



EDCI METRICS REPORTING GUIDANCE

March 2023



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INTRODUCTION

This document shares guidance for Environmental, Social, and Governance (ESG) reporting within private markets as proposed by the ESG Data Convergence Initiative, a consortium of General Partners (GPs) and Limited Partners (LPs).

The guiding mission of the initiative has been to establish meaningful, performance based ESG data from private companies by converging on a standardized, foundational set of ESG metrics for private investors. The convergence towards a core set of metrics allows GPs and portfolio companies to benchmark their current position and generate progress toward ESG improvements, while enabling greater transparency and more comparable portfolio information for LPs.

In the spirit of the initiative, this document is intended to facilitate standardization in data reporting. To do this, we have provided a brief but thorough set of recommendations alongside a glossary of relevant terms, definitions, and clarifications. We encourage you to consult this document as needed to streamline your ESG reporting process and address common data-related questions.

DATA COLLECTION PROCESS AND GOVERNANCE

Data Collection

GPs will collect data annually through their existing data collection systems. We ask that once collected from portfolio companies (PortCos), GPs input the ESG key performance indicators and relevant normalization metrics into the standard excel template so that Limited Partners (LPs) can receive the data in comparable form from underlying GPs. Data will be used in two ways:

Firstly, as it typically happens, GPs will provide the data directly to any LPs invested in its fund(s), on an as-requested basis (or proactively, if the GP chooses).

Secondly, for data collected in a given calendar year, GPs will provide their data at the company level to BCG Expand. BCG has a data privacy agreement which can be signed by both the GP and BCG to ensure data privacy, confidentiality, and use limited to this effort. BCG Expand will aggregate the data into appropriate benchmarks (controlling for industry, geography, etc.). Benchmarks will only be generated if enough data points exist (i.e., minimum of seven datapoints from different PortCos) to ensure that no single portfolio company or fund can be extrapolated from the data. BCG may also perform research and analysis on the aggregated data. The research will be reviewed and approved by the Steering



Committee before being used publicly in any way, and it will not isolate or identify a GP, fund, or specific portfolio company.

The benchmark(s) will not be publicly published. They will be shared directly via a website platform only with formal participants in the initiative.

Data for each cycle of the benchmark will be due April 30th (e.g., for the 2023 edition data will be due April 30th 2023).

DATA VALIDATION

BCG Expand will thoroughly review data submissions and return to GPs with questions (e.g., confirming correct units, missing data, year-over-year (YoY) variances, etc.), but the responsibility for data quality and integrity rests with the GPs.

Please clearly indicate and differentiate between i) data not being available, ii) data not being applicable, and iii) data input being zero. All options are contemplated and available in the data submission template.

Guidance on fund selection and reporting

Each GP will decide which underlying funds will report data for each edition of the benchmark. While it is understood that GPs may need to pilot with a subset of existing funds after joining the initiative, it is expected that GPs will try to increase the number of funds reporting on this data each year, and that once a portfolio company submits data for a given year it will continue to submit data in future editions of the benchmark, unless there is a change of ownership that prevents them from doing so.

It is expected that GPs will report data for all majority owned PortCos (where data exists). Reporting the data for minority owned PortCos is optional but encouraged.

It is expected that data will be reported for portfolio companies who have entered the fund during the calendar year as soon as possible but, at a minimum, within one year of ownership.

If a portfolio company is exited mid-year, we ask that GPs do not include the data, as this could result in incomplete YoY data. Only include data from companies that are in a fund as of 12/31 of that calendar year.



GUIDANCE ON DATA QUALITY

Scope

For operational boundaries: GPs should submit data relating to the entire portfolio company and make no adjustments for equity or ownership stake (e.g., 100% of the emissions of the portfolio company for that given year). GPs should submit their equity / ownership stake separately using the Percent ownership (%) metric, and delineate between GP and fund level ownership (where this differs). For additional guidance in defining operational boundaries, please refer to the GHG Protocol.

For temporal boundaries: data should be reported on a full calendar year basis (January - December).

Quality and integrity

The following suggested activities represent leading practices that are necessary to produce accurate, investment grade data. Both the GP and PortCos should seek to implement these principles, and the principles should be communicated to all parties involved in the data collection and measurement process, as feasible.

Overall, entities should seek to consistently employ data quality principles to ensure information is comparable and decision useful. This includes:

- Existence - verifying that the underlying amounts are founded in reality
- Accuracy - there has been no overstatement or understatement
- Completeness - there are no omissions
- Consistency - employ the same methods to measure and estimate data
- Timeliness - reflects the defined scope

Best practices for implementing data governance (both within the PortCo and the GP levels):

- Assign clear roles and responsibilities for data production and assembly
- Establish reporting boundaries including operational and temporal boundaries (see Scope)
- Determine data collection, validation, and consolidation process/workflow (both within the PortCo and the GP levels). This should seek to include:
 - Collection sources, methods, and frequencies/timelines
 - Validation procedures (e.g., sign-off)
 - Consolidation process
 - Documentation and archival, access controls
- Review calculation and estimation methodologies to ensure a consistent approach
- Consider leveraging third-party validation, assurance versus verification



DATA SUBMISSION FAQ

Where can I submit data?

There are currently three ways to submit data (ways to enable direct transfer of data from ESG data platforms to the initiative are currently being explored):

- You can submit data directly through a participating tech platform. See our website for a [list of participating platforms](#).
- You can submit via BCG's secure data submission portal.
- You can submit via your own proprietary file transfer systems - if you are doing this, please use esgbenchmarkdata@bcg.com as the target for the file.

How will the metrics be tracked and reported?

The metrics will be tracked and reported in a standardized format for underlying portfolio companies in covered funds. BCG Expand will aggregate the data into an anonymized benchmark that will be shared with EDCI participants. LPs will not have direct access to GP specific results through the EDCI benchmark portal but may ask GPs to share their specific results directly with them.

How often will the data be requested?

GPs are asked to report annually, by April 30th of each year. LPs are not responsible for reporting any data.

Should GPs who can only collect some of the metrics still participate?

We selected fewer metrics, as we wanted to prioritize feasibility of collection, so we strongly encourage GPs to collect data for as many metrics as is possible. While a complete dataset is most helpful, a high-quality incomplete dataset may still be useful to the initiative and for participating LPs. Please reach out to info@esgdc.org if you would like to discuss participation in the absence of a complete, high-quality dataset.

Do portfolio companies typically have data readily available for the selected metrics?

We hope that focusing on fewer initial metrics will allow any portfolio company to collect robust and quality data. Indeed, in the inaugural year of the EDCI, >80% of underlying portfolio companies were able to submit data for the majority of mandatory metrics. However, we acknowledge that portfolio companies vary in their understanding of and ability to collect ESG metrics. For example, some companies do not know how to measure Scope 1 and 2 emissions, which are material but complex, while others already collect the data.

Who is responsible for aggregating the data?

The data will be aggregated securely by BCG Expand, a wholly-owned benchmarking subsidiary.



Will the data reported to the third party be at the portfolio company level or fund level?

GPs will report data to the third party at the portfolio company level. Data reported to BCG Expand will only be used in an aggregated fashion, and cannot be extracted at the GP, fund, or portfolio company level. The data shared with BCG Expand will be governed by the data privacy legal agreement and cannot be used for any other applications. Data privacy and security are of the utmost importance.

How will we ensure anonymization of the data for the benchmark?

We have implemented several measures to ensure anonymization:

1. There is and always will be a legal benchmarking agreement in place centered on data security and privacy.
2. GPs have the option to anonymize both the company and fund names when sending to BCG Expand to ensure the third party is not able to “back into” any company-specific information.
3. Research, if publicly shared, will be presented only in an aggregated format that highlights industry trends. Note that non-anonymized or non-aggregated portfolio company data will continue to be transferred directly from GPs to invested LPs.

What types of benchmarks will be developed and how will they be used?

EDCI participants will have access to a set of benchmarks showing industry averages, medians, and trends over time using normalizers. Benchmarks are customizable, with participants able to flexibly refine the various cuts they are interested in seeing via the online portal. GPs will be able to use the benchmarks to understand where their portfolio companies stand relative to peers, and to identify opportunities for improvement. LPs will be able to use the standardized benchmark to compare data points across their portfolio, and to better understand their portfolio exposure and performance on ESG domains relative to various benchmarks.

Where can I find information on data definitions?

Please see the list of data definitions in the data submission sheet, and if you have any further questions, please feel free to contact info@esgdc.org.

I am an LP - do I need to submit data anywhere?

We are not asking LPs to submit data directly, but we do ask that you encourage your GPs to commit to the initiative and contribute data from their portfolio companies.



What if we don't have access to SICCS industry codes for portfolio companies?

If your portfolio companies are currently not classified within SICCS, please see a draft GICS to SICCS guide (from page 30) for guidance. If you do not have access to either GICS or SICCS classifications for portfolio companies, please contact us at info@esgdc.org.

GLOSSARY

0. Common Variables

Metric	Definition	Units	Sources & Guidance
Company ID	Unique identifier for portfolio company that could be anonymized by the GP. Where relevant, this should be held consistent across data submissions for different years of the initiative.	String	
General Partner	Name of general partner	Name	
Year of initial investment in company	Year the first investment into the relevant portfolio company was made. This metric has been included for 2023 to enable an additional filter for the aggregated benchmark (years of ownership).	Date	
Fund ID	Unique identifier for fund that portfolio company is a part of, that could be anonymized by the GP. Where relevant, this should be held consistent across data submissions for different years of the initiative.	String	
Country of domicile/ headquarters	Country where company affairs are discharged. Please provide only one country (if more, provide explanation).	Country	
Primary country of operations - optional	Country with the largest contribution to company revenue. Please provide only one country.	Country	
Company structure - optional	Private or Public	Name	
Growth Stage of Company	Description of company growth stage: venture/growth/buyout. This is based on self-determination.	String	



Percent GP ownership	Equity ownership stake for general partner, between 0-100%. Note that percent GP ownership should include co-investment share with effective GP control.	%	
Percent fund ownership	Equity ownership stake for the fund, between 0-100%. In the majority of cases, this will be same as Percent GP ownership.	%	
Primary sector of operations	Sector according to SASB Sustainable Industry Classification System (SICS). Note that Sector is broader than Industry.	SICS Code - Sector	SICS-Industry-List.pdf (sasb.org); SASB Sector & Industry Search Tool
Primary industry of operations	Industry according to SASB Sustainable Industry Classification System (SICS). Note that Industry is nested under Sector.	SICS Code - Industry	SICS-Industry-List.pdf (sasb.org); SASB Sector & Industry Search Tool
Currency	Description of monetary unit using three letter code (ISO 4217 code).	ISO code	ISO - ISO 4217 – Currency codes
Revenue	Annual gross revenue reported at the end of the calendar year, in reported currency. Please indicate if a different definition of revenue used due to an industry-specific default / standard.	#	
Total number of Full Time Equivalents (FTE) in current year	Number of Full-Time Equivalent (FTE) employees at the end of the calendar year for which data is being provided.	#	
Total number of Full Time Equivalents (FTE) in previous year	Number of Full Time Equivalent (FTE) employees at the end of the calendar year prior to the year for which data is being provided.	#	
Turnover	Turnover is defined as the number of FTEs (Full Time Equivalents) leaving the business, excluding those from	#	GRI Disclosure 401: Employment (see definition on p. 10)



M&A, over the course of the year divided by either the total number of FTEs at the end of the previous year or the average number of FTEs in the previous year multiplied by 100¹.

In some contexts, turnover is defined as when an employee departs and their role is replaced, whereas attrition is defined as when an employee departs (voluntary and involuntary) and their role is not replaced. However, we are not requiring GPs to make this distinction when submitting data; we are defining turnover as the movement of people, given that open roles do not employ people, and there can be ambiguity surrounding role definitions that may be difficult to standardize.

However, one nuance for turnover is that this is done on an FTE basis, i.e., Full Time Equivalent employees. For example, if an individual left who was employed half-time, they would count as half an FTE.

Employee	Number of full-time equivalent employees and contractors who are in permanent or long-term roles; temporary employment (fixed term, project based, task based, seasonal or casual) is not counted in line with the IRS definition of 120 days or less for seasonal/temporary employment.	#	<u>IRS definition</u>
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¹ GRI Standards accept either methodology, please apply your chosen methodology consistently and indicate your choice in your data notes.



Board member	Individual belonging to the member-elected top governing body of the company. Other terms often used to refer to the Board	#	International Labour Organization (ILO) Board definition (see p. 4 in The Effective Employers‘
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	include: executive committee, management committee, or the council.		Organization: Guide One Governance)
C-suite employees	CEO and any senior executives reporting directly to the CEO, e.g. CFO, COO, CAO, etc.	#	ILPA Diversity Metrics Template (see Glossary in p. 4 of ILPA DDQ 2.0 pdf); See also ILO ISCO-08 code: 1120 for example responsibilities of C-suite employees.

1. GHG Emissions

Note: For Scopes 1, 2, and 3 emissions, EDCI will not accept top-down estimates or calculations using proxy methods not including emissions factors. Spend-based methods are currently accepted, but we encourage companies to move towards activity-based and direct emission methods going forward to increase accuracy of data reported.

Please refer to the [Appendix - GHG Emission Calculation](#) for more guidance on Scope 1, 2 and 3 calculations and the accepted methodologies.

Metric	Definition	Units	Sources & guidance	Related frameworks
Scope 1 Emissions (tCO₂e)	<p>Direct emissions due to owned, controlled sources accounted for using GHG Protocol;</p> <p>GPs should submit data relating to the entire portfolio company and make no adjustments for equity or ownership stake.</p>	#, mtCO ₂ e, (metric tons of CO ₂ emissions)	Corporate Standard Greenhouse Gas Protocol (ghgprotocol.org)	GRI 305:1-3, TCFD, GHG Protocol, SFDR, CDP, WEF, SASB
Scope 2 Emissions (tCO₂e)	<p>Indirect emissions due to purchase of electricity, heat, steam, etc. accounted for using GHG Protocol;</p> <p>GPs should submit data relating to the entire portfolio company and make no adjustments for equity or ownership stake.</p>	#, mtCO ₂ e, (metric tons of CO ₂ emissions)	Scope 2 Guidance Greenhouse Gas Protocol (ghgprotocol.org)	GRI 305:1-3, TCFD, GHG Protocol, SFDR, CDP, WEF, SASB
Scope 3 Emissions (tCO₂e) (optional)	<p>All other indirect emissions accounted for using GHG Protocol;</p> <p>GPs should submit data relating to the entire portfolio company and make no adjustments for equity or ownership stake.</p>	#, mtCO ₂ e, (metric tons of CO ₂ emissions)	Scope 3 Calculation Guidance Greenhouse Gas Protocol (ghgprotocol.org)	GRI 305:1-3, TCFD, GHG Protocol, SFDR, CDP, WEF



2. Renewable Energy Consumption

Metric	Definition	Units	Sources & guidance	Related frameworks
Total energy consumption in kWh	<p>The scope of energy consumption includes only energy directly consumed by the entity during the reporting period.</p> <p>The scope of energy consumption includes energy from all sources, including energy purchased from sources external to the entity and energy produced by the entity itself (self-generated). For example, direct fuel usage, purchased electricity, and heating, cooling, and steam energy are all included within the scope of energy consumption.</p>	<p>#, kWh</p> <p><i>Note: Please convert data to kWh when different units are used locally</i></p>	SASB CG-EC-130a.1.(1)	GRI, SASB, CDP, TCFD, SFDR, CDSB
Renewable energy consumption in kWh	Total renewable energy consumed from: geothermal, solar, sustainably sourced biomass (including biogas), hydropower and wind energy sources. Accounting should follow best practices outlined in RE100 and GHG Protocol Scope 2 Guidance.	<p>#, kWh</p> <p><i>Note: Please convert data to kWh when different units are used locally</i></p>	<p>Scope 2 Guidance Greenhouse Gas Protocol (ghgprotocol.org); Technical Criteria RE100 (there100.org)</p>	SASB, CDP, TCFD, SFDR, CDSB

Please note that Renewable Energy Certificates (RECs), which are identified by the US Environmental Protection Agency guidance as indicating when “one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource,” are not required to prove use of renewable energy at this stage. Also note that RECs are different from Offsets, which “represent one metric ton of emissions avoided or reduced” and should also be excluded from calculations of renewable energy consumption metric (see more information here: [US EPA Certificates vs. Offsets](#)).

3. Diversity

Note: For Portfolio Companies with different boards across different geographies, the guidance is to collect aggregated board data across countries.

Metric	Definition	Units	Sources & guidance	Related frameworks
Total number of board members	Number of people on the Board at end of Calendar Year (<i>Board defined as the member-elected top governing body of the company, often referred to as: executive committee, management committee, or the council</i>).	#	International Labour Organization (ILO) Board definition (see p. 4 in The Effective Employers' Organization: Guide One Governance)	GRI 405-1b, SASB, WEF
Number of women board members	Number of women on board of directors at end of Calendar Year (<i>For US, and other countries where legally accepted, women defined as female-identifying individuals, not exclusively cisgender individuals</i>).	#	ILPA Diversity Metrics Template (see 'Definitions' tab in Excel template)	GRI 405-1b, SASB, WEF, SFDR
Number of LGBTQ board members (optional)	Number of people self-identified as LGBTQ on board of directors at end of Calendar Year.	#		GRI 405-1b, SASB, WEF
Number of board members from under-represented groups (mandatory metric for US, Canada, UK and Australia PortCos; optional elsewhere)	Number of people self-identified as belonging to an under-represented group (i.e. belonging to an ethnic minority within a given country's context). Given the varying local contexts, this metric is not designed to be compared across geographies, but can provide helpful insights within a given country.	#		GRI 405-1b, SASB, WEF



PortCos outside of US, Canada, UK or Australia are encouraged to adopt governmental guidelines or, in absence of this, local convention; no data is expected where local jurisdictions prohibit collection.

Please note that all definitions of race and ethnicity within this document are aligned with ILPA’s Diversity in Action framework.

See below for more specific guidance on under-represented groups for companies based in the US, Canada, UK and Australia.

US:

The US’ Equal Employment Opportunity Commission (EEOC) highlights four particular under-represented groups (minorities) who share a race, color, or national origin.

These four groups are:

- **American Indian or Alaskan Native:** A person having origins in any of the original peoples of North America, and who maintain their culture through a tribe or community.
- **Asian or Pacific Islander:** A person having origins in any of the original people of the Far East, Southeast Asia, India, or the Pacific Islands. These areas include, for example, China, India, Korea, the Philippine Islands, and Samoa.

[ILPA Diversity Metrics Template](#) (see ‘Definitions’ tab in [Excel template](#))

[U.S. Equal Employment Office definitions](#) (See definition of “Minority”)



- **Black (except Hispanic):** A person having origins in any of the black racial groups of Africa.
- **Hispanic:** A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.
- **Two or More** refers to people who chose more than one of these categories.

The EEOC goes on to highlight that “the many peoples with origins in Europe, North Africa, or the Middle East make up the dominant white population. Of course, many more minority groups can be identified in the American population. However, they are not classified separately as minorities under EEO law.”

Canada:

As per the Canada Business Corporations Act (CBCA), Canadian corporations are required to report diversity of their board directors and members of senior management including “Indigenous peoples” and members of “visible minorities,” which are defined in the Employment Equity Act (below).

- **Indigenous Peoples:** First Nations, Inuits and Métis
- **Visible Minority:** A person (other than an Indigenous person as defined above) who is non-white in

[Corporations
Canada
Diversity
Disclosure
Guidelines;](#)

[Canadian
Business
Corporations
Act](#) (See part
XIV.1

Disclosure
Relating to
Diversity”);

[Government
of Canada:](#)



colour/race, regardless of place of birth. The visible minority group includes: Black, Chinese, Filipino, Japanese, Korean, South Asian-East Indian (including Indian from India; Bangladeshi; Pakistani; East Indian from Guyana, Trinidad, East Africa; etc.), Southeast Asian (including Burmese; Cambodian; Laotian; Thai; Vietnamese; etc.); non-white West Asian, North African or Arab (including Egyptian; Libyan; Lebanese; etc.), non-white Latin American (including indigenous persons from Central and South America, etc.), person of mixed origin (with one parent in one of the visible minority groups listed above), other visible minority group.

[Employment Equity Act definitions](#)

(See sections on “Aboriginal peoples” and “Members of Visible Minorities”)

UK:

The UK Government defines “ethnic minorities” as “all ethnic groups except the white British group,” but includes white minorities in this categorization (e.g. Gypsy, Roma and Irish Traveller groups). Further, the UK government defines the following ethnic groups below:

- **Asian or Asian British:** Indian, Pakistani, Bangladeshi, Chinese,

[UK Government Ethnic Minority definition](#)

(see “Ethnic minorities and ethnic groups” section);

[UK Government Ethnicity Data](#)

(see “2021



- any other Asian background
- **Black, Black British, Caribbean or African:** Caribbean, African, any other Black, Black British, or Caribbean background
- **Mixed or multiple ethnic groups:** White and Black Caribbean, White and Black African, White and Asian, any other Mixed or multiple ethnic background
- **White minorities:** Gypsy or Irish Traveller, Roma
- **Other ethnic group:** Arab, any other ethnic group

Census”
section)

Australia:

The Australian Standard Classification of Cultural Ethnic Groups uses the term “ethnicity” to refer to the “shared identity” of a group of people which stems from commonalities in culture, geography, and tradition, among other similarities, as well as from minority status (and often having experienced oppression due to this shared identity).

[Australian Standard Classification of Cultural and Ethnic Groups \(ASCCEG\) \(2019\)](#)

For more specific guidance on how to categorize ethnicities in Australia, please see the list below.

- **Asian:** South-East Asian, North-East Asian (inc. Chinese Asian), Southern and Central Asian



- **Sub-Saharan African:** Central and West African, Southern and East African
- **Oceanian:** Australian peoples (Aboriginal and Torres Strait Islander peoples), New Zealand peoples, Melanesian and Papuan, Micronesian, Polynesian - note includes Australian and New Zealander not defined as Indigenous
- **North African and Middle Eastern:** Arab, Jewish, Peoples of the Sudan, Other North African and Middle Eastern

Total number of C-suite employees (optional)	Number of people in C-suite positions at end of Calendar Year (<i>CEO and any senior executives reporting directly to the CEO, e.g. CFO, COO, CAO, etc. as defined in ILPA’s Diversity Metrics Template</i>).	#	ILPA Diversity Metrics Template DDQ 2.0 (see Glossary on page 4)	N/A
Number of women C-suite employees (optional)	Number of women in C-suite positions at end of Calendar Year (<i>For US, and other countries where legally accepted, women defined as female-identifying individuals, not exclusively cisgender individuals</i>).	#	ILPA Diversity Metrics Template (see ‘Definitions’ tab in Excel template)	N/A



When collecting these metrics, please keep in mind the following points regarding best practices (guidance provided from [Diversio](#), a specialized software company that enables organizations to measure, track, and improve diversity and inclusion):

1. Be sure to clearly explain why this data is being requested (e.g., as part of the GP's commitment to the ESG Data Convergence Initiative).
2. Always provide an option of "Prefer Not To Answer" when requesting information directly from employees.
3. Maintain strict data security measures to protect the information and ensure individual data is never disclosed or identifiable.
4. To increase response rates, consider engaging a third party to collect diversity data directly from employees.
5. In the UK and Europe in particular, keep in mind that the GDPR and other privacy laws may impact a company's ability to collect certain diversity information. This can be addressed by collecting the data through a third party.



4. Work Related Accidents

Note: When EDCI guidance cannot be followed, adhere to local regulation on reporting injuries consistent with PortCo reporting.

Metric	Definition	Units	Sources & guidance	Related frameworks
Number of work-related injuries	<p>Total number of work-related injuries, as defined by local jurisdiction. Injury records could come from national systems as part of a primary data source (e.g., labor inspection records and annual reports; insurance and compensation records, death registers), supplemented by surveys.</p> <p>For US (OSHA Guidance): An injury is “work-related” if “an event...in the work environment either caused or contributed to the resulting condition or significantly aggravated a pre-existing condition” and results in loss of consciousness, days away from work, restricted work activity or job transfer, and/or medical treatment (beyond first aid). See OIICS manual Division 1: <i>Traumatic Injuries and Disorders</i> (p. 10) for accepted types of work-related injuries. Note that Sections 2-8 would be excluded because they refer to work-related <i>illnesses</i>.</p> <p>For non-US (ILO Guidance):</p>	#	<p>US: Occupational Health and Safety Administration definitions; Occupational Injury and Illness Classification (OIICS) Manual from the US Bureau of Labor Statistics (see Division 1: Traumatic Injuries and Disorders on p. 10)</p> <p>Non-US:</p>	GRI:2018 403-9a&b, GRI:2018 403-6a WEF



An “occupational injury” occurs due to an “occupational accident,” which is an occurrence arising out of or in the course of work that results in either a fatal or non-fatal occupational injury, within the last calendar year.

[Recording and Notification of Occupational Accidents and Diseases \(ILO\) \(pages 3, 59-66\)](#)

See *Recording and Notification of Occupational Accidents and Diseases (ILO)* pages 59-66 for accepted types of work-related injuries resulting from occupational accidents.

For the sake of clarity, note that the following should be excluded:

- COVID cases contracted in the workplace
- Injuries resulting from accidents occurring on the commute to or from the workplace outside of working hours

Number of work-related fatalities	<p>Total number of work-related fatalities as defined by local jurisdiction, within the last calendar year. Fatality records could come from national systems as part of primary data source (e.g., labor inspection records and annual reports; insurance and compensation records, death registers), supplemented by surveys.</p>	#	<p>GRI:2018 403-9a&b, GRI:2018 403-6a WEF SASB</p>
	For US (OSHA Guidance):		US:



A “work-related fatality” is defined as a work-related injury which results in death.

For non-US (ILO Guidance):
A “fatal occupational injury” is an occupational injury which leads to death.

[Occupational Health and Safety Administration](#) definitions

Non-US:
[Recording and Notification of Occupational Accidents \(ILO\) \(p.3\)](#)

Days lost due to injury

Total days lost due to work-related injury

#, day

International Labor Organization, OSHA

Note that “days lost due to injury” excludes the day of the accident and temporary medical absences, or “sick days” allotted in advance by the employer.

For US (OSHA Guidance):
Defined as cases involving days away from work or days of restricted job transfer, or both. Cases involving days away from work include at least one day away from work; job transfer or restriction cases occur when an employer or health care professional mandates or recommends an employee refrain from completing his/her full work routine or the full workday as a result of a work-related injury.

US:
[Occupational Health and Safety Administration](#) definitions

For non-US (ILO Guidance):
Number of days for which the employee is incapable of performing the “normal duties of work” as a result of an occupational injury, excluding the day of the accident.

Non-US:
[Recording and Notification of Occupational Accidents \(ILO\) \(see pages 3, 25, 59-66\)](#)

5. Net New Hires

Note: FTE refers to Full Time Equivalent, not absolute headcount (i.e. number of Full Time Employees) to account for part-time labor.

Metric	Definition	Units	Sources & guidance	Related frameworks
Organic Net New Hires	<i>New hires</i> (the number of FTE joining the company, excluding hires that result from M&A) less <i>turnover</i> (the number of FTE leaving the business, excluding those from M&A) during a given calendar year. Excludes any FTE growth or decline due to a business acquisition or business unit divestiture.	#		GRI, WEF
Total Net New Hires	<i>New hires</i> (the number of FTE joining the company, excluding hires that result from M&A) less <i>turnover</i> (the number of FTE leaving the business, excluding those from M&A) plus <i>changes due to M&A</i> (the net change in employees due to M&A) during a given year	#		GRI, WEF
Annual Percent Turnover	<i>Turnover</i> (the number of FTEs leaving the business excluding those from M&A) over the course of the year divided by either the total number of FTEs at the end of the previous year or the average number of <i>FTEs in previous year</i> ² multiplied by 100	%	GRI Disclosure 401: Employment (p. 10) <i>See Glossary for more detailed definition</i>	GRI, WEF, SASB

² GRI Standards accept either methodology, please apply your chosen methodology consistently and indicate your choice in your data notes.



6. Employee Engagement

Metric	Definition	Units	Related frameworks
Do you conduct an annual employee survey (Y/N)?	<p>Y/N response indicating whether a company issues an annual employee feedback survey</p> <p>An employee feedback survey can include, but is not limited to, questions related to company culture, company values, employee job satisfaction, employee engagement, and training.</p>	Y/N	Not applicable
% employees responding to survey (optional)	Total number of employees responding to survey divided by total number of employees surveyed	%	Not applicable



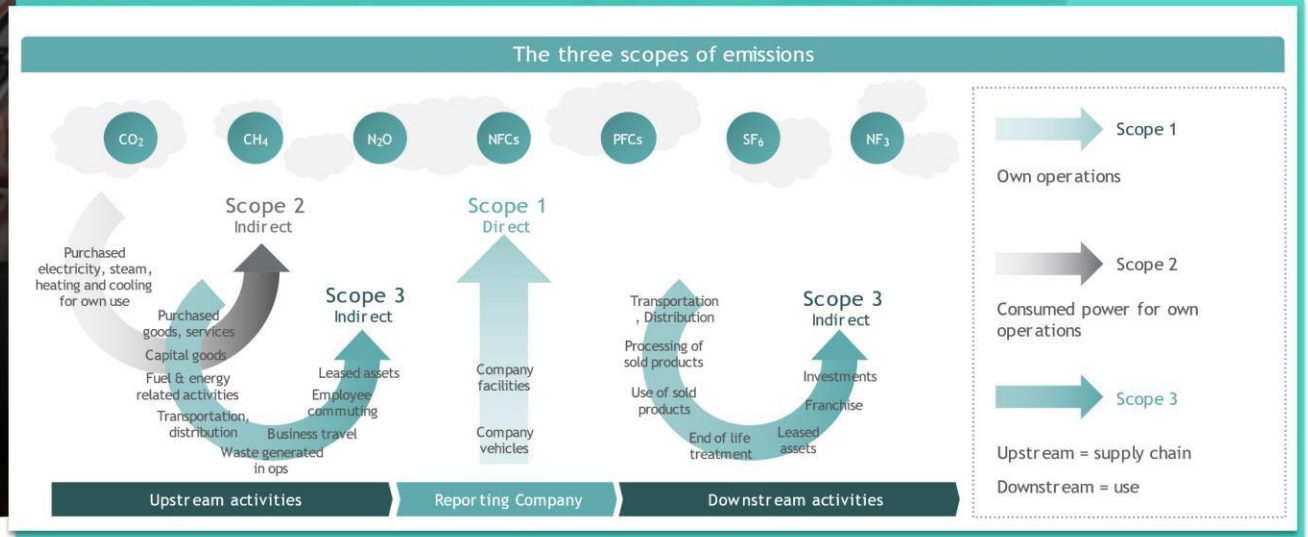
APPENDIX - GHG EMISSION CALCULATION

Please note that for Scopes 1, 2, and 3 emissions, EDCI will not accept top-down estimates or calculations using proxy methods not including emissions factors. Spend-based methods are currently accepted, but we encourage companies to apply activity-based and direct emission methods going forward to increase accuracy of data reported.

Also note the following regarding emission calculations:

- Offsets and "avoided emissions" should not be included in the submitted GHG emissions (in line with GHG protocol)
- Scope 3 emissions are split into 15 upstream and downstream categories (see slide below for details)
- Refer to slides below for details on EDCI accepted methodologies

SCOPES OF EMISSIONS | FOR A GIVEN REPORTING COMPANY, THE 3 SCOPES OF EMISSIONS REPRESENT ALL DIRECT AND INDIRECT EMISSIONS



Sources: GHG Protocol, CDP

EDCI ACCEPTED METHODOLOGIES | EDCI WILL NOT ACCEPT HIGH LEVEL PROXY METHODOLOGIES FOR EMISSIONS CALCULATIONS

	Rejected	Accepted Methodologies (varies by scope)		
	High-level proxy method	Spend-based method	Activity-based method	Direct/Supplier methods
Data required	Avg. emissions provided for industries or geographies	Average for CO ₂ emissions based on units of economic output	Average for CO ₂ emissions based on units of physical activity	CO ₂ emissions intensity data (actual data, either internal calculation or from supplier)
Example	Sector /industry/region average emissions based on overall revenue, cost, or FTE count	Cost of an airline ticket Spend on airline tickets (\$) * emissions factor (CO ₂ /)\$)	Distance travelled on an aircraft Distance travelled (kilometers) * emissions factor (CO ₂ /kilometer)	Emissions intensity of steel Volume of steel (kg) * supplier emissions factor (CO ₂ /kg)
Type of emissions factor	Emissions factors not applicable	Global sub-sectoral average emissions factors with low granularity	Averaged factors with some granularity e.g., type of seating class	De-averaged factors specific to emitting activity
Data access		Data available for most economic sub-sectors through Environmentally extended economic input output models (EIO)	Data available for sectors with homogeneous activity e.g., miles flown, harder for others e.g., CPG	Data requires actual calculation of emissions or input from suppliers



Progression from left to right on our list of accepted methodologies leads to:

- ✓ Higher accuracy of baselining
- ✓ Greater ability to identify & target true hotspots
- ✓ Opportunity to recognize de-averaged impact of interventions



Sources: GHG Protocol, CDP

SCOPE 2 CALCULATION | THERE ARE TWO DIFFERENT SCOPE 2 ACCOUNTING METHODS DEPENDING ON DATA AVAILABILITY

Method	Definition	Pros / Cons
<p>Location-based</p> 	<ul style="list-style-type: none"> Quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations 	<ul style="list-style-type: none"> ✓ Emission factors are generally easy to obtain ✗ Less accurate method to reflect Scope 2 GHG emissions as average location factors are used ✗ It doesn't reflect renewable energy agreements made by the company
<p>Market-based</p> 	<ul style="list-style-type: none"> Quantifies Scope 2 GHG emissions based on the specific contractual agreements that the company has with its suppliers Emission factors are obtained directly from the suppliers and reflects individual corporate procurement purchases 	<ul style="list-style-type: none"> ✓ Higher accuracy of Scope 2 GHG emissions ✓ Reflects individual corporate procurement actions (e.g., renewable off-take agreements) ✗ Difficult to obtain all emission factors from suppliers in case of many players and locations

GHG Protocol recommends reporting both market-based and location-based emissions if supplier-specific data is available

ESG Data Convergence Initiative Sources: GHG Protocol, CDP

SCOPE 3 EMISSIONS ARE SPLIT INTO 15 UPSTREAM AND DOWNSTREAM CATEGORIES

<p>1 Purchased good and services</p> <p>Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year</p>	<p>4 Upstream transport & distribution</p> <p>Transportation and distribution of products purchased by the reporting company in the reporting year</p>	<p>7 Employee commuting</p> <p>Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)</p>	<p>10 Processing of sold products</p> <p>Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)</p>	<p>13 Downstream leased assets</p> <p>Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in Scope 1 and Scope 2 - reported by lessor</p>
<p>2 Capital Goods</p> <p>Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year</p>	<p>5 Waste generated</p> <p>Disposal & treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)</p>	<p>8 Upstream leased assets</p> <p>Operation of assets leased by the reporting company (lessee) in the reporting year and not included in Scope 1 and Scope 2 - reported by lessee</p>	<p>11 Use of sold products</p> <p>End use of goods and services sold by the reporting company in the reporting year</p>	<p>14 Franchises</p> <p>Operation of franchises in the reporting year, not included in Scope 1 and Scope 2 - reported by franchisor</p>
<p>3 Fuel and energy activities</p> <p>Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in Scope 1 or Scope 2</p>	<p>6 Business travel</p> <p>Transportation of employees for business -related activities during the reporting year (in vehicles not owned or operated by the reporting company)</p>	<p>9 Downstream transport & dist.</p> <p>Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer</p>	<p>12 End of life of sold products</p> <p>Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life</p>	<p>15 Investments</p> <p>Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in Scope 1 or Scope 2</p>

ESG Data Convergence Initiative Sources: GHG Protocol, CDP

● Upstream ● Downstream

GICS TO SICS GUIDE

To accommodate firms that may not have SICS classification for portfolio companies, we have created the following guide that can be used to convert GICS industry classifications to SICS industry classifications. Please note that there are a few GICS codes that do not map clearly to SICS codes, and there are a few SICS codes that are not mapped to by any GICS codes. To that end, please check the exception tables to ensure your portfolio companies are properly classified.

GICS to SICS code mapping

GICS Code	GICS Name	SICS Code	SICS Name
10101010	Oil & Gas Drilling	EM-EP	O&G exploration and production
10101020	Oil & Gas Equipment & Services	EM-SV	O&G services
10102010	Integrated Oil & Gas	EM-SV	O&G services
10102020	Oil & Gas Exploration & Production	EM-EP	O&G exploration and production
10102030	Oil & Gas Refining & Marketing	EM-RM	O&G refining & marketing
10102040	Oil & Gas Storage & Transportation	EM-MD	O&G midstream
10102050	Coal & Consumable Fuels	EM-CO	Coal Operations
15101010	Commodity Chemicals	RT-CH	Chemicals
15101020	Diversified Chemicals	RT-CH	Chemicals
15101030	Fertilizers & Agricultural Chemicals	RT-CH	Chemicals
15101040	Industrial Gases	RT-CH	Chemicals
15101050	Specialty Chemicals	RT-CH	Chemicals
15102010	Construction Materials	EM-CM	Construction materials
15103010	Metal & Glass Containers	RT-CP	Containers & Packaging
15103020	Paper Packaging	RT-CP	Containers & Packaging
15104010	Aluminum	EM-MM	Metals & mining
15104020	Diversified Metals & Mining	EM-MM	Metals & mining
15104025	Copper	EM-MM	Metals & mining
15104030	Gold	EM-MM	Metals & mining
15104040	Precious Metals & Minerals	EM-MM	Metals & mining
15104045	Silver	EM-MM	Metals & mining



15104050	Steel	EM-IS	Iron & steel producers
15105010	Forest Products	RR-FM	Forestry Management
15105020	Paper Products	RR-PP	Pulp & Paper Products
20101010	Aerospace & Defense	RT-AE	Aerospace & Defense
20102010	Building Products	CG-BF	Building products and furnishings
20103010	Construction & Engineering	IF-EN	Engineering & Construction Services
20104010	Electrical Components & Equipment	RT-EE	Electrical & Electronic Equipment
20104020	Heavy Electrical Equipment	RT-IG	Industrial Machinery & Goods
20105010	Industrial Conglomerates	RT-IG	Industrial Machinery & Goods
20106010	Construction Machinery & Heavy Trucks	RT-IG	Industrial Machinery & Goods
20106015	Agricultural & Farm Machinery	RT-IG	Industrial Machinery & Goods
20106020	Industrial Machinery	RT-IG	Industrial Machinery & Goods
20107010	Trading Companies & Distributors	N/A	Not directly mapped
20201010	Commercial Printing	N/A	Not directly mapped
20201050	Environmental & Facilities Services	IF-WM	Waste Management
20201060	Office Services & Supplies	N/A	Not directly mapped
20201070	Diversified Support Services	N/A	Not directly mapped
20201080	Security & Alarm Services	N/A	Not directly mapped
20202010	Human Resource & Employment Services	SV-PS	Professional & Commercial Services
20202020	Research & Consulting Services	SV-PS	Professional & Commercial Services
20301010	Air Freight & Logistics	TR-AF	Air Freight & Logistics
20302010	Airlines	TR-AL	Airlines
20303010	Marine	TR-MT	Marine Transportation
20304010	Railroads	TR-RA	Rail Transportation
20304020	Trucking	TR-RO	Road Transportation
20305010	Airport Services	TR-AL	Airlines
20305020	Highways & Railtracks	TR-RO	Road Transportation
20305030	Marine Ports & Services	TR-MT	Marine Transportation
25101010	Auto Parts & Equipment	TR-AP	Auto Parts



25101020	Tires & Rubber	TR-AP	Auto Parts
25102010	Automobile Manufacturers	TR-AU	Automobiles
25102020	Automobile Manufacturers	TR-AU	Automobiles
25201010	Consumer Electronics	CG-AM	Appliance manufacturing
25201020	Home Furnishings	CG-HP	Household & personal products
25201030	Homebuilding	IF-HB	Home Builders
25201040	Household Appliances	CG-AM	Appliance manufacturing
25201050	Housewares & Specialties	CG-HP	Household & personal products
25202010	Leisure Products	CG-TS	Toys & sporting goods
25203010	Apparel, Accessories & Luxury Goods	CG-AA	Apparel, accessories and footwear
25203020	Footwear	CG-AA	Apparel, accessories and footwear
25203030	Textiles	CG-AA	Apparel, accessories and footwear
25301010	Casinos & Gaming	SV-CA	Casinos & Gaming
25301020	Hotels, Resorts & Cruise Lines	SV-HL	Hotels & Lodging
25301030	Leisure Facilities	SV-LF	Leisure Facilities
25301040	Restaurants	FB-RN	Restaurants
25302010	Education Services	SV-ED	Education
25302020	Specialized Consumer Services	N/A	Not directly mapped
25501010	Distributors	CG-MR	Multiline and specialty retailers & distributors
25502020	Internet & Direct Marketing Retail	CG-EC	E-commerce
25503010	Department Stores	CG-MR	Multiline and specialty retailers & distributors
25503020	General Merchandise Stores	CG-MR	Multiline and specialty retailers & distributors
25504010	Apparel Retail	CG-MR	Multiline and specialty retailers & distributors
25504020	Computer & Electronics Retail	CG-MR	Multiline and specialty retailers & distributors
25504030	Home Improvement Retail	CG-MR	Multiline and specialty retailers & distributors
25504040	Specialty Stores	CG-MR	Multiline and specialty retailers & distributors



25504050	Automotive Retail	CG-MR	Multiline and specialty retailers & distributors
25504060	Homefurnishing Retail	CG-MR	Multiline and specialty retailers & distributors
30101010	Drug Retail	HC-DR	Drug Retailers
30101020	Food Distributors	FB-FR	Food Retailers & Distributors
30101030	Food Retail	FB-FR	Food Retailers & Distributors
30101040	Hypermarkets & Super Centers	FB-FR	Food Retailers & Distributors
30201010	Brewers	FB-AB	Alcoholic Beverages
30201020	Distillers & Vintners	FB-AB	Alcoholic Beverages
30201030	Soft Drinks	FB-NB	Non-Alcoholic Beverages
30202010	Agricultural Products	FB-AG	Agricultural Products
30202030	Packaged Foods & Meats	FB-MP	Meat, Poultry & Dairy
30203010	Tobacco	FB-TB	Tobacco
30301010	Household Products	CG-HP	Household & personal products
30302010	Personal Products	CG-HP	Household & personal products
35101010	Health Care Equipment	HC-MS	Medical Equipment & Supplies
35101020	Health Care Supplies	HC-MS	Medical Equipment & Supplies
35102010	Health Care Distributors	HC-DI	Health Care Distributors
35102015	Health Care Services	HC-DY	Health Care Delivery
35102020	Health Care Facilities	HC-DY	Health Care Delivery
35102030	Managed Health Care	HC-MC	Managed Care
35103010	Health Care Technology	TC-SI	Software & IT Services
35201010	Biotechnology	HC-BP	Biotechnology & Pharmaceuticals
35202010	Pharmaceuticals	HC-BP	Biotechnology & Pharmaceuticals
35203010	Life Sciences Tools & Services	HC-BP	Biotechnology & Pharmaceuticals
40101010	Diversified Banks	FN-CB	Commercial banks
40101015	Regional Banks	FN-CB	Commercial banks
40102010	Thriffs & Mortgage Finance	FN-MF	Mortgage Finance
40201020	Other Diversified Financial Services	N/A	Not directly mapped

40201030	Multi-Sector Holdings	N/A	Not directly mapped
40201040	Specialized Finance	N/A	Not directly mapped
40202010	Consumer Finance	FN-CF	Consumer Finance
40203010	Asset Management & Custody Banks	FN-AC	Asset management and custody activities
40203020	Investment Banking & Brokerage	FN-IB	Investment banking and brokerage
40203030	Diversified Capital Markets	N/A	Not directly mapped
40203040	Financial Exchanges & Data	FN-EX	Security and commodity exchanges
40204010	Mortgage REITs	FN-MF	Mortgage Finance
40301010	Insurance Brokers	FN-IN	Insurance
40301020	Life & Health Insurance	FN-IN	Insurance
40301030	Multi-line Insurance	FN-IN	Insurance
40301040	Property & Casualty Insurance	FN-IN	Insurance
40301050	Reinsurance	FN-IN	Insurance
45102010	IT Consulting & Other Services	TC-SI	Software & IT Services
45102020	Data Processing & Outsourced Services	TC-SI	Software & IT Services
45102030	Internet Services & Infrastructure	TC-IM	Internet Media & Services
45103010	Application Software	TC-SI	Software & IT Services
45103020	Systems Software	TC-SI	Software & IT Services
45201020	Communications Equipment	TC-TL	Telecommunication Services
45202030	Technology Hardware, Storage & Peripherals	TC-HW	Hardware
45203010	Electronic Equipment & Instruments	TC-HW	Hardware
45203015	Electronic Components	TC-HW	Hardware
45203020	Electronic Manufacturing Services	TC-HW	Hardware
45203030	Technology Distributors	TC-HW	Hardware
45301010	Semiconductor Equipment	TC-SC	Semiconductors
45301020	Semiconductors	TC-SC	Semiconductors
50101010	Alternative Carriers	TC-TL	Telecommunication Services
50101020	Integrated Telecommunication Services	TC-TL	Telecommunication Services



50102010	Wireless Telecommunication Services	TC-TL	Telecommunication Services
50201010	Advertising	SV-AD	Advertising & Marketing
50201020	Broadcasting	SV-ME	Media & Entertainment
50201030	Cable & Satellite	SV-ME	Media & Entertainment
50201040	Publishing	SV-ME	Media & Entertainment
50202010	Movies & Entertainment	SV-ME	Media & Entertainment
50202020	Interactive Home Entertainment	SV-ME	Media & Entertainment
50203010	Interactive Media & Services	SV-ME	Media & Entertainment
55101010	Electric Utilities	IF-EU	Electric Utilities & Power Generators
55102010	Gas Utilities	IF-GU	Gas Utilities & Distributors
55103010	Multi-Utilities	N/A	Not directly mapped
55104010	Water Utilities	IF-WU	Water Utilities & Services
55105010	Independent Power Producers & Energy Traders	IF-EU	Electric Utilities & Power Generators
55105020	Renewable Electricity	N/A	Not directly mapped
60101010	Diversified REITs	IF-RE	Real Estate
60101020	Industrial REITs	IF-RE	Real Estate
60101030	Hotel & Resort REITs	IF-RE	Real Estate
60101040	Office REITs	IF-RE	Real Estate
60101050	Health Care REITs	IF-RE	Real Estate
60101060	Residential REITs	IF-RE	Real Estate
60101070	Retail REITs	IF-RE	Real Estate
60101080	Specialized REITs	IF-RE	Real Estate
60102010	Diversified Real Estate Activities	IF-RS	Real Estate Services
60102020	Real Estate Operating Companies	IF-RS	Real Estate Services
60102030	Real Estate Development	IF-RS	Real Estate Services
60102040	Real Estate Services	IF-RS	Real Estate Services



GICS codes that are not mapped to a specific SIC code

If one of the portfolio companies you are reporting data for is classified under one of the following unmapped GICS codes, please see instructions in the comment for how to classify.

GICS Code	GICS Name	Comment
20107010	Trading Companies & Distributors	Industrial group for SIC does not have specific classification for trading companies and distributors; please select the sub-sector that most closely matches the good or service of trade or distribution the company derives the highest share of its revenue from.
20201010	Commercial Printing	Industrial group for SIC does not have specific classification for Commercial Printing; please select the SIC sub-sector that most closely matches the good or service that the company derives the highest share of its revenue from.
20201060	Office Services & Supplies	Industrial group for SIC does not have specific classification for Office Services & Supplies; please select the SIC sub-sector that most closely matches the good or service that the company derives the highest share of its revenue from.
20201070	Diversified Support Services	Industrial group for SIC does not have specific classification for Diversified Support Services; please select the SIC sub-sector that most closely matches the type of support that the company derives the highest share of its revenue from.
20201080	Security & Alarm Services	Industrial group for SIC does not have specific classification for Diversified Support Services; please select the SIC sub-sector that most closely matches the service that the company derives the highest share of its revenue from.
25302020	Specialized Consumer Services	Industrial group for SIC does not have specific classification for Diversified Support Services; please select the SIC sub-sector that most closely matches the service that the company derives the highest share of its revenue from.
40201020	Other Diversified Financial Services	Financial group for SIC does not have specific classification for Other Diversified Financial Services; please select the SIC sub-sector that most closely matches the service that the company derives the highest share of its revenue from.
40201030	Multi-Sector Holdings	Financial group for SIC does not have specific classification for Multi-Sector Holdings; please select the SIC sub-sector that most closely matches the service that the company derives the highest share of its revenue from.



40201040	Specialized Finance	Financial group for SICS does not have specific classification for Specialized Finance; please select the SICS sub-sector that most closely matches the service that the company derives the highest share of its revenue from.
40203030	Diversified Capital Markets	Financial group for SICS does not have specific classification for Diversified Capital Markets; please select the SICS sub-sector that most closely matches the service that the company derives the highest share of its revenue from.
55103010	Multi-Utilities	SICS does not have broad classification for Multi-Utilities; please select the SICS sub-sector that most closely matches the utility that the company derives the highest share of its revenue from.
55105020	Renewable Electricity	GICS rolls up renewable energy at lower granularity vs SICS classifications; please choose the renewable resource or alternative energy classification within SICS that most closely matches the company's activity.



SICS codes that are not mapped to by any GICS code

If one of the portfolio companies you are reporting data for is best described by one of the following unmapped SICS codes, please manually classify it as such.

SICS Code	SICS Name	Description
FB-PF	Processed Foods	The Processed Foods industry includes companies that process and package foods such as bread, frozen foods, snack foods, pet foods, and condiments for retail consumer consumption. Typically, these products are made ready to consume, are marketed for retail consumers, and can be found on food retailers' shelves. The industry is characterized by large and complex ingredient supply chains, as many companies source ingredients from around the world. Large companies operate globally, and international opportunities are driving growth.
RR-BI	Biofuels	The Biofuels industry consists of companies that produce biofuels and process raw materials for production. Biofuels are manufactured using organic feedstocks and are used primarily as transportation fuels. Companies typically source feedstocks, which include food, oil crops, and animal products, from agricultural product distributors. Ethanol and biodiesel are the most widely produced biofuels, while other types include biogas, biohydrogen, and synthetic biofuels, produced from a variety of organic feedstocks. Biofuels companies' customers are chiefly fuel-blending and fuel-supply companies, including major integrated oil companies. While biofuels are produced worldwide, the publicly listed companies in the Biofuels industry operate primarily in the U.S., though some have minor operations abroad, notably in India, Brazil, and South Korea. Government regulations related to the use of renewable fuel are a significant demand driver in the industry.
RR-FC	Fuel Cells & Industrial Batteries	The Fuel Cells & Industrial Batteries industry consists of companies that manufacture fuel cells for energy production and energy storage equipment such as batteries. Manufacturers in this industry mainly sell products to companies for varied energy-generation and energy-storage applications and intensities, from commercial business applications to large-scale energy projects for utilities. Companies in the industry typically have global operations and sell products to a global marketplace.
RR-ST	Solar Technology & Project Developers	The Solar Technology & Project Developers industry comprises companies that manufacture solar energy equipment, including solar photovoltaic (PV) modules, polysilicon feedstock, solar thermal electricity-generation systems, solar inverters, and other related components. Companies may also develop, build, and manage solar energy projects and offer financing or maintenance services to customers. Two primary technologies are utilized in the industry: PV and concentrated solar power (CSP). Within solar PV, there are two main technologies: crystalline silicon-based solar and thin-film solar, which includes panels made using copper indium gallium selenide and



cadmium telluride. The primary markets for solar panels are residential, non-residential (commercial and industrial), and utility-scale projects. Companies in the industry operate globally.

RR-WT	Wind Technology & Project Developers	The Wind Technology & Project Developers industry comprises companies that manufacture wind turbines, blades, towers, and other components of wind power systems. Companies that develop, build, and manage wind energy projects are also included within the scope of this industry. Manufacturers may also offer post-sale maintenance and support services. Turbines can be installed onshore or offshore, which can cause differences in wind-generating capacity and create challenges in project development for each type of installation. Most major wind technology companies operate globally.
TC-ES	Electronic Manufacturing Services & Original Design Manufacturing	The Electronic Manufacturing Services (EMS) & Original Design Manufacturing (ODM) industry consists of two main segments. EMS companies provide assembly, logistics, and after-market services for original equipment manufacturers. The ODM segment of the industry provides engineering and design services for original equipment manufacturers and may own significant intellectual property. Although EMS & ODM companies produce equipment for a variety of sectors, the industry is closely associated with the Hardware industry, which consists of companies that design technology hardware products such as personal computers, consumer electronics, and storage devices for both personal consumers and businesses.
TR-CR	Car Rental & Leasing	Companies in this industry rent or lease passenger vehicles to customers. Car rentals are typically for periods of less than a month, while leases are for a year or more. The industry includes car-sharing business models where rentals are measured hourly and typically include subscription fees. Car rental companies operate out of airport locations, which serve business and leisure travelers, and out of neighborhood locations, which mostly provide repair-shop and weekend rentals. The industry is concentrated, with several dominant market players, who operate globally using a franchise model. The growth of public transit and ride-sharing services in major metropolitan areas may represent a threat to the long-term profitability of the Car Rental & Leasing industry if customers chose to hail rides or take public transit rather than rent vehicles.
TR-CL	Cruise Lines	The Cruise Lines industry comprises companies that provide passenger transportation and leisure entertainment, including deep sea cruises and river cruises. The industry is dominated by a few large companies. Cruises aim to provide a luxury resort experience for thousands of passengers at a time. The Cruise Lines industry has often been the fastest-growing segment of the travel industry, but is very cyclical.

For more information, click [here](#) or contact info@esgdc.org



SASB Industry Classification Codes

We have included the SASB Industry Classification codes for Sectors, Sub-Sectors, and Industries below for your reference.

SECTOR CODE	SECTOR	SUB-SECTOR CODE	SUB-SECTOR	INDUSTRY CODE	INDUSTRY	DEFINITION
CG	Consumer Goods	CG.1	Apparel & Textiles	CG-AA	Apparel, Accessories & Footwear	The Apparel, Accessories & Footwear industry includes companies involved in the design, manufacturing, wholesaling, and retailing of various products, including men’s, women’s, and children’s clothing, handbags, jewelry, watches, and footwear. Products are largely manufactured by vendors in emerging markets, thereby allowing companies in the industry to primarily focus on design, wholesaling, marketing, supply chain management, and retail activities.
		CG.2	Consumer Discretionary Products	CG-AM	Appliance Manufacturing	The Appliance Manufacturing industry includes companies involved in the design and manufacturing of household appliances and hand tools. The industry sells and manufactures products around the world, primarily selling products to consumers through retail locations.
				CG-BF	Building Products & Furnishings	The Building Products & Furnishings industry comprises companies involved in the design and manufacturing of home improvement products, home and office furnishings, and structural wood building materials. The industry’s products include flooring, ceiling tiles, home and office furniture and fixtures, wood trusses, plywood, paneling, and lumber. Companies typically sell their products through distribution channels to retail stores or through independent or company-owned dealerships.
				CG-HP	Household & Personal Products	The Household & Personal Products industry comprises companies that manufacture a wide range of goods for personal and commercial consumption, including cosmetics, household and industrial cleaning supplies, soaps and detergents, sanitary paper products, household batteries, razors, and kitchen utensils. Household and personal products companies operate globally and typically sell their products to mass merchants, grocery stores, membership club stores, drug stores, high-frequency stores, distributors, and e-commerce retailers. Some companies sell products through independent representatives rather than third-party retail establishments.
				CG-TS	Toys & Sporting Goods	The Toys & Sporting Goods industry comprises two distinct segments that produce leisure products: companies that manufacture toys and games, and companies that manufacture sporting and athletic goods, such as bicycles, golf clubs, fitness equipment, and other similar products. Companies in this industry primarily sell their products to consumers through retail stores. The level of manufacturing integration varies among and within segments of the industry; manufacturing is based



					primarily in Asia, with China accounting for a majority of production.	
		CG.3	Consumer Goods Retail	CG-MR	Multiline and Specialty Retailers & Distributors	The Multiline and Specialty Retailers & Distributors industry encompasses a variety of retailing categories such as department stores, mass merchants, home products stores, and warehouse clubs, as well as a smaller segment of distributors like electronics wholesalers and automotive wholesalers. Common to these companies (except for the distribution segment) is that they manage global supply chains to anticipate consumer demands, keep costs low, and keep products stocked in their brick-and-mortar storefronts. This is a highly competitive industry, in which each company category generally has a small number of key players, characterized by generally low margins. The relatively substitutable nature of retail makes companies in this industry especially susceptible to reputational risks.
				CG-EC	E-commerce	The E-Commerce industry is composed of firms that provide an online marketplace for other firms or individuals to sell their goods and services, as well as retailers and wholesalers that provide an exclusively web-based platform for consumers to buy goods and services. Firms in this industry sell to consumers as well as to other businesses. Because of the accessibility of e-commerce sites, the industry is a global marketplace for buyers and sellers. Note: The industry scope exclusively applies to “pure-play” e-commerce operations and does not address the manufacturing or brick- and-mortar retail operations of companies. Many consumer goods manufacturers and retailers have incorporated, or are in the process of incorporating, an e-commerce component to their business. SASB has separate standards for the Multiline and Specialty Retailers & Distributors (CG- MR); Apparel, Accessories & Footwear (CG-AA); and Toys & Sporting Goods (CG-TS) industries. Depending on the specific activities and operations of firms in the aforementioned industries, disclosure topics and accounting metrics associated with the E-Commerce industry standard may also be relevant.
		EM.1	Coal	EM-CO	Coal Operations	The Coal Operations industry includes companies that mine coal and those that manufacture coal products. Mining activity covers both underground and surface mining, and thermal and metallurgical coal.
		EM.2	Construction Materials	EM-CM	Construction Materials	Construction materials companies have global operations and produce construction materials for sale to construction firms or wholesale distributors. These primarily include cement and aggregates, but also glass, plastic materials, insulation, bricks, and roofing material. Materials producers operate their own quarries, mining crushed stone or sand and gravel. They may also purchase raw materials from the mining and petroleum industries.
		EM.3	Metals &	EM-IS	Iron & Steel	The Iron & Steel Producers industry consists of steel



			Mining		Producers	producers with iron and steel mills and companies with iron and steel foundries. The steel producers segment consists of companies that produce iron and steel products from their own mills. These products include flat-rolled sheets, tin plates, pipes, tubes, and products made of stainless steel, titanium, and high alloy steels. Iron and steel foundries, which cast various products, typically purchase iron and steel from other firms. The industry also includes metal service centers and other metal merchant wholesalers, which distribute, import, or export ferrous products. Steel production occurs via two primary methods: the Basic Oxygen Furnace (BOF), which uses iron ore as an input, and the Electric Arc Furnace (EAF), which uses scrap steel. Many companies in the industry operate on an international scale. Note: With a few exceptions, most companies do not mine their own ore to manufacture steel and iron products. There are separate SASB standards for the (EM-MM) industry.
				EM-MM	Metals & Mining	The Metals & Mining industry is involved in extracting metals and minerals, producing ores, quarrying stones, smelting and manufacturing metals, refining metals, and providing mining support activities. It also produces iron ores, rare earth metals, and precious metals and stones. Larger companies in this industry are vertically integrated - from mining across global operations to wholesaling metals to customers.
EM	Extractives & Minerals Processing	EM.4	Oil & Gas	EM-EP	Oil & Gas - Exploration & Production	(E&P) companies explore for, extract, or produce energy products such as crude oil and natural gas, which comprise the upstream operations of the oil and gas value chain. Companies in the industry develop conventional and unconventional oil and gas reserves; these include, but are not limited to, shale oil and/or gas reserves, oil sands, and gas hydrates. Activities covered by this standard include the development of both on-shore and off-shore reserves. The E&P industry creates contracts with the industry to conduct several E&P activities and to obtain equipment and oilfield services.
				EM-MD	Oil & Gas - Midstream	The industry consists of companies involved in the transportation or storage of natural gas, crude oil, and refined petroleum products. Midstream natural gas activities involve gathering, transport, and processing of natural gas from the wellhead, as well as the removal of impurities, production of natural gas liquids, storage, pipeline transport, and shipping, liquefaction, or regasification of liquefied natural gas. Midstream oil activities mainly involve transport of crude oil and refined products over land, using a network of pipes and pumping stations, as well as trucks and rail cars, and over seas and rivers via tanker ships or barges. Companies that operate bulk stations and terminals, as well as those that manufacture and install storage tanks and pipelines, are also part of this industry.
				EM-RM	Oil & Gas - Refining & Marketing	(R&M) companies refine petroleum products, market oil and gas products, and/ or operate gas stations and convenience stores, all of which comprise the downstream



					operations of the oil and gas value chain. The types of refinery products and crude oil inputs influence the complexity of the refining process used, with different expenditure needs and intensity of environmental and social impacts.
			EM-SV	Oil & Gas - Services	Oil and gas services companies provide support services, manufacture equipment, or are contract drillers for oil and natural gas exploration and production (E&P) companies. The drilling and drilling-support segment comprises companies that drill for oil and natural gas on-shore and off-shore on a contract basis. Companies in this segment may also manufacture jack-up rigs, semisubmersible rigs, and drill ships. Companies in the oilfield services segment manufacture equipment that is used in the extraction, storage, and transportation of oil and natural gas. They also provide support services such as seismic surveying, equipment rental, well cementing, and well monitoring. These services are commonly provided on a contractual basis, and the customer will purchase or lease the materials and equipment from the service provider. Service companies may also provide personnel or subject matter expertise as part of their scope of service. The contractual relationship between oil and gas services companies and their customers plays a significant role in determining the material impacts of their sustainability performance. Besides the rates charged, companies compete on the basis of their operational and safety performance, technology and process offerings, and reputation.
	FN.1	Capital Markets	FN-AC	Asset Management & Custody Activities	The Asset Management & Custody Activities industry is comprised of companies that manage investment portfolios on a commission or fee basis for institutional, retail, and high net-worth investors. In addition, firms in this industry provide wealth management, private banking, financial planning, and investment advisory and retail securities brokerage services. Investment portfolios and strategies may be diversified across multiple asset classes, which include, but are not limited to, equities, fixed income, and hedge fund investments. Specific companies are engaged in venture capital and private equity investments. The industry provides an essential service in assisting a range of customers from individual retail investors to large, institutional asset owners to meet specified investment goals. Companies in the industry range from large multi-national asset managers with a wide range of investable products, strategies, and asset classes to small boutique firms providing services to a very specific market niche. While large firms generally compete on the basis of management fees charged for their services as well as their potential to generate superior investment performance, the smaller firms generally compete on their ability to provide products and services geared towards individual clients to satisfy their diversification needs. The 2008 financial crisis and subsequent regulatory developments highlight the social impact of the industry in terms of providing fair advice to customers and managing risks at the entity, portfolio, and economy-wide levels. In addition, the collective impact of the industry on the allocation of capital creates a responsibility to integrate sustainability factors in



					investment decisions and management.
			FN-IB	Investment Banking & Brokerage	<p>The Investment Banking & Brokerage industry consists of firms performing a wide range of functions in the capital markets, including assisting with the capital-raising and allocation process, and providing market-making and advisory services for corporations, financial institutions, governments, and high net-worth individuals. Specific activities include financial advisory and securities underwriting services conducted on a fee basis; securities and commodities brokerage activities, which involves buying and selling securities or commodities contracts and options on a commission or fee basis for investors; and trading and principal investment activities, which involves the buying and selling of equities, fixed income, currencies, commodities, and other securities for client-driven and proprietary trading. Investment banks also originate and securitize loans for infrastructure and other projects. Companies in the industry generate their revenues from global markets and, therefore, are exposed to various regulatory environments. The industry continues to face regulatory pressure to reform and disclose aspects of operations that present systemic risks. Specifically, firms are facing new capital requirements, stress testing, limits on proprietary trading, and increased scrutiny on compensation practices.</p>
			FN-EX	Security & Commodity Exchanges	<p>Security and commodity exchanges operate marketplaces in the form of physical trading floors or electronic platforms for trading financial securities, commodities, or other financial instruments. Companies in the industry primarily generate revenue from fees on trades and for clearing transactions as well as listing fees. Competition for fees continues to increase with the advent of alternative trading platforms that offer less expensive trades and provide listing services. Recent trends in the regulatory environment suggest a greater focus on transparency, risk management, and market stability. As new policies and market transformations encourage more responsible management of social capital and strong governance, firms that can address all forms of capital—not just financial—will be better positioned to protect shareholder value in the future.</p>



FN	Financials	FN.2	Corporate & Retail Banking	FN-CB	Commercial Banks	Commercial banks accept deposits and make loans to individuals and corporations as well as engage in lending for infrastructure, real estate, and other projects. By providing these services, the industry serves an essential role in the functioning of global economies and in facilitating the transfer of financial resources to their most productive capacity. The industry is driven by the volume of deposits, quality of loans made, the economic environment, and interest rates. It is further characterized by risk from mismatched assets and liabilities. The regulatory environment that governs the commercial banking industry saw significant changes in the wake of the financial crisis of 2008 and continues to evolve today. These and other regulatory trends have the potential to impact shareholder value and sustainability performance. Commercial banks with global operations must manage new regulations in multiple jurisdictions that are creating regulatory uncertainty, particularly around consistent application of new rules.
				FN-CF	Consumer Finance	The Consumer Finance industry provides loans to consumers. The largest segment of the industry is comprised of revolving credit loans through credit card products. Additional loan services include auto, micro lending, and student loans. Some companies in the industry also provide consumer-to-consumer money transfers, money orders, prepaid debit cards, and bill payment services. Industry performance is determined by consumer spending, rates of unemployment, per capita GDP, income, and population growth. Recent shifts toward consumer protection and transparency have aligned and will continue to align the interests of society with those of long-term investors. Companies that effectively manage their social capital will therefore be better positioned to maximize their financial capital.
				FN-MF	Mortgage Finance	The Mortgage Finance industry provides an essential public good in enabling consumers to purchase homes, and contributes to the overall home ownership rate. Companies in the industry lend capital to individual and commercial customers with property as collateral. The primary products are residential and commercial mortgages, while other services offered include: mortgage servicing, title insurance, closing and settlement services, and valuation. In addition, mortgage finance firms own, manage, and finance real estate related investments such as mortgage pass-through certificates and collateralized mortgage obligations. Recent trends in the regulatory environment indicate a significant shift toward consumer protection, disclosure, and accountability. Legislation passed in response to the 2008 mortgage crisis demonstrates the potential for further alignment between the interests of society and those of long-term investors.



	FN.3	Insurance	FN-IN	Insurance	<p>The Insurance industry provides both traditional and nontraditional insurance-related products. Traditional policy lines include property, life, casualty, and reinsurance. Nontraditional products include annuities, alternative risk transfers, and financial guarantees. Companies in the insurance industry also engage in proprietary investments. Insurance companies generally operate within a single segment in the industry, e.g., property and casualty, although there are some large insurance companies with diversified operations. Similarly, companies may vary based on the level of their geographic segmentation. While large companies may underwrite insurance premiums in multiple countries, smaller companies generally operate at a national or even local level. Insurance premiums, underwriting revenue, and investment income drive industry growth, while insurance claim payments present the most significant cost and source of uncertainty for profits. Insurance companies provide products and services that enable the transfer, pooling, and sharing of risk necessary for a well-functioning economy. Insurance companies, through their products, can also create a form of moral hazard, lowering incentives to improve underlying behavior and performance, and thus contributing to sustainability impacts. Similar to other financial institutions, insurance companies face risks associated with credit and financial markets. Within the industry, companies that engage in non-traditional or non-insurance activities, including credit default swaps (CDS) protection and debt securities insurance, have been identified by regulators as being more vulnerable to financial market developments, and subsequently, more likely to amplify or contribute to systemic risk. As a result, insurance companies face the potential of being designated as Systemically Important Financial Institutions, thus exposing them to enhanced regulation and oversight.</p>
	FB.1	Food	FB-AG	Agricultural Products	<p>The Agricultural Products industry is engaged in processing, trading, and distributing vegetables and fruits, and producing and milling agricultural commodities such as grains, sugar, consumable oils, maize, soybeans, and animal feed. Agricultural products are sold directly to consumers and to businesses for use in consumer and industrial products. Companies in the industry typically purchase agricultural products from entities that grow such products (either directly or indirectly) to then conduct value-adding activities (e.g., processing, trading, distributing, and milling).</p> <p>Agricultural products companies are also involved in wholesale and distribution. Companies in the industry may source a substantial portion of agricultural commodities from third-party growers in various countries. Therefore, managing sustainability risks within the supply chain is critical to securing a reliable supply of raw materials and reducing the risk of price increases and volatility over the long term.</p>



				FB-MP	Meat, Poultry & Dairy	The Meat, Poultry & Dairy industry produces raw and processed animal products, including meats, eggs, and dairy products, for human and animal consumption. Key activities include animal raising, slaughtering, processing, and packaging. The industry's largest companies have international operations, and companies are vertically integrated to varying degrees, depending on the type of animal produced. Large industry operators typically rely on contract or independent farmers to supply their animals, and may have varying degrees of control over their operations. The industry sells products primarily to the Processed Foods industry and to retail distributors that distribute finished products to key end markets including restaurants, livestock and pet feed consumers, and grocery retailers.
				FB-PF	Processed Foods	The Processed Foods industry includes companies that process and package foods such as bread, frozen foods, snack foods, pet foods, and condiments for retail consumer consumption. Typically, these products are made ready to consume, are marketed for retail consumers, and can be found on food retailers' shelves. The industry is characterized by large and complex ingredient supply chains, as many companies source ingredients from around the world. Large companies operate globally, and international opportunities are driving growth.
FB	Food & Beverage	FB.2	Beverages	FB-AB	Alcoholic Beverages	The Alcoholic Beverages industry includes companies that brew, distill, and manufacture various alcoholic beverages, including beer, wine, and liquor. Companies in this industry transform agricultural products, including sugar, barley, and corn, into finished alcoholic beverages. The largest companies have global operations, with portfolios of numerous branded products. Levels of vertical integration within the industry vary due to regulation in different markets. Breweries generally have multiple manufacturing facilities to provide access to different markets, while vintners and distillers are typically located where they have a history of production.
				FB-NB	Non-Alcoholic Beverages	The Non-Alcoholic Beverages industry produces a broad range of beverage products, including various carbonated soft drinks, syrup concentrates, juices, energy and sport drinks, teas, coffee, and water products. The industry is dominated by large, international companies. Companies partake in syrup manufacturing, marketing, bottling operations, and distribution, with larger companies typically being more vertically integrated into operations that bottle, sell, and distribute the finished products.
		FB.3	Food & Beverage Retail	FB-FR	Food Retailers & Distributors	The Food Retailers & Distributors industry consists of companies engaged in wholesale and retail sales of food, beverage, and agricultural products. Store formats include retail supermarkets, convenience stores, warehouse supermarkets, liquor stores, bakeries, natural food stores, specialty food stores, seafood stores, and distribution centers. Companies may specialize in one type of store format or have facilities that contain multiple formats. Products are typically sourced worldwide and include fresh meat and produce, prepared foods, processed foods,



					baked goods, frozen and canned foods, nonalcoholic and alcoholic beverages, and a wide selection of household goods and personal care products.	
		FB.4	Restaurants	FB-RN	Restaurants	Companies in the Restaurants industry prepare meals, snacks, and beverages to customers' orders for immediate on- and off-premises consumption. Broadly divided into three sub-categories, the restaurant industry includes limited-service eating places, casual full-service eating places, and upscale full-service eating places. Limited-service restaurants provide services to customers who order and pay before eating. Fast-food restaurants represent the largest share of the limited-service restaurants segment. Full-service restaurants offer more service, food for consumption primarily on-premise, and typically reflect higher quality food and prices.
		FB.5	Tobacco	FB-TB	Tobacco	The Tobacco industry is comprised of companies that manufacture tobacco products including cigarettes, cigars, and smokeless tobacco products. Many large tobacco companies operate globally. Companies may obtain or sell exclusive rights to sell certain brands of cigarettes in diverse markets. Most tobacco is grown by independent tobacco farmers, who typically sell their crops to tobacco merchants or to manufacturers under contract.
HC	Health Care	HC.1	Biotechnology & Pharmaceuticals	HC-BP	Biotechnology & Pharmaceuticals	The Biotechnology & Pharmaceuticals industry develops, manufactures, and markets a range of brand-name and generic medications. A significant portion of the industry is driven by research and development, a high risk of product failure during clinical trials, and the need to obtain regulatory approval. Concerns over pricing practices and consolidation within the sector have created downward pricing pressures. Demand for the industry's products is largely driving by population demographics, rates of insurance coverage, disease profiles, and economic conditions.
		HC.2	Health Care Retail	HC-DR	Drug Retailers	The Drug Retailers industry comprises companies that operate retail pharmacies and distribution centers that supply retail stores. Stores may be company-owned or franchised. Large companies operate mainly in the U.S. and source drugs and other merchandise through wholesalers and distributors. The majority of the industry's revenues are derived from consumer sales of prescription and over-the-counter pharmaceutical products; other goods sold include household goods, personal care products, and a limited selection of groceries. Additionally, the pharmacy retailer segment is expanding its health-focused services by offering clinics at various retail locations, which adds to the industry's shifting sustainability landscape.
		HC.3	Health Care Providers	HC-DY	Health Care Delivery	The Health Care Delivery industry owns and manages hospitals, clinics, and other health care-related facilities. Companies provide a range of services, including inpatient and outpatient care, surgery, mental health, rehabilitation, and clinical laboratory services. Demand for health care delivery services is driven largely by rates of insurance coverage, demographics, illness, and injury



					<p>rates. The U.S. Patient Protection and Affordable Care Act (PPACA) increased the number of individuals with insurance, however, the future of this legislation remains uncertain. The industry is characterized by high fixed labor and facilities costs, and an increased regulatory emphasis on reduced costs of care and improved outcomes. Health care delivery companies also face significant competition for patients and resources from private, nonprofit, and religious health care systems.</p>
				HC-DI	<p>Health Care Distributors</p> <p>Health care distributors purchase, inventory, and sell pharmaceutical products and medical equipment to hospitals, pharmacies, and physicians. Demand for the industry's services is driven largely by rates of insurance, pharmaceutical spending, illness, and demographics. Increased enrollment in government insurance programs under the U.S Patient Protection and Affordable Care Act, electronic health records, and consolidation throughout the Health Care sector will likely continue to shape the industry. The health care sector continues to face an emphasis on reduced costs and improved efficiencies, which will also impact the Health Care Distributors industry. Companies in this industry face challenges from consolidation and partnerships between pharmacies, payers, and manufacturers.</p>
				HC-MC	<p>Managed Care</p> <p>The Managed Care industry offers health insurance products for individual, commercial, Medicare, and Medicaid members. Companies also provide administrative services and network access for self-funded insurance plans and manage pharmacy benefits. Enrollment in managed care has traditionally been correlated with employment rates, while revenues are driven by the inflation of medical costs. The Patient Protection and Affordable Care Act reduced the percentage of uninsured adults, and created additional demand for the industry's plans. However, legislative uncertainty and a focus on reducing health care costs may create downward pricing pressure and continue to drive consolidation within the industry. In addition, a focus on patient outcomes and plan performance continue to shape the industry's sustainability risks and opportunities.</p>
	HC.4	Medical Technology	HC-MS	Medical Equipment & Supplies	<p>The Medical Equipment & Supplies industry researches, develops, and produces medical, surgical, dental, ophthalmic, and veterinary instruments and devices. Products are used in settings, including hospitals, clinics, and laboratories, and range from disposable items to highly specialized equipment. The increased prevalence of diseases associated with unhealthy lifestyles and an aging population are important factors that may impact growth in this industry. Emerging markets and the expansion of health insurance in the U.S. will contribute to further growth.</p> <p>However, the extension of government insurance programs, provider and payer consolidation, and regulatory emphasis on reduced costs in all markets may result in downward pricing pressure.</p>



IF	Infrastructure	IF.1	Utilities	IF-EU	Electric Utilities & Power Generators	<p>The Electric Utilities & Power Generators industry is made up of companies that generate electricity; build, own, and operate transmission and distribution (T&D) lines; and sell electricity. Utilities generate electricity from a number of different sources, commonly including coal, natural gas, nuclear energy, hydropower, solar, wind, and other renewable and fossil fuel energy sources. The industry comprises companies operating in both regulated and unregulated business structures. Regulated utilities maintain a business model in which they accept comprehensive oversight from regulators on their pricing mechanisms and their allowed return on equity, among other types of regulation, in exchange for their license to operate as a monopoly. Unregulated companies, or merchant power companies, are often independent power producers (IPPs) that generate electricity to sell to the wholesale market, which includes regulated utility buyers and other end-users. Furthermore, the industry is divided across regulated and deregulated power markets—referring to how far up the value chain regulated utility operations span. Regulated markets typically contain vertically integrated utilities that own and operate everything from the generation of power to its retail distribution. Deregulated markets commonly split generation from distribution, designed to encourage competition at the wholesale power level. Overall, companies in the industry are challenged with the complex mission of providing reliable, accessible, low-cost power while balancing the protection of human life and the environment.</p>
				IF-GU	Gas Utilities & Distributors	<p>The Gas Utilities & Distributors industry is made up of gas distribution and marketing companies. Gas distribution involves operating local, low-pressure pipes to transfer natural gas from larger transmission pipes to end users. Gas marketing companies are gas brokers that aggregate natural gas into quantities that fit the needs of their different customers and then deliver it, generally through other companies' transmission and distribution lines. A relatively smaller portion of this industry is involved in propane gas distribution; therefore this standard is focused on natural gas distribution. Both types of gas are commonly used for heating and cooking by residential, commercial, and industrial customers. In structurally regulated markets, the utility is granted a full monopoly over the distribution and sale of natural gas. A regulator must approve the rates utilities charge to avoid the abuse of their monopoly position. In deregulated markets, distribution and marketing are legally separated and customers have a choice of which company to buy their gas from. In this case, a utility is guaranteed a monopoly only over distribution and is legally required to transmit all gas equitably along its pipes for a fixed fee. Overall, companies in the industry are tasked with providing safe, reliable, low-cost gas, while effectively managing their social and environmental impacts, such as community safety and methane emissions.</p>



			IF-WU	Water Utilities & Services	<p>Companies in the Water Utilities & Services industry own and operate water supply and wastewater treatment systems (generally structured as regulated utility businesses), or provide operational and other specialized water services to system owners (usually market-based operations). Water supply systems include the sourcing, treatment, and distribution of water to residences, businesses, and other entities such as governments. Wastewater systems collect and treat wastewater, including sewage, graywater, industrial waste fluids, and stormwater runoff, before discharging the resulting effluent back into the environment.</p>
	IF.2	Infrastructure	IF-EN	Engineering & Construction Services	<p>The Engineering & Construction Services industry provides engineering, construction, design, consulting, contracting, and other related services that support various building and infrastructure projects. The industry is primarily made up of four major segments: engineering services, infrastructure construction, non-residential building construction, and building sub-contractors and construction-related professional services. The infrastructure construction segment includes companies that design and/or build infrastructure projects such as power plants, dams, oil and gas pipelines, refineries, highways, bridges, tunnels, railways, ports, airports, waste treatment plants, water networks, and stadiums. The non-residential building construction segment includes companies that design and/or build industrial and commercial facilities such as factories, warehouses, data centers, offices, hotels, hospitals, universities, and retail spaces like malls. The engineering services segment includes companies that provide specialized architectural and engineering services such as design and development of feasibility studies for many of the project types listed above. Finally, the building sub-contractors and other construction-related professional services segment includes smaller companies that provide ancillary services such as carpentry, electrical, plumbing, painting, waterproofing, landscaping, interior design, and building inspection. The industry's customers include infrastructure owners and developers in the public and private sectors. Large companies in this industry operate and generate revenue globally and typically specialize in multiple segments.</p>
	IF.3	Real Estate	IF-HB	Home Builders	<p>The Home Builders industry is comprised of companies that develop new homes and residential communities. Development efforts generally include the acquisition of land, site preparation, the construction of homes, and home sales. The majority of industry activity is focused on the development and sale of single-family homes, which are typically part of company-designed residential communities. A smaller segment is centered on townhomes, condominiums, multi-family housing, and mixed-use development. Many companies in the industry offer financing services to individual homebuyers. The industry is fragmented, as there is a large number of developers of all sizes, which vary in company structure and geographic focus. Listed companies tend to be significantly larger, and more integrated than the</p>



						numerous privately held home builders.
				IF-RE	Real Estate	<p>The Real Estate industry is composed of companies that own, develop, and generally operate income-producing real estate assets. Companies in this industry are commonly structured as real estate investment trusts (REITs) and operate in a wide range of segments within the real estate industry, including residential, retail, office, health care, industrial, and hotel properties. REITs typically focus on the direct ownership of real estate assets, thereby providing investors with the opportunity to obtain real estate exposure without direct asset ownership and management.</p> <p>Although REITs are often concentrated in one segment of the Real Estate industry, many REITs are diversified through investment in multiple property types.</p>
				IF-RS	Real Estate Services	<p>The Real Estate Services industry is composed of companies that provide a range of services to real estate owners, tenants, investors, and developers. Primary services include property management, brokerage, appraisal, and information services for real estate owners. Property management services may include leasing, tenant relations, building maintenance, and building security. Many companies also provide brokerage services, facilitating sales and leasing transactions. Appraisals and other advisory or information services are other specialized services that are commonly provided to clients. Companies in the industry play important roles in the real estate value chain, which is a substantial part of the global economy.</p>
		IF.4	Waste Management	IF-WM	Waste Management	<p>The Waste Management industry includes companies that collect, store, dispose of, recycle, or treat various forms of waste from residential, commercial, and industrial clients. Types of waste include municipal solid waste, hazardous waste, recyclable materials, and compostable or organic materials. Major companies are commonly vertically integrated, providing a range of services from waste collection to landfilling and recycling, while others provide specialized services such as treating medical and industrial wastes. Waste-to-energy operations are a distinct industry segment. Certain industry players also provide environmental engineering and consulting services, mostly to large industrial clients.</p>
RR	Renewable Resources & Alternative Energy	RR.1	Alternative Energy	RR-BI	Biofuels	<p>The Biofuels industry consists of companies that produce biofuels and process raw materials for production. Biofuels are manufactured using organic feedstocks and are used primarily as transportation fuels. Companies typically source feedstocks, which include food, oil crops, and animal products, from agricultural product distributors. Ethanol and biodiesel are the most widely produced biofuels, while other types include biogas, biohydrogen, and synthetic biofuels,</p>



					<p>produced from a variety of organic feedstocks. Biofuels companies' customers are chiefly fuel- blending and fuel-supply companies, including major integrated oil companies. While biofuels are produced worldwide, the publicly listed companies in the Biofuels industry operate primarily in the U.S., though some have minor operations abroad, notably in India, Brazil, and South Korea. Government regulations related to the use of renewable fuel are a significant demand driver in the industry.</p>
			RR-FC	Fuel Cells & Industrial Batteries	<p>The Fuel Cells & Industrial Batteries industry consists of companies that manufacture fuel cells for energy production and energy storage equipment such as batteries. Manufacturers in this industry mainly sell products to companies for varied energy-generation and energy-storage applications and intensities, from commercial business applications to large-scale energy projects for utilities. Companies in the industry typically have global operations and sell products to a global marketplace.</p>
			RR-ST	Solar Technology & Project Developers	<p>The Solar Technology & Project Developers industry comprises companies that manufacture solar energy equipment, including solar photovoltaic (PV) modules, polysilicon feedstock, solar thermal electricity-generation systems, solar inverters, and other related components. Companies may also develop, build, and manage solar energy projects and offer financing or maintenance services to customers. Two primary technologies are utilized in the industry: PV and concentrated solar power (CSP). Within solar PV, there are two main technologies: crystalline silicon-based solar and thin-film solar, which includes panels made using copper indium gallium selenide and cadmium telluride. The primary markets for solar panels are residential, non-residential (commercial and industrial), and utility-scale projects. Companies in the industry operate globally.</p>
			RR-WT	Wind Technology & Project Developers	<p>The Wind Technology & Project Developers industry comprises companies that manufacture wind turbines, blades, towers, and other components of wind power systems. Companies that develop, build, and manage wind energy projects are also included within the scope of this industry. Manufacturers may also offer post-sale maintenance and support services. Turbines can be installed onshore or offshore, which can cause differences in wind-generating capacity and create challenges in project development for each type of installation. Most major wind technology companies operate globally.</p>
	RR.2	Forestry & Paper	RR-FM	Forestry Management	<p>The Forestry Management industry consists of companies that own and/or manage natural and planted forestry lands and timber tracts, or operate non-retail tree nurseries and rubber plantations . The industry conducts its operations on lands that can be company-owned or leased from public or private landowners. Companies typically sell timber to wood products manufacturers, pulp and paper producers, energy producers, and a variety of other customers. The industry's largest companies</p>



						operate primarily in and are domiciled in the U.S. and Canada. Some have international operations including in Brazil and New Zealand. While some integrated companies may also operate sawmills, wood products facilities, or pulp and paper facilities, sustainability issues arising from these activities are addressed in SASB's Building Products & Furnishings (CG-BP) and Pulp & Paper Products (RR-PP) industry standards.
				RR-PP	Pulp & Paper Products	The Pulp & Paper Products industry consists of companies that manufacture a range of wood pulp and paper products, including pulp fiber, paper packaging and sanitary paper, office paper, newsprint, and paper for industrial applications. Companies in the industry typically function as business-to-business entities and may have operations in multiple countries, such as the U.S., Canada, and Brazil. While some integrated companies own or manage timber tracts and are engaged in forest management, sustainability issues arising from these activities are addressed in SASB's Forestry Management (RR-FM) industry standard.
				RT-AE	Aerospace & Defense	Companies in the Aerospace & Defense industry include manufacturers of commercial aircraft, aircraft parts, aerospace and defense products, as well as defense prime contractors. Commercial aircraft manufacturers represent approximately one quarter of industry revenues and sell mainly to commercial airlines and governments. Aerospace and defense parts manufacturers represent the largest segment of the industry by total revenue, selling primarily to governments. Both aerospace and defense manufacturers operate globally and serve a global customer base. Defense primes represent approximately one quarter of total industry revenues and manufacture products including military aircraft, space vehicles, missile systems, ammunition, small arms, naval ships, and other commercial and military vehicles. Their customers consist of various government agencies and related businesses with global operations. The defense prime category also includes firearms manufacturers that sell to law enforcement agencies, businesses, distributors, retailers, and consumers. Key sustainability topics within the industry include the energy efficiency and emissions profile of products and management of manufacturing energy and waste.
RT	Resource Transformation	RT.1	Industrials	RT-CP	Containers & Packaging	The Containers & Packaging industry converts raw materials, including metal, plastic, paper, and glass, into semi-finished or finished packaging products. Companies produce a wide range of products, including: corrugated cardboard packaging, food and beverage containers, bottles for household products, aluminum cans, steel drums, and other forms of packaging. Companies in the industry typically function as business-to-business entities and many operate globally.



				RT-EE	Electrical & Electronic Equipment	The Electrical & Electronic Equipment industry consists of companies that develop and manufacture a broad range of electric components, including power generation equipment, energy transformers, electric motors, switchboards, automation equipment, heating and cooling equipment, lighting, and transmission cables. These include: non-structural commercial and residential building equipment, such as Heating, Ventilation, and Air Conditioning (HVAC) systems, lighting fixtures, security devices, and elevators; electrical power equipment; traditional power generation and transmission equipment; renewable energy equipment; industrial automation controls; measurement instruments; and electrical components used for industrial purposes, such as coils, wires, and cables. Companies in this mature and competitive industry operate globally and typically generate a significant portion of their revenue from outside the country of their domicile.
				RT-IG	Industrial Machinery & Goods	The Industrial Machinery & Goods industry manufactures equipment for a variety of industries including construction, agriculture, energy, utility, mining, manufacturing, automotive, and transportation. Products include engines, earth-moving equipment, trucks, tractors, ships, industrial pumps, locomotives, and turbines. Machinery manufacturers utilize large amounts of raw materials for production, including steel, plastics, rubber, paints, and glass. Manufacturers may also perform the machining and casting of parts before final assembly. Demand in the industry is closely tied to industrial production, while government emissions standards and customer demand are driving innovations to improve energy efficiency and limit air emissions during product use.
		RT.2	Chemicals	RT-CH	Chemicals	Companies in the Chemicals industry transform organic and inorganic feedstocks into more than 70,000 diverse products with a range of industrial, pharmaceutical, agricultural, housing, automotive, and consumer applications. The industry is commonly segmented into basic (commodity) chemicals, agricultural chemicals, and specialty chemicals. Basic chemicals, the largest segment by volume produced, include bulk polymers, petrochemicals, inorganic chemicals, and other industrial chemicals. Agricultural chemicals include fertilizers, crop chemicals, and agricultural biotechnology. Specialty chemicals include paints and coatings, agrochemicals, sealants, adhesives, dyes, industrial gases, resins, and catalysts. Larger firms may produce basic, agricultural, and specialty chemicals, while most companies are specialized. Chemicals companies typically manufacture and sell products globally.
SV	Services	SV.1	Media	SV-AD	Advertising & Marketing	The industry is comprised of companies that create advertising campaigns for use in media, display, or direct mail advertising and related services including market research. Advertising and marketing companies are engaged primarily by businesses selling consumer products, entertainment, financial services, technology products, and telecommunication services. Larger advertising companies are structured as holding



					companies, owning multiple agencies across the globe that provide a wide range of services such as custom publishing, brand consultancy, mobile and online marketing, and public relations. For any advertising campaign, the same company may be engaged in all aspects, from graphic arts and content creation to data analytics, marketing research, and media planning and buying, or the company may be in charge only of certain aspects.
				SV-ME	Media & Entertainment Media and entertainment companies create content and/or acquire rights to distribute content over cable or broadcast media, including entertainment programs, news, music, and children’s programming. Companies in this industry also publish books, newspapers, and periodicals, and broadcast radio and local television programming.
				SV-CA	Casinos & Gaming Publicly held casinos and gaming companies operate gambling facilities and/or platforms, including brick-and-mortar casinos, riverboat casinos, online gambling websites, and racetracks. The broader industry in the U.S. is dominated by privately held Native American casinos, which significantly outnumber publicly held casinos. Native American casinos are generally owned and operated by tribes, but sometimes can be managed by commercial casino operators or other management companies. The industry is characterized by high levels of regulatory oversight, which represents the main barrier to entry for new operators. Fewer than half of U.S. states have legalized commercial casinos in some form, although industry regulation varies significantly worldwide.
		SV.2	Hospitality & Recreation	SV-HL	Hotels & Lodging The Hotels & Lodging industry is composed of companies that provide overnight accommodation, including hotels, motels, and inns. It is a competitive industry that is primarily comprised of large hotel chains and in which customers base purchase decisions on a wide range of factors including quality and consistency of services, availability of locations, price, and loyalty program offers. Businesses are often structured in one or more of the following ways: direct revenue from hotel services, including room rental and food and beverage sales; management and franchise services with fee revenue from property management; and vacation residential ownership with revenue from sales of residential units.
				SV-LF	Leisure Facilities The industry is comprised of companies that operate entertainment, travel, and recreation facilities and services. Companies in this industry operate amusement parks, movie theaters, ski resorts, sports stadiums, and athletic clubs and other venues. Leisure facilities companies mainly generate revenue by providing live, digital, and/or interactive entertainment to millions of guests and customers annually across various locations.
				SV-ED	Education The Education industry includes education institutions that are profit-seeking and generate revenue from student fees. At the primary and secondary levels, this includes mostly education management organizations (EMOs) and some businesses. At the tertiary (or higher) level, services are delivered on a full-time, part-time, distance-learning,



						and occasional basis across establishments such as junior colleges, business and secretarial schools, colleges, universities, and professional schools including medical, pharmaceutical, and veterinary programs. An increasing number of students in for-profit universities take courses online.
		SV.3	Consumer Services	SV-PS	Professional & Commercial Services	The industry includes companies that rely on the unique skills and knowledge of their employees to serve a range of clients. Services are often provided on an assignment basis, where an individual or team is responsible for the delivery of services to clients. Offerings include, but are not limited to, management and administration consulting services, such as staffing and executive search services; legal, accounting, and tax preparation services; and financial and non-financial information services. Non-financial information service providers may specialize in an array of topics such as energy, healthcare, real estate, technology, and science. Financial information service companies include credit and rating agencies as well as data and portfolio analytics providers. Customers of professional and commercial service providers include private and public for-profit institutions and non-profit organizations.
TC	Technology & Communications	TC.1	Technology	TC-ES	Electronic Manufacturing Services & Original Design Manufacturing	The Electronic Manufacturing Services (EMS) & Original Design Manufacturing (ODM) industry consists of two main segments. EMS companies provide assembly, logistics, and after-market services for original equipment manufacturers. The ODM segment of the industry provides engineering and design services for original equipment manufacturers and may own significant intellectual property. Although EMS & ODM companies produce equipment for a variety of sectors, the industry is closely associated with the Hardware industry, which consists of companies that design technology hardware products such as personal computers, consumer electronics, and storage devices for both personal consumers and businesses.
				TC-HW	Hardware	The Hardware industry consists of companies that design and sell technology hardware products, including computers, consumer electronics, communications equipment, storage devices, components, and peripherals. Many companies in the industry rely heavily on the Electronic Manufacturing Services & Original Design Manufacturing (EMS & ODM) industry for manufacturing services. The industry is expected to continue to grow as the use of technology rapidly grows, especially from consumers in emerging markets.
				TC-SI	Software & IT Services	The Software & Information Technology (IT) Services industry offers products and services globally to retail, business, and government customers, and includes companies involved in the development and sales of applications software, infrastructure software, and middleware. The industry is generally competitive, but with dominant players in some segments. While relatively immature, the industry is characterized by high-growth companies that place a heavy emphasis on innovation and depend on human and intellectual capital. The industry



					also includes IT services companies delivering specialized IT functions, such as consulting and outsourced services. New industry business models include cloud computing, software as a service, virtualization, machine-to-machine communication, big data analysis, and machine learning. Additionally, brand value is key for companies in the industry to scale and achieve network effects, whereby wide adoption of a particular software product leads to self-perpetuating growth in sales.
	TC.2	Internet Media & Services	TC-IM	Internet Media & Services	The Internet Media & Services industry consists of two main segments. The Internet Media segment includes companies providing search engines and internet advertising channels, online gaming, and online communities such as social networks, as well as content, usually easily searchable, such as educational, medical, health, sports, or news content. The Internet-based Services segment includes companies selling services mainly through the Internet. The industry generates revenues primarily from online advertising, on usually free content, with other sources of revenue being subscription fees, content sales, or sale of user information to interested third parties.
	TC.3	Semiconductors	TC-SC	Semiconductors	The Semiconductors industry includes companies that design or manufacture semiconductor devices, integrated circuits, their raw materials and components, or capital equipment. Some companies in the industry provide outsourced manufacturing, assembly, or other services for designers of semiconductor devices.
	TC.4	Telecommunications	TC-TL	Telecommunication Services	The Telecommunication Services industry consists of wireless and wireline telecommunications companies, as well as companies that provide cable and satellite services. The wireless services segment provides direct communication through radio-based cellular networks and operates and maintains the associated switching and transmission facilities. The wireline segment provides local and long distance voice communication via the Public Switched Telephone Network. Wireline carriers also offer voice over internet protocol (VoIP) telephone, television, and broadband internet services over an expanding network of fiber optic cables. Cable providers distribute television programming from cable networks to subscribers. They typically also provide consumers with video services, high-speed internet service, and VoIP. These services are traditionally bundled into packages that provide subscribers with easier payment options than paying for each service separately. Satellite companies distribute TV programming through broadcasting satellites orbiting the Earth or through ground stations. Companies serve customers primarily in their domestic markets, although some companies operate in several countries.
	TR.1	Air Transportation	TR-AL	Airlines	The Airlines industry is comprised of companies that provide air transportation globally to passengers for both leisure and business purposes. This includes commercial full-service, low-cost, and regional airlines. Full-service carriers typically use a hub-and-spoke model to design their routes within countries and internationally. Low-cost carriers usually offer a smaller number of routes as well as no-frills service to their customers. Regional carriers typically operate under contract to full-service carriers,



						<p>expanding the network of the larger carriers. Many airline companies also have a cargo segment in their operations from which they generate additional revenue. It is common within the industry for companies to form partnerships or join alliances in order to increase network size. Operating as an alliance allows airlines to offer customers access to international or otherwise underserved itineraries on multiple airlines under one ticket. At the same time, airlines share some overhead costs and increase their competitive position in the global market without having to operate outside their home country.</p>
				TR-AF	Air Freight & Logistics	<p>Air freight and logistics companies provide freight services and transportation logistics to both businesses and individuals. There are three main industry segments: air freight transportation, post and courier services, and transportation logistics services. Companies in the industry earn revenue from one or more of the segments and range from non-asset-based to asset-heavy.</p> <p>Transportation logistics services include contracting with road, rail, marine, and air freight companies to select and hire appropriate transportation. Services can also include customs brokerage, distribution management, vendor consolidation, cargo insurance, purchase-order management, and customized logistics information. The industry is key to global trade, granting it a degree of demand stability.</p>
	Transportation	TR.2	Automobiles	TR-AU	Automobiles	<p>The Automobiles industry includes companies that manufacture passenger vehicles, light trucks, and motorcycles. Industry players design, build, and sell vehicles that run using a range of traditional and alternative fuels and powertrains. They sell these vehicles to dealers for consumer retail sales as well as sell directly to fleet customers, including car rental and leasing companies,</p>
TR				TR-AP	Auto Parts	<p>Companies in the Auto Parts industry supply motor vehicle parts and accessories to original equipment manufacturers (OEM). Auto parts companies typically specialize in the manufacturing and assembly of certain parts or accessories, such as engine exhaust systems, alternative drivetrains, hybrid systems, catalytic converters, aluminum wheels (rims), tires, rearview mirrors, and onboard electrical and electronic equipment. Although the larger automotive industry includes several tiers of suppliers that provide parts and raw materials used to assemble motor vehicles, the scope of SASB's Auto Parts industry includes only Tier 1 suppliers that supply parts directly to OEMs. The scope of the industry excludes captive suppliers, such as engine and stamping facilities, that are owned and operated by OEMs. Similarly, it excludes Tier 2 suppliers, which provide inputs for the Auto Parts industry.</p>



			TR-CR	Car Rental & Leasing	Companies in this industry rent or lease passenger vehicles to customers. Car rentals are typically for periods of less than a month, while leases are for a year or more. The industry includes car-sharing business models where rentals are measured hourly and typically include subscription fees. Car rental companies operate out of airport locations, which serve business and leisure travelers, and out of neighborhood locations, which mostly provide repair-shop and weekend rentals. The industry is concentrated, with several dominant market players, who operate globally using a franchise model. The growth of public transit and ride-sharing services in major metropolitan areas may represent a threat to the long-term profitability of the Car Rental & Leasing industry if customers chose to hail rides or take public transit rather than rent vehicles.
	TR.3	Marine Transportation	TR-CL	Cruise Lines	The Cruise Lines industry comprises companies that provide passenger transportation and leisure entertainment, including deep sea cruises and river cruises. The industry is dominated by a few large companies. Cruises aim to provide a luxury resort experience for thousands of passengers at a time. The Cruise Lines industry has often been the fastest-growing segment of the travel industry, but is very cyclical.
			TR-MT	Marine Transportation	The Marine Transportation industry consists of companies that provide deep-sea, coastal, and/or river-way freight shipping services. It is of strategic importance to international trade and its revenues are tied to macroeconomic cycles. Key activities include transportation of containerized and bulk freight, including consumer goods and a wide range of commodities, and transportation of chemicals and petroleum products in tankers. Due to the global scope of the industry, companies operate in many countries and under diverse legal and regulatory frameworks.
	TR.4	Land Transportation	TR-RA	Rail Transportation	The Rail Transportation industry consists of companies that provide rail freight shipping and support services. Key activities include shipping containerized and bulk freight, including consumer goods and commodities. Rail companies typically own, maintain, and operate their rail networks, which may require significant capital expenditures. The U.S. operates the longest railroad network in the world, followed closely by Russia, China, India, Canada, Germany, and France. The industry exhibits economies of density due to its network effects, lending itself to natural monopoly conditions. Together with the large sunk costs of rail infrastructure, this provides a competitive advantage to incumbent firms in the industry and creates barriers to entry for new firms.
			TR-RO	Road Transportation	The Road Transportation industry consists of companies that provide long- and short-haul freight trucking services. Key activities include the shipment of containerized and bulk freight, including consumer goods and a wide variety of commodities. The industry is commonly broken down into two categories: truckload (vehicles carrying the goods of only one customer) and less-than-truckload

