets susceptible to forms of corruption should take into account limits of growth if growth would imply breach of anti-corruption policies.<br><br>F&C Investments (re: Report 4 th Quarter 2007, page 8p) measure the costs associated with bribery by an anonymized but authentic example: a Swiss engineering company found guilty on paying a bribe in Africa of \$ 1 Mill, payed a fine of \$ 16 Mill, incurred \$ 76 Mill. forensic accounting and compliance costs (incl. 43,000 lawyer-hours), lost \$ 200 mill. on the contraction; reputation damage and management distraction are not accounted for as unquantifiable.<br><br>Transparency International (www.transparency.org) measures corruption and bribery around the globe and is a valid score for any score or ranking on corruption. |   |   |   |   |   |  |
| KPI                      | ESG 10-2   |   |   |   |   |   |  |
| Description              | Percentage of business in countries in top, 2nd and 3rd quintile of Transparency International Corruption Barometer Corporate  | Percentage of business in countries in top, 2nd and 3rd quintile of Transparency International Corruption Barometer Benchmark |   |   |   |   |  |
| Shortname                | corruption.quint.corp  | corruption.quint.bench  |   |   |   |   |  |
| Unit / Calculation       | Source: Transparency International Corruption Barometer  | Source: Transparency International Corruption Barometer   |   |   |   |   |  |
| Format                   | xx.xx %  | xx.xx %   |   |   |   |   |  |
| Sector                   | All  | All   |   |   |   |   |  |





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