**ESG (Environmental, Social and Governance)**

*“There are many areas of ESG activity that aren’t represented in easily reportable figures, don’t have generally accepted measurement criteria, or which defy clear definition. They don’t generate a pithy soundbite to include in annual reports, or statistics to present to the board. There is no neat package for complete ESG reporting.”*

Environmental

* Emission
  + Emissions
  + Waste
* Innovation
  + Product Innovation (with Environmental Benefits)
* Resource Use
  + Water
  + Energy
  + Sustainable Packaging
  + Environmental Supply Chain

Social

* Human Rights
* Product Responsibility
  + Responsible Marketing (Ethical)
  + Product Quality
  + Data Privacy
* Workforce
  + Diversity & Inclusion
  + Career Development and Training
  + Working Conditions
  + Health and Safety

Governance

* CSR Strategy
  + Philanthropic
* Management
  + Structure (Independence, Diversity and Committees)
  + Compensation
* Shareholders
  + Shareholder Rights
  + Takeover defenses

Variables

Variables can either be 0/1 values or a value between 0 to 10 to measure the extent of each pillar, characterised by each of the subcategory.

Example 1: Environmental – Resource Use – Water: “Does your company use watercoolers or disposable portable water containers?” can make use of 0/1 values to indicate extent of environmental-friendliness of the company.

Example 2: Social – Product Responsibility – Data Privacy: “How protected/secure is the data held in your company?” can require companies to list and explain the policies in place that increase the security of data, which will then be translated to a value between 0 to 10.