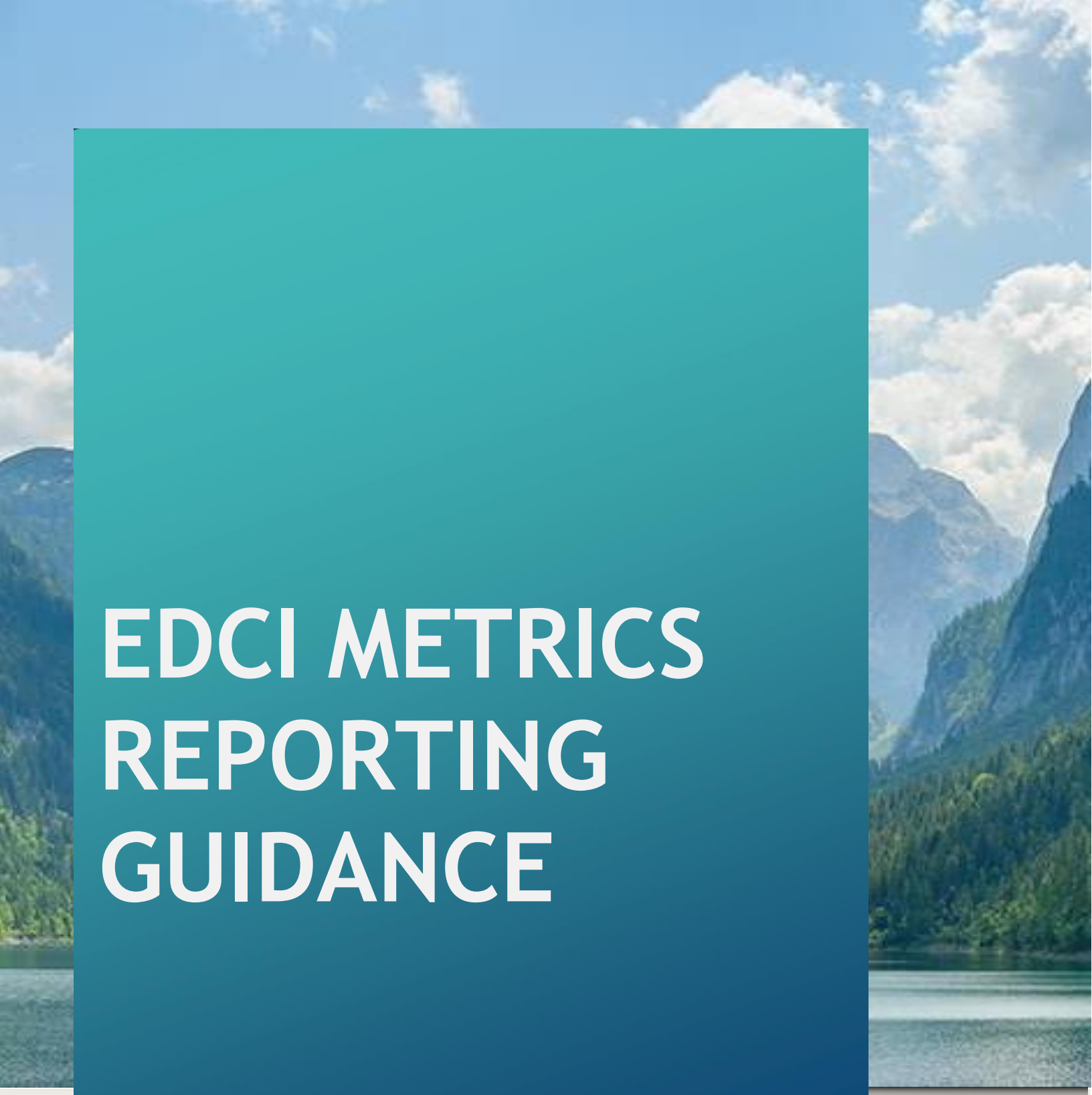


EDCI METRICS REPORTING GUIDANCE

April 2024

Table of Contents

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).

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 is 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 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 will not be publicly published. It will be shared directly via a website platform (and through participating tech platforms) only with formal participants in the initiative.

Data for each cycle of the benchmark will be due April 30th (e.g., for the 2024 edition data will be due April 30th 2024). This is to ensure that BCG Expand has enough time to conduct data validation and publish the benchmark by late summer. We appreciate that some funds may not have all of their data (e.g., GHG emissions) available by April 30th – in this case we encourage funds to make two submissions, one with whatever data is available by April 30th, and one (as soon as possible after that) with the full dataset. Please note that BCG Expand cannot guarantee that data submitted after the deadline will be incorporated into the benchmark, but it will make every effort to do so.

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. We suggest that if data is not available it is left blank.

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 look 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 to BCG Expand via SharePoint.
- 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. GPs are the only ones who can see their own data submission within the portal, but, to help reduce data sharing challenges, they now have the option (at their sole discretion) to share data with participating LPs and Private Credit funds directly through the EDCI portal.

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, >80% of underlying portfolio companies have been 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 of BCG.

Should the data be reported at the portfolio company level or fund level?

GPs will report data to BCG Expand at the portfolio company level. The benchmark can 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 are legal benchmarking agreements in place with all EDCI participants centered on data security and privacy.
2. All benchmark numbers shown in the portal are in an aggregated format with a minimum N of 7 to prevent any individual company-specific information being backed into.
3. 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.
4. Research, if publicly shared, will be presented only in an aggregated format that highlights industry trends.

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?

You can find data definitions within this document and the data submission template. 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 SICS industry codes for portfolio companies?

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

What validation checks does the Expand team do, and how can I minimize the need for follow ups in advance?

Data validation is the process of ensuring that each data point in the benchmark was collected using a methodology consistent with the EDCI Metrics Guidance and that the data points are free of any clear errors (for example, renewable energy consumption being higher than total energy consumption). The BCG Expand team reviews each submission to the EDCI, looking for inconsistent methodologies, outliers, large year-to-year swings, and other data points that could be a sign of a possible error.

1. Before/during data collection: It is important to check that you will be collecting data consistent with the definitions and methodology outlined in the EDCI Metrics Guidance, if you have any questions on this guidance please don't hesitate to reach out to info@esgdc.org.
2. When filling out the template: We have included validation tabs which should help you be able to spot any potential errors within your data. Please look through these extensively as these will highlight any datapoints which may be incorrect for any of the reasons briefly mentioned above. If a datapoint has been highlighted, but is in fact correct please explain this with some brief context in the Tailored Data Checks tab.

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.	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	Total holdings that you as a GP control through equity, between 0-100%. Note that percent GP ownership should include co-investment share with effective GP control.	%	
Percent fund ownership	Total holdings that you as a GP control via that specific 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
Primary sub-industry of operations	Sub-Industry according to Global Industry Classification Standard (GICS).	GICS Name – Sub-Industry	GICS® structure & Sub-Industry definitions
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) at end of 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) at end of 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	The number of FTEs (Full Time Equivalents) leaving the business, excluding those from M&A, over the course of the calendar year. 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.	%	GRI Disclosure 401: Employment (see definition on p. 10)

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.	#	IRS definition
Board member	Individual belonging to the member-elected top governing body of the company (often including non-executive members).	#	International Labour Organization (ILO) Board definition (see p. 4 in The Effective Employers' Organization: Guide One Governance)
C-suite employees	CEO and any senior executives reporting directly to the CEO, e.g., CFO, COO, CAO, Head of HR, 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.
Paris-aligned	Company alignment with net zero by 2050 with commitment to limit global warming to no more than 1.5°C, in line with the latest science and higher end ambition of the Paris Agreement.	String	IIGCC – Paris Aligned Investment Initiative
Decarboni-zation/ climate strategy	A time-bound action plan that clearly outlines how an organization will pivot its existing assets, operations, and entire business model towards a trajectory that aligns with the latest and most ambitious climate science recommendations.	String	CDP – Climate Transition Plans

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.

Offsets and "avoided emissions" should not be included in the submitted GHG emissions (in line with GHG protocol).

Space included to provide optional commentary on predominant methodology used to collect emissions data and whether emissions data has been reviewed by an external 3rd party (review of GHG emissions inventory by an independent firm to assess your organization's emissions data collection and reporting).

Please refer to the Appendix: 1. GHG Emission Calculation for more guidance on Scope 1, 2 and 3 calculations and the accepted methodologies, including a calculation example.

Metric	Definition	Units	Sources & guidance	Related frameworks
Scope 1 Emissions (tCO2e)	Direct emissions due to owned, controlled sources accounted for using GHG Protocol; GPs should submit data relating to the entire portfolio company and make no adjustments for equity or ownership stake.	#, mtCO2e, (metric tons of CO2 emissions)	Corporate Standard | Greenhouse Gas Protocol (ghgprotocol.org)	GRI 305:1-3, TCFD, GHG Protocol, SFDR, CDP, WEF, SASB

Scope 2 Emissions (tCO2e)	Indirect emissions due to purchase of electricity, heat, steam, etc. accounted for using GHG Protocol; GPs should submit data relating to the entire portfolio company and make no adjustments for equity or ownership stake.	#, mtCO2e, (metric tons of CO2 emissions)	Scope 2 Calculation Guidance | Greenhouse Gas Protocol (ghgprotocol.org)	GRI 305:1-3, TCFD, GHG Protocol, SFDR, CDP, WEF, SASB
Scope 3 Emissions (tCO2e) (optional)	All other indirect emissions accounted for using GHG Protocol; GPs should submit data relating to the entire portfolio company and make no adjustments for equity or ownership stake.	#, mtCO2e, (metric tons of CO2 emissions)	Scope 3 Calculation Guidance | Greenhouse Gas Protocol (ghgprotocol.org)	GRI 305:1-3, TCFD, GHG Protocol, SFDR, CDP, WEF

2. Net Zero

Please refer to the Appendix: 2. Net Zero for guidance on how the EDCI metric relates to broader industry net zero frameworks (NZIF & PMDR)

Metric	Definition	Units	Sources & guidance	Related frameworks
Net Zero (optional)	Does this PortCo have a decarbonization strategy/plan in place? • No • Yes, but without board oversight • Yes, with board oversight	String (Three drop-down options)	Net Zero Investment Framework (NZIF) Component for the Private Equity Industry (pp.15-16); Private Markets Decarbonization Roadmap (PMDR)	CDP, TCFD (p. 16 for guidance on board oversight)
	Does the Portfolio Company have a short-term (i.e., 5- to 10-years) GHG emission reduction target in place? • No • Yes, but it is not Paris-aligned • Yes, and it is Paris-aligned (covering Scope 1, 2, & material Scope 3*) *Note: Tailored pathways by sector are published by SBTi to guide companies in the target-setting process. It is best in class for targets to be validated by SBTi but is not required by EDCI at this stage. View guidance here.*	String (Three drop-down options)	Net Zero Investment Framework (NZIF) Component for the Private Equity Industry (pp. 15-16); Private Markets Decarbonization Roadmap (PMDR)	NZIF, PMDR, SBTi, Climate Action 100+

Does the Portfolio Company have a long-term goal net zero goal? • No - and no plan to set one (e.g., lack of viable pathway) • No - but we plan to establish this in the near term (<2 years) • No - we have a long-term goal but not fully aligned with a net zero pathway (i.e., NZ emissions by 2050 or sooner) • Yes - aligned with a net zero pathway (i.e., NZ emissions by 2050 or sooner)	String (Four drop-down options)	Net Zero Investment Framework (NZIF) Component for the Private Equity Industry (pp. 15-16); Private Markets Decarbonization Roadmap (PMDR)	CDP, SBTi, Climate Action 100+

*Scope 3 is only required to be included in a Paris aligned target if 40% or more of total emissions

Note: See definitions of ‘Paris-alignment’ and ‘Decarbonization strategy’ in Glossary.

3. Renewable Energy Consumption

Please refer to the Appendix: 3. Renewable Energy Consumption for more guidance on renewable energy calculations and accepted methodologies.

Metric	Definition	Units	Sources & guidance	Related frameworks
Total energy consumption in kWh	The scope of energy consumption includes only energy directly consumed by the entity during the reporting period. 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.	#, kWh *Note: Please convert data to kWh when different units are used locally*	SASB CG-EC-130a.1.(1); CDP guidance on 'Conversion of fuel data to MWh'	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. Note that the EDCI will accept either a	#, kWh *Note: Please convert data to kWh when different units are used locally*	Scope 2 Guidance | Greenhouse Gas Protocol (ghgprotocol.org); Technical Criteria | RE100 (there100.org) ; CDP guidance on 'Conversion of fuel data to MWh'	SASB, CDP, TCFD, SFDR, CDSB

	market-based or location-based methodology, but will need to know which you are using and the methodology should be consistent with the Scope 2 emissions calculation (see Appendix: 3. Renewable Energy Consumption)		

4. Diversity

Note: For Portfolio Companies with different boards across different geographies, the guidance is to collect aggregated board data across countries. In the UK and Europe, GDPR and other privacy laws apply to both the employee's location and where the company operates and may impact a company's ability to share certain diversity information. Given this scenario, we ask Portcos in the UK and Europe not to share data on % of Under-represented groups on boards and % of LGBTQ on boards.

Please refer to the Appendix: 4. Diversity for more guidance on best practices and some local guidelines on collecting Diversity data.

Metric	Definition	Units	Sources & guidance	Related frameworks
Total number of board members	Number of people on the Board at end of Calendar Year *(Board defined as the member-elected top governing body of the company and often includes non-executive members).*	#	International Labour Organization (ILO) Board (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 *(For US, and other countries where legally accepted, women defined as female-identifying individuals, not exclusively cisgender individuals).*	#	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 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. PortCos outside of US, Canada or Australia are encouraged to adopt governmental guidelines or, in absence of this, local convention; no data is expected where local jurisdictions prohibit collection or sharing (e.g. in the UK and Europe). Please note that all definitions of race and ethnicity within this document are aligned with ILPA's Diversity in Action framework. See appendix section '4. Diversity' for more specific guidance on under-represented groups for companies based in the US, Canada and Australia.		#	ILPA Diversity Metrics Template (see 'Definitions' tab in Excel template)	GRI 405-1b, SASB,WEF

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

5. Work Related Injuries

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

Please refer to the Appendix: 5. Work Related Injuries - Local Guidance for more guidance on best practices and some local guidelines on collecting Work Related Injuries data.

Metric	Definition	Units	Sources & guidance	Related frameworks
Number of work-related injuries	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. Please follow local regulations where outlined. Where no local guidance is specified, please refer to the Guidance of ILO below. More specific guidance on number of work-related injuries for companies based in the US, Europe, UK and Others is detailed in appendix section '5. Work	#	**Others:** Recording and Notification of Occupational Accidents (ILO) (pp. 3, 59-66)	GRI:2018 403-9a&b, GRI:2018 403-6a WEF

Related Injuries — Local Guidance'.

ILO Guidance (Others): 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.

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

Number of work- related fatalities	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. Please follow local regulations where outlined. Where no local guidance is specified, please refer to the Guidance of ILO below. More specific guidance on number of work-related fatalities for companies based in the US, Europe, UK and Others is detailed in appendix section '5. Work Related Injuries – Local Guidance'. **ILO Guidance (Others):** A "fatal occupational injury" is an occupational injury which leads to death.	#	**Others:** Recording and Notification of Occupational Accidents (ILO) (p.3)	GRI:2018 403-9a&b, GRI:2018 403-6a WEF, SASB

Days lost due to injury (temporary incapacity)	Total days lost due to work-related injury. Note that "days lost due to injury (temporary incapacity)" excludes the day of the accident, temporary medical absences, or "sick days" allotted in advance by the employer and any injuries which resulted in a permanent incapacity to work or a fatality. (For these exclusions, please record 0 days lost). Please follow local regulations where outlined. Where no local guidance is specified, please refer to the Guidance of ILO below. More specific guidance on number of days lost due to injury for companies based in the US, Europe, UK and Others is detailed in appendix section '5. Work Related Injuries — Local Guidance'. **ILO Guidance (Others):** Number of days for which the employee is	#, days	**Others:** Recording and Notification of Occupational Accidents (ILO) (pp. 3, 25, 59-66) **Statistics of occupational injuries (ILO) (pp. 18-19)**	International Labor Organization, OSHA

	incapable of performing the “normal duties of work” as a result of an occupational injury, excluding the day of the accident.	

6. Net New Hires

Note: FTE refers to Full Time Equivalent (at the end of the calendar year), not absolute headcount to enable comparisons taking into account part-time labor.

Please note that Total Net New Hires and Organic Net New Hires can be automatically calculated, as carried out in the submission template. See the Appendix: 6. Net New Hires Calculation for more guidance on calculations including an example.

Metric	Definition	Units	Sources & guidance	Related frameworks
Organic Net New Hires	*New hires* (the number of FTE joining the company, excluding hires that result from M&A) less *turnover* (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	*New hires* (the number of FTE joining the company, excluding hires that result from M&A) less *turnover* (the number of FTE leaving the business, excluding those from M&A) plus *changes due to M&A* (the net change in employees due to M&A) during a given calendar year.	#		GRI, WEF

Annual Percent Turnover	*Turnover* (the number of FTEs leaving the business excluding those from M&A) over the course of the calendar year divided by the total number of FTEs at the end of the previous calendar year multiplied by 100.	%	GRI Disclosure 401: Employment (p. 10)	GRI, WEF, SASB

7. Employee Engagement

Metric	Definition	Units	Related frameworks
Do you conduct an employee survey regularly (Y/N)?	Y/N response indicating whether a company issues an employee feedback survey regularly. 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. Regularly means that an employee survey is conducted at least every other year, although it is typically more frequently than this.	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 – CALCULATION GUIDE AND LOCAL REGULATIONS

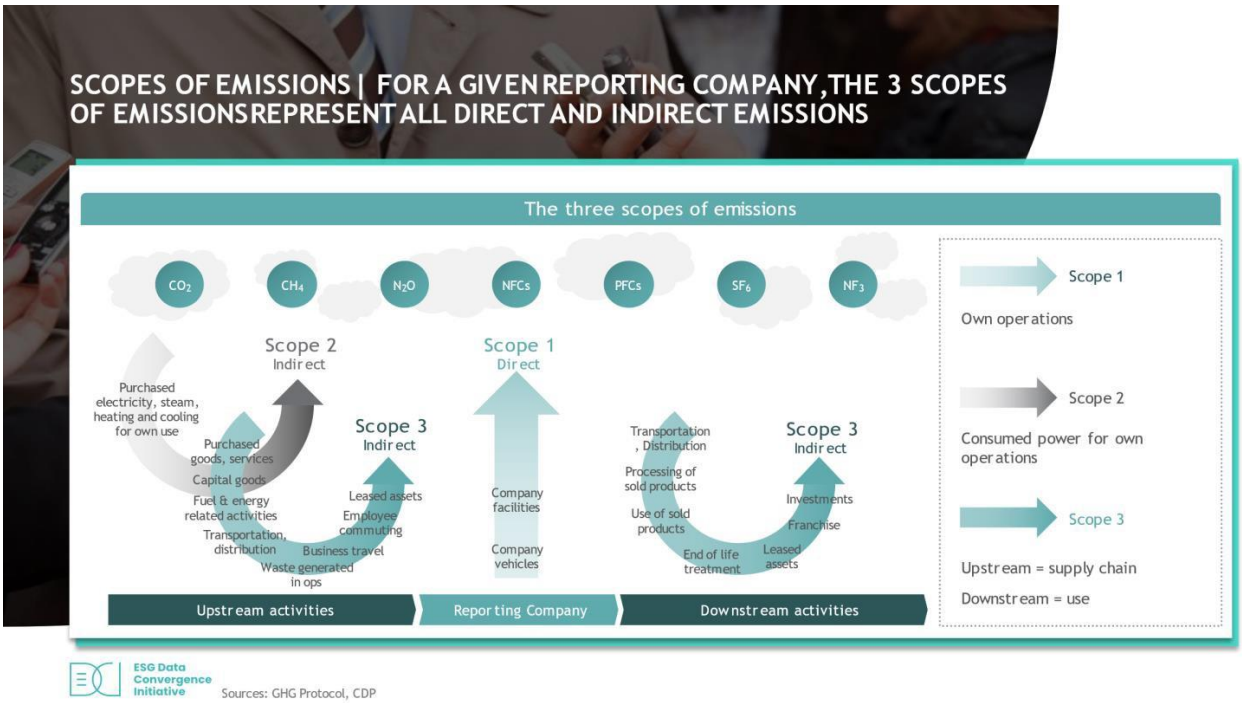
1. GHG Emission Calculation

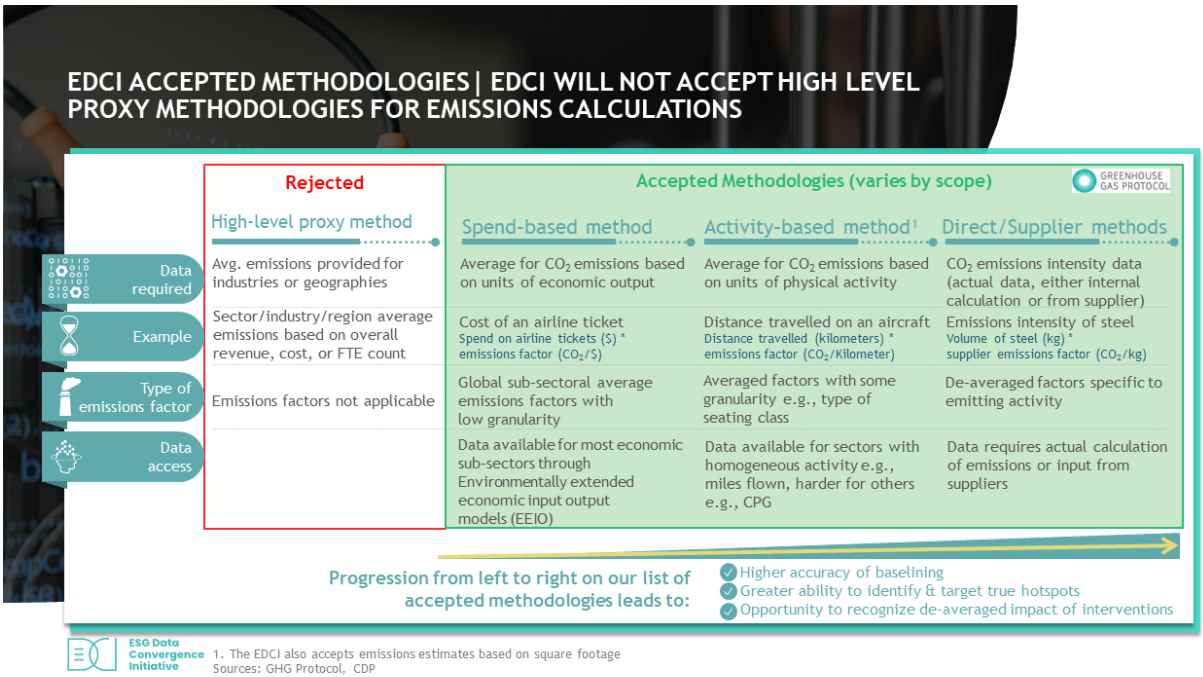
Please note that for Scopes 1, 2, and 3 emissions, EDCI will not accept top-down estimates or calculations using proxy methods not including emissions factors. Spend-based methods are currently accepted, but we encourage companies to apply activity-based and direct emission methods going forward to increase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

Also note the following regarding emission calculations:

- 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





When using a building's area to determine indirect emissions from electricity use it is common to use the square footage data to estimate the total energy consumption. Once it is estimated it can be used in the respective location-based or market-based method. In case no information on building electricity use is available, average electricity consumption per square footage can be used, taken from secondary data. (For more details, see the Indirect Emissions from Electricity Use in the Registry's General Reporting Protocol, page C-12).

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

Method	Definition	Pros/Cons
Location-based	• Quantifies Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations • **Type of GHG emissions method:** Activity-based method	✓ 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 or RECs made by the company
Market-based	• 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 • **Type of GHG emissions method:** Activity-based or direct/supplier method	✓ Higher accuracy of Scope 2 GHG emissions ✓ Reflects individual corporate procurement actions and RECs (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

1 Purchased good and services
Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year

2 Capital Goods
Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year

3 Fuel and energy activities
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

4 Upstream transport & distribution
Transportation and distribution of products purchased by the reporting company in the reporting year

5 Waste generated
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)

6 Business travel
Transportation of employees for business -related activities during the reporting year (in vehicles not owned or operated by the reporting company)

7 Employee commuting
Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)

8 Upstream leased assets
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

9 Downstream transport & dist.
Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer

10 Processing of sold products
Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)

11 Use of sold products
End use of goods and services sold by the reporting company in the reporting year

12 End of life of sold products
Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life

13 Downstream leased assets
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

14 Franchises
Operation of franchises in the reporting year, not included in Scope 1 and Scope 2 - reported by franchisor

15 Investments
Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in Scope 1 or Scope 2

ESG Data Convergence Initiative

Sources: GHG Protocol, CDP

Upstream Downstream

The following example shows how to calculate Scope 2 emissions incorporating renewable energy and RECs:

1. Multiply activity data (megawatt hours purchased) by the emission factor for that activity for each applicable greenhouse gas. Some electricity emission factor sets may include emission rates for CO2, CH4, and N2O; others may only provide CO2 emission rates.
2. Multiply global warming potential (GWP) values by the GHG emissions totals to calculate total emissions in CO2 equivalent (CO2e).
3. Report final Scope 2 emissions in metric tons of CO2e.

Total Energy Consumption	**Quantity of Energy**	**Contractual Instrument**	**Emissions Factors**	**Calculated Emissions**
20,000 KWh	5,000 KWh	PPA with RECs	0 mt CO2e/KWh	0 mt CO2e
	1,000 KWh	On-site Generation	0 mt CO2e/KWh	0 mt CO2e
	2,000 KWh	REC purchase – unbundled	0 mt CO2e/KWh	0 mt CO2e
	2,000 KWh	Green power program with RECs	0 mt CO2e/KWh	0 mt CO2e
	10,000 KWh (remaining energy without RECs)	Grid Average (eGRID)	0.5 mt CO2e/KWh	5,000 mt CO2e
Total Scope 2 Emissions				**5,000 mt CO2e**

Source: Adapted from https://www.leveltenenergy.com/post/recs-sustainability-reports

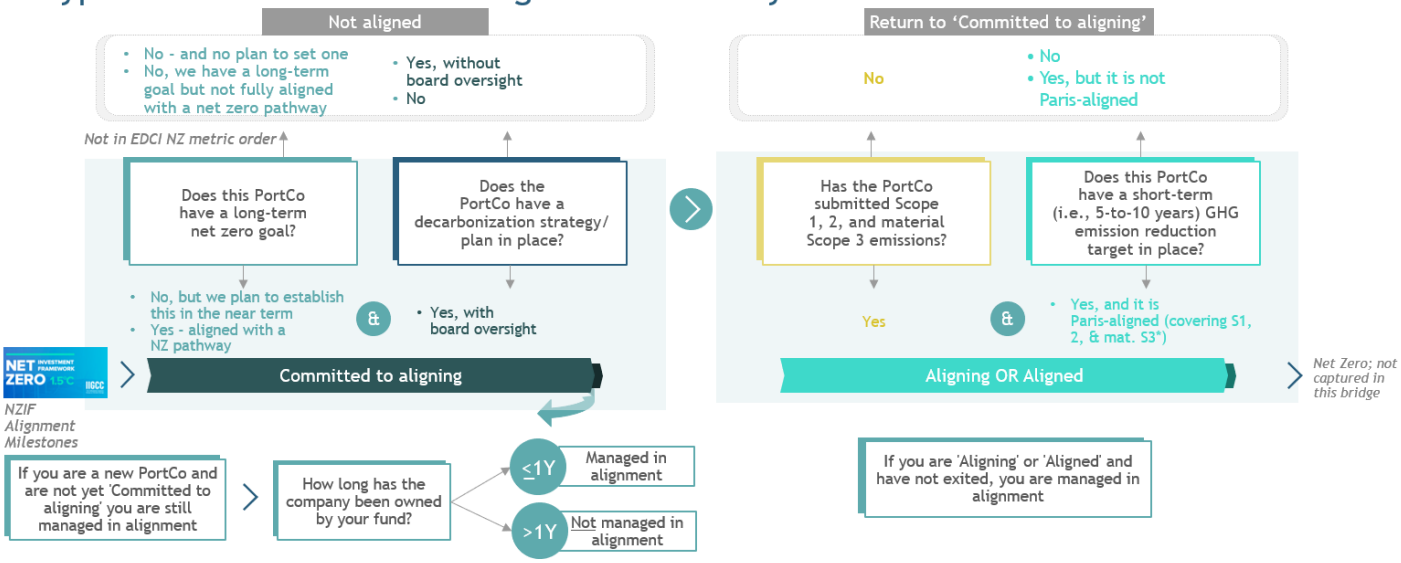
2. Net Zero

The EDCI net zero metric has been carefully designed in line with the EDCI's guiding principles to ensure it is meaningful, straightforward, comparable, actionable, and globally accepted. It is designed to provide clear, benchmarkable insight, while being easy for GPs to answer, and clearly dovetailing with the Net Zero / Decarbonization guidances being developed by IIGCC and iCI. In particular, both the NZIF and the PMDR frameworks provide significantly more detailed and comprehensive guidance about how private equity funds can engage on net zero and drive decarbonization.

As a result, any private equity fund engaging with either the NZIF or PMDR frameworks will find they have the full set of information they need for the EDCI net zero metric. Furthermore, based on a portfolio company's EDCI submission, the EDCI will be able to generate a hypothesis on which NZIF and PMDR stage the company is currently at. These hypotheses will be purely directional, as the EDCI does not capture data to distinguish between the 'Aligning', 'Aligned' or 'Net Zero' in the NZIF or the 'Aligning' or 'Aligned to net zero' in the PMDR. Moreover, for PMDR, the bridge only addresses the framework's first question and is not able to collect information that relate to the questions on a set transition pathway or aligned operations.

The EDCI hopes these hypotheses are helpful for private equity funds, but we encourage funds to engage directly with these industry frameworks and independently ensure accurate reporting.

Based on a PortCo's EDCI submission, the EDCI will be able to generate a hypothesis on which NZIF stage it is currently at



This bridge will generate a hypothesis of the NZIF framework stage for a given PortCo; EDCI can't identify PortCos that go beyond 'Aligning' given the EDCI does not collect if trending emissions reductions are in line with the planned reduction

Context: NZIF alignment scale

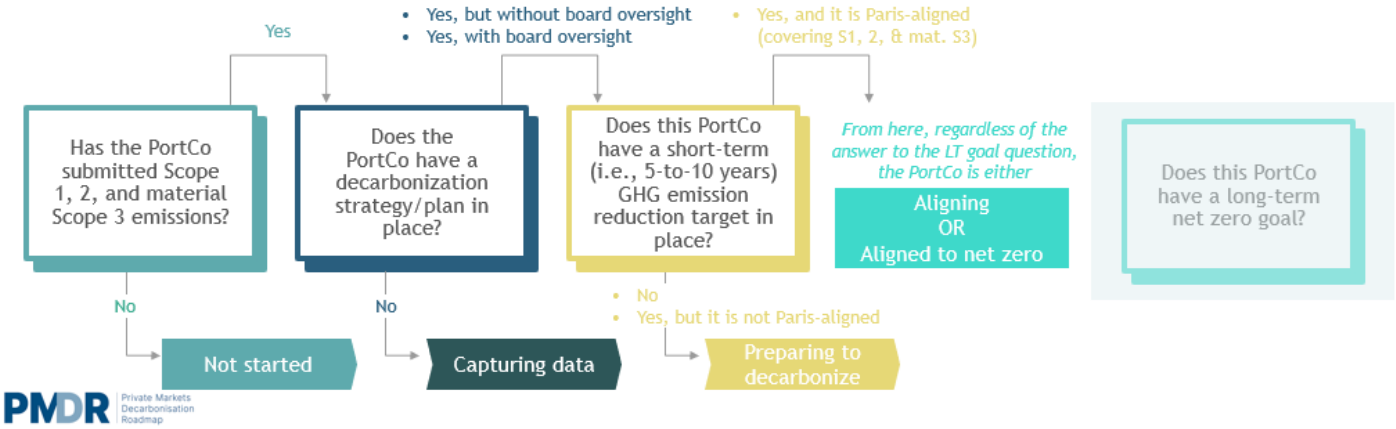
- NZIF recommends GPs collect a binary "Yes/No" assessment for each PortCo on their status of being "managed in alignment with net zero" based on the milestones in the table
- NZIF aligns PortCos to the milestones Committed, Aligning, Aligned, and Net Zero
- Capital invested will count towards coverage targets established by GPs
- Lends to the LP calculations of invested capital managed in alignment with net zero

		Managed in Alignment with			
Category	**Criteria**	**Committed to Aligning**	**Aligning**	**Aligned**	**Net Zero**
Ambition	Long-term goal for the company to be net zero emissions by 2050 or sooner.	X[2]	X	X	
Governance	Board oversight for climate risk and execution of climate strategy. Climate risk and management are discussed by the Board at least once a year.	X	X	X	*Company with emissions intensity required by the sector regional pathway for 2050 and ongoing investment plan or business model to maintain this performance*
Disclosure	Annual disclosure to investors of scope 1, 2, and material scope 3[1] absolute GHG emissions. Public disclosure is best practice but not an expectation.		X	X	
Targets	A 5- to 10-year Paris-aligned GHG emissions reduction target (Scope 1, 2, & mat. Scope 3[1]).		X	X	
Emissions Performance	Cumulative YoY reduction meets or exceeds the linear annual reduction established as the target for Scope 1, 2, and material Scope 3[1] emissions.			X	
Climate Strategy	A proportionate plan is established that sets out the measures to deliver the target. For high impact sectors, the strategy should be quantified and include capex and opex required to achieve targets.			X	
Fund Vintage Alignment Milestones	Funds launched through 2029	1 Year after deal close	2 years after deal close	By exit	Not required
	Funds launched from 2030 to 2050	1 Year after deal close	2 years after deal close	4 years after deal close	No later than 2050

ESG Data Convergence Initiative

1. Material Scope 3 as defined by leading guidance such as SBTi 2. For the Committed to Aligning milestone the board should acknowledge the importance for the company to take action toward a net zero future and encourage the company to begin exploring pursuit of Aligning and Aligned criteria

Based on a PortCo's EDCI submission, the EDCI will be able to generate a hypothesis on which PMDR stage it is currently at



PMDR Private Markets Decarbonisation Roadmap

This bridge will generate a hypothesis of the PMDR framework stage for a given PortCo; 'Aligning' and 'Aligned to net zero' are not captured by the EDCI NZ metric given the EDCI does not collect if trending emissions reductions are in line with relevant SBTi pathway

ESG Data Convergence Initiative

1

Context: PMDR alignment scale

	Not started	Capturing Data	Preparing to Decarbonise	Aligning	Aligned to Net Zero
Q1: What measures has the PortCo taken to reduce its GHG emissions? — Definition	Not started to measure their emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions in-line with an approach agreed with the fund[2]	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a NZ plan and operations aligned to science-based target
Q1: What measures has the PortCo taken to reduce its GHG emissions? — Criteria	• Minimal or no emissions data • No decarbonisation plan in place	• Measuring scope 1 and 2 emissions from operations, alongside material scope 3 emissions, and making data available to fund[1]	• Decarbonisation plan in place but level of ambition not aligned to NZ pathway	• Committed to near-term science-based target aligned to a long-term NZ-pathway	• Demonstrated YoY emissions profile in line with pathway
Q2: Is there a recognised transition pathway for this PortCo?	No current pathway to Align Definition: PortCos with no pathway to align to the transition using existing technology Criteria: Greater than 50% of revenue generated using high-emitting assets that it is not feasible to decarbonise through redevelopment, retrofitting or replacement			Cannot progress past "Preparing to Decarbonise"	
Q3: Do the PortCo's operations enable the NZ transition?	Decarbonisation Enablers Definition: PortCos working to support a subset of Climate Solutions[3] related to the transition to a low carbon economy Criteria for Decarbonisation Enabler: Greater 50% of revenue is related to an economic activity that is enabling NZ transition Criteria for Emerging Decarbonisation Enabler: Greater than 10% of revenue is related to an economic activity that is enabling net zero transition and <50% of revenue from high-emitting assets				

PMDR Private Markets Decarbonisation Roadmap

Note; (1) Emissions criteria applies across all subsequent stages (2) To progress to this stage company must have reasonable scope to reduce emissions from their operations; companies operating in thermal coal and exploration of new oil/tar sands production sites cannot progress to this stage (3) Climate Solutions as declined by Glasgow Financial Alliance for Net Zero (GFANZ) as one of their four core financing strategies

2

ESG Data Convergence Initiative

3. Renewable Energy Consumption

There are two primary methods for calculating Renewable Energy Consumption: Location-based and Market-based calculations.

A location-based methodology quantifies renewable energy consumption by defining the geographic location(s) where the company purchases energy from and taking the average renewable energy share of the total electricity mix for that geographic region, regardless of supplier. Companies using location-based methodology should use the same indirect emissions data used to calculate scope 2 and multiply this by the average renewable energy share for that geographic region to determine how much of your grid energy consumption is derived from renewable sources. For companies using location-based methodologies, Scope 2 emissions are typically calculated using the average emission intensity of the local grid where the company sources power. A location-based method doesn't factor in any corporate energy procurement actions (e.g., PPAs), energy attribute certificates or equivalent instruments (RECs, GOs, etc.). While this method is easier to calculate than a market-based methodology, it is generally less accurate as the renewable energy share is averaged across the geographic area, and this doesn't take into account market-based actions by other companies (see more information here: EPA Power Profiler).

A Market-based methodology requires companies to calculate their renewable energy consumption by counting only contracts the firm has made with energy suppliers. For example in the US: under market-based methodologies, a company can use RECs in their renewable energy usage claims. To be 100% renewable, a corporation must acquire – and retire – one REC for every megawatt hour of energy that they purchased. RECs are not required to prove use of renewable energy at this stage as you can use other instruments to quantify emissions in the market-based methodology, but they are highly recommended, as RECs and equivalents are the most precise instrument in the market-based data hierarchy. (See more information on the difference between market-based and location-based here: Level Ten Energy).

The owner of a REC (bundled or unbundled) has exclusive rights to the attributes of the renewable electricity generated, including the emissions profile of that generation, and to characterize it as zero-emissions electricity. This holds true for other energy attribute certificates, such as Guarantees of Origin (EU) and any other certificate instruments that meet Scope 2 Quality Criteria.

For a REC to be retired it needs to be registered through a REC's tracking system. There are different tracking systems in different regions of the U.S as well as the I-REC Standard Foundation, a non-profit organization that provides attribute tracking standard worldwide. In the EU, Guarantees of Origin are issued by AIB, which oversees

the market across the whole of the continent. All issuing and cancellation happens via AIB member organisations. If RECs are used in the market-based estimate they should be retired, according to the Scope 2 Quality Criteria.

Note: For both methodologies, energy consumed from scope 1 activities should also be included in the calculation so that the share of renewable energy calculation is based on the total energy consumption.

The following example shows how to calculate emissions using a market-based methodology in the US (incorporating renewable energy and RECs):

Renewable Percentage = (Total Renewable Energy / Total Energy Consumption) * 100

For example, if your on-site renewable energy generation accounts for 40 MWh and you have 10 MWh represented by retired RECs, and your total energy consumption is 100 MWh, your renewable percentage is ((40 MWh + 10 MWh) / 100 MWh) * 100 = 50%.

If you have a second site, you can add that to the above calculation, for example: if your second site generates 20 MWh renewable energy and you have 5 MWh represented by retired RECs, and your total energy consumption for this site is 200 MWh, your renewable percentage is ((40 MWh + 10 MWh + 20 MWh + 5 MWh)/(100 MWh + 200 MWh))* 100 = 25%

OR ((Site 1 renewables + Site 1 retired RECS) + (Site 2 renewables + Site 2 retired RECs)) / (Site 1 total energy consumption + Site 2 total energy consumption) * 100 = % renewables consumption

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)

Please see below a link to the zip code EPA tool for easier energy calculations. Please note this is only applicable for US-based companies and calculations utilizing a passive approach.
Link: US EPA zip code tool for energy calculations

4. Diversity

Please note that for Portfolio Companies with various boards on different geographies, the guidance is to collect aggregated board data across all applicable countries.

When collecting these data, please keep in mind the following points regarding best practices (guidance provided from Diversio (specialized software company that enables organizations to measure, track, and improve diversity and inclusion) and FairHQ (European software company that supports PE/VC funds and their PortCos to deliver on DE&I goals):

1. Be sure to clearly explain why this data is being requested (e.g., as part of the commitment to the ESG Data Convergence Initiative) and to communicate if the data is anonymous or not during collection.
2. Always provide an option of "Prefer Not To Answer" when requesting information directly from employees. Avoid including the option "Other" as well as the option for free text. Ensure comprehensive coverage of the options provided and refresh routinely as needed.
3. Use alphabetical order of options offered in your survey to avoid perceived preference or popularity.
4. Maintain strict data security measures to protect the information and ensure individual data is never disclosed or identifiable. Ask for company level data in aggregate rather than at the individual level to ensure compliance with data privacy.
5. To increase response rates, consider engaging a third party to collect diversity data directly from employees. Portfolio companies can enrich their data with data collection campaigns as well as by including data collection as part of the onboarding process.
6. In the UK and Europe in particular, GDPR and other privacy laws may impact a company's ability to collect and share certain diversity information. Given this scenario, we ask Portcos in the UK and Europe not to provide data on % of Under-represented groups on boards and % of LGBTQ on boards. Consider engaging with an independent third party to collect this data to ensure compliance with location legislation and data privacy standard.

Again, given the varying local contexts, this metric is not designed to be compared across geographies, but can provide helpful insights within a given country. See below for more specific guidance on under-represented groups for companies based in the US, Canada and Australia.

Local guidances:

Metric	Definition (local guidance)	Units	Sources & guidance	Related frameworks
Number of board members from under-represented groups (mandatory metric for US, Canada, and Australia PortCos; optional elsewhere)	**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. • **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 highlights that "the many peoples with origins in	#	ILPA Diversity Metrics Template (see 'Definitions' tab in Excel template) U.S. Equal Employment Office definitions (See definition of "Minority")	

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 of directors and members of senior management including "Indigenous peoples" and members of "visible minorities", which are defined in the Employment Equity Act and highlighted 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 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;

Corporations Canada Diversity Disclosure Guidelines;

Canadian Business Corporations Act (See part XIV.1 "Disclosure Relating to Diversity");

Government of Canada Employment Equity Act definitions (See sections on "Aboriginal peoples" and "Members of Visible Minorities")

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.

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

5. Work Related Injuries — Local Guidance

Metric	Definition	Units	Sources & guidance	Related frameworks
Number of work-related injuries	**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: *Traumatic Injuries and Disorders* (p. 10) for accepted types of work- related injuries. Note that Sections 2-8 would be excluded because they refer to work-related *illnesses*. **For EU (EU-OSHA Guidance):** "Accident at work" is defined as a "discrete occurrence [...] while engaged in an occupational activity or during the time spent at work". This explicitly excludes commuting accidents.	#	**US:** Occupational Health and Safety Administration Occupational Injury and Illness Classification (OIICS) Manual from the US Bureau of Labor Statistics (see Division 1: Traumatic Injuries and Disorders on p. 10) **EU:** European Statistics on accidents at work methodology	GRI:2018 403-9a&b, GRI:2018 403-6a WEF

For UK (HSE Guidance): An accident is "work-related" if "they happen 'out of or in connection with work'", meaning the "work activity itself must contribute to the accident".

For Others (ILO Guidance):

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.

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

UK: Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)

key definitions; RIDDOR legislation (Regulation 4)

Others: Recording and Notification of Occupational Accidents and Diseases (ILO) (pp. 3, 59-66)

Number of work- related fatalities	**For US (OSHA Guidance):** A “work-related fatality” is defined as a “work-related injury which results in death”. **For EU (EU-OSHA Guidance):** A "fatal accident at work" is defined as an accident at work "which leads to the death of a victim within one year of the accident". **For UK (HSE Guidance):** A "work-related fatality" is defined as an incident "where any person dies as a result of a work-related accident" or "any person dies as a result of occupational exposure to a biological agent". **For Others (ILO Guidance):** A “fatal occupational injury” is an occupational injury which leads to death.	#	**US:** Occupational Health and Safety Administration definitions **EU:** European Statistics on accidents at work methodology **UK:** Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) key definitions; RIDDOR legislation (Regulation 6) **Others:** Recording and Notification of Occupational Accidents and Diseases (ILO) (p. 3)	GRI:2018 403-9a&b, GRI:2018 403-6a WEF
Days lost due to injury (temporary incapacity)	**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		**US:** Occupational Health and Safety Administration	International Labor Organization, OSHA

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.	
For EU (EU-OSHA Guidance): "Days lost" is defined as "number of full calendar days where the victim is unfit for work due to an accident at work".	**EU:** European Statistics on accidents at work methodology
For UK (HSE Guidance): "Working days lost" are defined as full-day equivalent days and includes "days lost due to non-fatal injuries (excluding injuries caused by road accidents) and all work-related illness (new and long-standing cases)"	**UK:** Working days lost definitions and formulae
For Others (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.	**Others:** Recording and Notification of Occupational Accidents (ILO) (pp. 3, 25, 59-66) **Statistics of occupational injuries (ILO) (pp. 18-19)**

6. Net New Hires

You can automatically calculate the values for Total Net New Hires and Organic Net New Hires (as carried out in the submission template) using the logic below.

As per the definition in the Glossary:

Total Net New Hires = Hires – Turnover

Current Year FTEs - Previous Year FTEs = Hires – Turnover **(the change in number of FTEs must be due to Hires and Turnover)**

Therefore:

Total Net New Hires = Current Year FTEs – Previous Year FTEs **(as the right-hand side of each equation is equal, gives us the automated calculation used in the submission template)**

As per the definition in the Glossary:

Organic Net New Hires = Hires – Turnover – (Net Change in FTEs due to M&A)

Organic Net New Hires + (Net Change in FTEs due to M&A) = Hires – Turnover **(rearrange the equation above)**

Current Year FTEs - Previous Year FTEs = Hires – Turnover **(the change in number of FTEs must be due to Hires and Turnover)**

Organic Net New Hires + (Net Change in FTEs due to M&A) = Current Year FTEs - Previous Year FTEs **(as the right-hand side of each equation is equal)**

Therefore:

Organic Net New Hires = Current Year FTEs – Previous Year FTEs – (Net Change in FTEs due to M&A) **(rearrange the equation above to get the automated calculation used in the submission template)**

Note: The EDCI appreciates the fact that EDCI metrics are at the heart of the IDP template - to learn more about IDP please refer to https://www.esgidp.org/.

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 & Plastic Containers	RT-CP	Containers & Packaging
15103020	Paper & Plastic Packaging Products & Materials	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 Transportation Equipment	RT-IG	Industrial Machinery & Goods
20106015	Agricultural & Farm Machinery	RT-IG	Industrial Machinery & Goods
20106020	Industrial Machinery & Supplies & Components	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
20202030	Data Processing & Outsourced Services	TC-SI	Software & IT Services
20301010	Air Freight & Logistics	TR-AF	Air Freight & Logistics
20302010	Passenger Airlines	TR-AL	Airlines
20303010	Marine Transportation	TR-MT	Marine Transportation
20304010	Rail Transportation	TR-RA	Rail Transportation
20304030	Cargo Ground Transportation	TR-RO	Road Transportation
20304040	Passenger Ground Transportation	TR-RO	Road Transportation
20305010	Airport Services	SV-PS	Professional & Commercial Services

20305020	Highways & Railtracks	TR-RO	Road Transportation
20305030	Marine Ports & Services	SV-PS	Professional & Commercial Services
25101010	Automotive Parts & Equipment	TR-AP	Auto Parts
25101020	Tires & Rubber	TR-AP	Auto Parts
25102010	Automobile Manufacturers	TR-AU	Automobiles
25102020	Motorcycle 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
25503030	Broadline Retail	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	Other Specialty Retail	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	Consumer Staples Merchandise Retail	FB-FR	Food Retailers & Distributors
30201010	Brewers	FB-AB	Alcoholic Beverages
30201020	Distillers & Vintners	FB-AB	Alcoholic Beverages
30201030	Soft Drinks & Non-alcoholic Beverages	FB-NB	Non-Alcoholic Beverages
30202010	Agricultural Products & Services	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 Care 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
40201020	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
40201050	Commercial & Residential Mortgage Finance	FN-MF	Mortgage Finance
40201060	Transaction & Payment Processing Services	TC-SI	Software & IT Services

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
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	CG-MR	Multiline and specialty retailers & distributors
45301010	Semiconductor Materials & 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
60102510	Industrial REITs	IF-RE	Real Estate
60103010	Hotel & Resort REITs	IF-RE	Real Estate
60104010	Office REITs	IF-RE	Real Estate
60105010	Health Care REITs	IF-RE	Real Estate
60106010	Multi-Family Residential REITs	IF-RE	Real Estate
60106020	Single-Family Residential REITs	IF-RE	Real Estate
60107010	Retail REITs	IF-RE	Real Estate
60108010	Other Specialized REITs	IF-RE	Real Estate
60108020	Self-Storage REITs	IF-RE	Real Estate
60108030	Telecom Tower REITs	IF-RE	Real Estate
60108040	Timber REITs	IF-RE	Real Estate
60108050	Data Center REITs	IF-RE	Real Estate
60201010	Diversified Real Estate Activities	IF-RS	Real Estate Services
60201020	Real Estate Operating Companies	IF-RS	Real Estate Services
60201030	Real Estate Development	IF-RS	Real Estate Services
60201040	Real Estate Services	IF-RS	Real Estate Services

GICS codes that are not mapped to a specific SICS 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 SICS 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 SICS does not have specific classification for Commercial Printing; please select the SICS 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 SICS does not have specific classification for Office Services & Supplies; please select the SICS 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 SICS does not have specific classification for Diversified Support Services; please select the SICS 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 SICS does not have specific classification for Diversified Support Services; please select the SICS 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 SICS does not have specific classification for Diversified Support Services; please select the SICS 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 SICS does not have specific classification for Other Diversified Financial Services; please select the SICS 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 SICS does not have specific classification for Multi-Sector Holdings; please select the SICS 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
CG-EC	E-Commerce	E-Commerce industry entities provide an online marketplace for other entities 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. Entities 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.
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	Extractives & Minerals Processing	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 & Mining	EM-IS	Iron & Steel Producers	The Iron & Steel Producers industry consists of steel 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.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	Financials	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	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.
				FN-EX	Security & Commodity Exchanges	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.
		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	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.
FB	Food & Beverage	FB.1	Food	FB-AG	Agricultural Products	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). 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.
				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.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 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.
				HC-DI	Health Care Distributors	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.
				HC-MC	Managed Care	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.
		HC.4	Medical Technology	HC-MS	Medical Equipment & Supplies	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. 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.
IF	Infrastructure	IF.1	Utilities	IF-EU	Electric Utilities & Power Generators	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.
				IF-GU	Gas Utilities & Distributors	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.
				IF-WU	Water Utilities & Services	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.
		IF.2	Infrastructure	IF-EN	Engineering & Construction Services	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.
		IF.3	Real Estate	IF-HB	Home Builders	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 numerous privately held home builders.
				IF-RE	Real Estate	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. Although REITs are often concentrated in one segment of the Real Estate industry, many REITs are diversified through investment in multiple property types.
				IF-RS	Real Estate Services	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.

		IF.4	Waste Management	IF-WM	Waste Management	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.
RR	Renewable Resources & Alternative Energy	RR.1	Alternative Energy	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.
		RR.2	Forestry & Paper	RR-FM	Forestry Management	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 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	Resource Transformation	RT.1	Industrials	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-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.2	Hospitality & Recreation	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-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.3	Consumer Services	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-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	Transportation	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, 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.

				TR-AF	Air Freight & Logistics	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. 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.
		TR.2	Automobiles	TR-AU	Automobiles	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, commercial fleets, and governments. Due to the global nature of this industry, nearly all companies have manufacturing facilities, assembly plants, and service locations in several countries around the world. The Automobiles industry is highly concentrated, with a few large manufacturers and a diversified supply chain. Given the industry's reliance on natural resources and sensitivity to the business cycle, revenues are typically cyclical.
				TR-AP	Auto Parts	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. Similarity, it excludes Tier 2 suppliers, which provide inputs for the Auto Parts industry.

				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 (vehicles carrying the goods of multiple customers). Owner-operators comprise the vast majority of the industry due to the relative ease of entry, while a few large operators maintain market share through contracts with major shippers. Large companies often subcontract with owner-operators to supplement their owned fleet.