

ESG DD Assessment

Sample Loop

PRELIMINARY

BAIN & COMPANY 

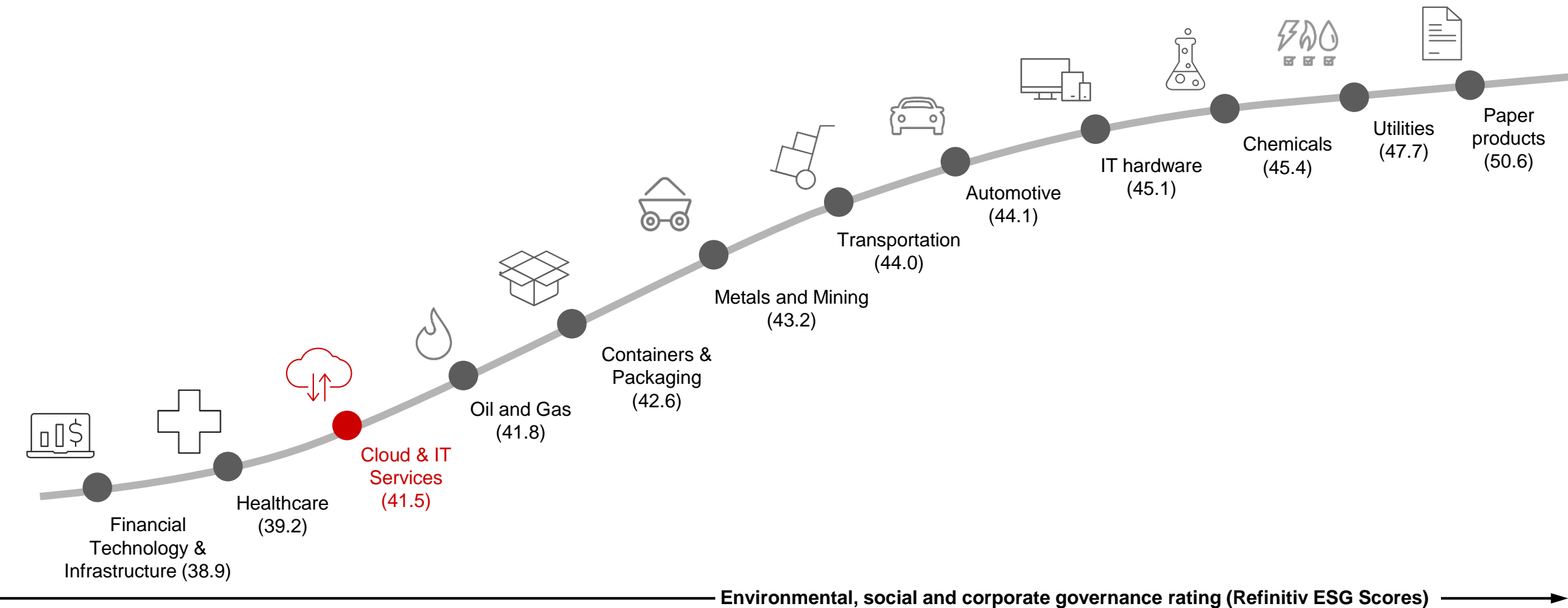
Industry Maturity | Target industry's relative ESG maturity

MATERIALITY

INDUSTRY MATURITY

/ ILLUSTRATIVE

ESG rating distribution by industry



Note: The Industry level ESG score is calculated based on an average of all companies part of the selected industry sector. All overall company level ESG scores are added together then divided by the number of companies in the chosen sector that have an ESG score >0; Source: Refinitiv (2022)

Materiality | Summary of key ESG issues for the industry

MATERIALITY


KEY ISSUES

/ PRELIMINARY

E



Environment
Living within our planetary boundaries

 **GHG emissions**
Reducing & offsetting GHG emissions contributing to climate change


High

 **Water stewardship**
Sensible water use, water quality, and watershed management

Medium

 **Material use, waste & circularity**
Responsible sourcing and use of resources, incl. product, packaging, and food lifecycles (reduce, reuse, recycle)

Low

 **Hazardous substances**
Sensitively using and treating toxic products and waste, incl. chemical and technology pollutants

 **Air quality**
Lowering pollutants impacting air quality and atmospheric integrity

 **Land and ocean use**
Ensuring long-term sustainable land and ocean use, incl. land/ocean change (e.g., deforestation), sound utilization practices


 **Biodiversity & ecological welfare**
Protecting and enhancing natural ecosystems and living organisms; upholding animal welfare

S



Social
Committing to equitable outcomes

 **Human rights**
Upholding the corporate responsibility to respect universal rights (e.g., life, liberty, freedom of expression, no forced/child labor)


 **Labor practices**
Decent and safe work, incl. equitable pay / benefits, upskilling / development, and hiring practices

Medium

 **Diversity, equity & inclusion**
Practices and culture promoting diversity, equity, accessibility, and inclusion, inside company and beyond

High

 **Health & wellness**
Products, services, and technologies that enhance customer well-being

 **Customer safety and access**
Safe and accessible offerings incl. safe formulations, clear labeling and non-abusive practices in marketing, access, and pricing

 **Cyber security & digital privacy**
Secure technology systems, infrastructure, and data practices; duty of care to customer privacy; responsiveness to law enforcement

High

 **Community partnership**
Aware and/or engaged members of the communities and broader society

G



Governance
Demonstrating responsible conduct

 **Governance foundation**
Norms and practices related to good governance, e.g., ownership & control, board diversity, pay, accountability

 **Business ethics**
Sound decision-making, ethical conduct; no anti-competitive practices, bribery, or corruption

Low

 **Transparency & risk management**
Accurate accounting; appropriate risk disclosure and management; ESG transparency

 **Third-party relationships**
Clear practices embedded in sourcing activities and investment and partnership decisions

 **Tax practices**
Fair tax payment and practice

 **Indirect economic impacts**
Sensitivity to indirect impacts on external populations of firm's economic activity

 **National and intl. policy**
Appropriately navigating complex domestic and international issues, incl. policy and lobbying stances

Medium

Materiality – external rating lens | Material issues for Target industry based on external rating agencies

MATERIALITY

EXTERNAL RATING LENS

Stakeholder materiality: Impact of sustainability, a “force for good”/push beyond compliance

ecovadis

☐ Low ☐ Medium ☒ High

	Key risks	Score ²	Score ³
E	Energy Consumption & GHGs		
	Water		
	Biodiversity		
	Local & Accidental pollution		
	Materials, Chemicals & Waste		
	Product Use		
	Product End-of-Life		
	Customer Health & Safety		
	Environ. Services & Advocacy		
	Employee health & safety		
S	Working Conditions		
	Social dialogue		
	Career Management & Training		
	Child Labor & Human Trafficking		
	Diversity & Discrimination		
	Ext. Stakeholder Human Rights		
	Corruption		
G (E ¹)	Anticompetitive Practices		
	Responsible Information Mgmt.		
G (S ¹)	Supplier Environ. Practices		
	Supplier Social Practices		

Financial materiality: Financial impact assessment of ESG risks (company / investor focus)



☐ Not likely a material issue ☒ Likely a material issue

	General Issue Category	Score ⁴
Env.	GHG Emissions	
	Air Quality	
	Energy Management	
	Water & Wastewater Mgmt.	
	Waste & Hazardous Material Mgmt.	
	Ecological Impacts	
Bus. model & innov.	Product Design & Lifecycle Mgmt.	
	Business Model Resilience	
	Supply Chain Management	
	Materials Sourcing & Efficiency	
	Physical Impacts of Climate Change	
Social capital	Human Rights & Comm. Relations	
	Customer Privacy	
	Data Security	
	Access & Affordability	
	Product Quality & Safety	
	Customer Welfare	
	Selling Practices & Product Labeling	
Human capital	Labor Practices	
	Employee Health & Safety	
	Employee Engagement, D&I	
Leader -ship gover.	Business Ethics	
	Competitive Behavior	
	Mgmt. of Legal & Regulatory Env.	
	Critical Incident Risk Management	
	Systemic Risk Management	

MSCI



☐ Not mentioned ☐ 0-20% weight ☒ >20% weight

	Key issues	Weight ⁵
E	Carbon Emissions	5%
	Financing Environmental Impact	
	Water Stress	
	Opportunities in Clean Tech	2.3%
	Product Carbon Footprint	
	Packaging Material & Waste	
	Raw Material Sourcing	
	Toxic Emissions & Waste	
	Chemical Safety	
	Consumer Financial Protection	29%
S	Human Capital Development	
	Privacy & Data Security	22.5%
	Access to Finance	0.3%
	Responsible Investment	
	Community Relations	
	Product Safety & Quality	
	Labor Management	
	Supply Chain Labor Standards	
	Health & Safety	
	Access to Communications	
G	Access to Health Care	
	Controversial Sourcing	
	Governance	40.8%
	Ownership & Control	
	Board	
	Pay	
	Accounting	
	Business Ethics	
	Tax Transparency	

Note: **EcoVadis** helps companies through an assessment based on self-reported questionnaire (incl. supporting information) analyzed by EcoVadis experts; **SASB** (Sustainability Accounting Standards Board) is a standard framework covering industry-specific financially material ESG issues identified by SASB, with goal of to help businesses report on sustainability to their investors. **MSCI** provides an assessment based on in-house research gathering publicly available information (specialized datasets, company disclosures and media sources) which is mapped against key issues per industry based on MSCI research; (1) Governance: Ethics, Suppliers respectively; (2) : Data presented for “Computer Programming, Consultancy and Related Activities”; (3) Data presented for “Data processing, hosting and related activities; web portals” (4) Data presented for “Software & IT Services”; (5) Data presented for “Internet Services & Infrastructure” | Source: EcoVadis, SASB, MSCI

Materiality – peer lens | Material issues for Target industry based on peer materiality matrices

MATERIALITY

PEER LENS

Key ESG risk



Issue identified (critical)






Issue identified (not critical)



Issue not identified

/ NOT EXHAUSTIVE

		Target	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5
E 	GHG emissions	✓	✓	✓	✓	✓	✓
	Water stewardship	✓	✗	✗	✓	✗	✓
	Material use, waste & circularity	✓	✗	✗	✓	✗	✓
	Hazardous substances	✗	✗	✗	✓	✗	✓
S 	Human rights	✓	✓	✓	✓	✓	✓
	Labor Practices	✓	✓	✓	✓	✓	✓
	Diversity, equity & inclusion	✓	✓	✓	✓	✓	✓
	Health & wellness	✓	✓	✓	✗	✓	✗
	Cyber security & digital privacy	✓	✓	✓	✗	✓	✗
G 	Business ethics	✓	✓	✓	✓	✓	✓
	Third-party relationships	✓	✗	✓	✓	✓	✓
	National and International Policy	✗	✗	✗	✗	✗	✗





Note: Material issues identified based on materiality matrices of the peers, where the peers identify different issues and specify criticality of each issue

Source: Company Reports; Company websites

Materiality – Pressure from Stakeholders | Pressure from Government, Customers, Industry Bodies and Peers for key ESG themes

MATERIALITY

/ NOT EXHAUSTIVE

Issue	Material axes	Pressure from	Evidence
 Diversity, equity & inclusion	<ul style="list-style-type: none"> Equal opportunities for women, racial minorities, veterans, and LGBTQ+ groups Closing the gender pay gap 	<ul style="list-style-type: none"> Government Customers Peers 	<ul style="list-style-type: none"> The European Commission introduced a draft directive to make detailed gender pay gap reporting a legal requirement, which is expected to pass into EU law by 2024; UK, Belgium, and Austria have mandated gender pay gap reporting While the US enforces the Equal Pay Act which enables fair wages, pay transparency and pay gap reporting have only been enforced at the local level in select states and cities Customers (e.g., Customer 1, Customer 3) have set guidelines for vendors to report D&I progress, and prohibit any discrimination Peers have taken steps such as participation in Corporate Equality Index, Diversity Charter, female education initiatives etc. to promote gender equity and inclusion of racial minorities, veterans, people with disabilities, and LGBTQ+ groups
 Cyber security & digital privacy	<ul style="list-style-type: none"> Confidential and personal information protection Compliance with local and international data protection regulations Cybersecurity certifications and audits 	<ul style="list-style-type: none"> Government Customers Peers Standard-setting bodies 	<ul style="list-style-type: none"> EU Regulations such as GDPR², UK-GDPR², BDSG³, etc. provide strict protocols regarding data handling, risks, individuals' rights, transparency, training, breach protocols, etc. US regulations such as HIPAA⁴, Gramm-Leach-Bliley Act, Fair Credit Reporting Act, etc. audit and enforce data privacy and access in the country; state-wise regulations (e.g., CCPA⁵, New York SHIELD⁶ Act, etc.) also enforce variations of national data protection guidelines Customers have strict guidelines on data handling protocols for proprietary, confidential, and commercial information Peers have undertaken several steps to be compliant with international standards (e.g., ISO/IEC 27001) and implemented security measures to handle data and information systems with strict protocols Compliance with international standards like ISO/IEC 27001 provide formal recognition of cybersecurity and data privacy efforts
 Business ethics	<ul style="list-style-type: none"> Sound decision-making and ethical conduct Fair competitive practices Prohibition of bribery and corruption 	<ul style="list-style-type: none"> Customers Peers 	<ul style="list-style-type: none"> Customers require vendors to prohibit all forms of corruption, avoid conflicts of interest, have a channel available for reporting serious concerns in a confidential manner, and comply with applicable laws Peers have an established a code of conduct and a whistleblower system to report any violations or unethical practices
 National and intl. policy	<ul style="list-style-type: none"> Relationships with governments Lobbying to receive regulatory approvals in multiple countries 	<ul style="list-style-type: none"> Peers Tech lobbies 	<ul style="list-style-type: none"> Large technology companies with Irish operations (e.g., Amazon and Google), and other heavy power users lobbied with the Irish government that was aiming to curtail new data centers owing to concerns about constraints on the electricity network Amazon and other technology companies have lobbied with the US government to promote cloud services and expand businesses in new areas

Note: (1) Distributed denial of service; (2) General Data Protection Regulation; (3) German Federal Data Protection Act (Bundesdatenschutzgesetz); (4) Health Insurance Portability and Accountability Act; (5) California Consumer Privacy Act; (6) Stop Hacks and Improve Electronic Data Security | Source: Lit. search, Bain analysis

Materiality – customer lens | Pressure from Target’s customers on supplier guidelines across key ESG themes

MATERIALITY

CUSTOMER LENS

/ NOT EXHAUSTIVE

Detailed customer priorities across ESG themes available in the appendix

Customer 1

- Requires suppliers to comply with **EDF’s global CSR agreement** that encompasses ESG issues
- Requires suppliers to make **necessary ESG disclosures** such as **streamlined energy and carbon reporting regulations**
- Suppliers are required to **abolish any form of forced or child labor, and pay fair wages** according to applicable laws
- Encourages suppliers to have **robust and clear data to measure DE&I¹ progress** and achievements
- Requires compliance with privacy and **information security laws**, and provide **support during audits**

Customer 2

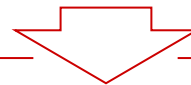
- Requires suppliers to sign the **Supply Chain Charter** and evaluates performance through **EcoVadis assessments**
 - **100% of suppliers/vendors** were assessed by EcoVadis in 2021
- Suppliers are expected to contribute to its objectives of **building a low-carbon economy**
- Requires suppliers to provide employees with a **healthy working environment** with appropriate EH&S² measures
- Suppliers are required to respect and promote the principles of **DE&I¹**
- Requires compliance with all laws and regulations and company guidelines regarding the **protection of personal data** including identification information and commercial data

Customer 3

- Requires suppliers to undergo a **mandatory code of conduct training** before being onboarded
 - Published a new **Sustainable Procurement Charter** aligned with ISO20400 (international standard for sustainable procurement)
- Suppliers are encouraged to use processes and materials that **support sustainability of the environment** throughout the supply chain
- Suppliers must provide a **clean, safe and healthy work environment** for all employees
- Suppliers are expected to ensure that **employment is based on ability** and not on discriminatory beliefs
- Suppliers are required to ensure that all **personal information and data systems** are controlled in compliance with applicable laws and regulations

Customer 4

- Suppliers are encouraged to sign the **code of conduct** that is based on the **ILO Convention of Core Labour Standards**
 - **93% of suppliers/vendors** by purchasing volume signed the code in 2021
 - **EcoVadis will be used** as a CSR risk management assessment tool starting from 2022
- Social and labor standards of suppliers are monitored for compliance through **audits, inspections, and/or sustainability reports**
- Plans to refresh the supplier code of conduct based on **Germany’s new Supply Chain Act** (which will come into force in 2023), which will require **mandatory supplier due diligence on environmental risk areas** (waste management, water consumption, etc.) and human rights (labor laws, health and safety, etc.)



Non-compliance with customer’s supplier guidelines may lead to jeopardized business relationships and contract terminations

Note: (1) Diversity, equity and inclusion; (2) Employee health and safety

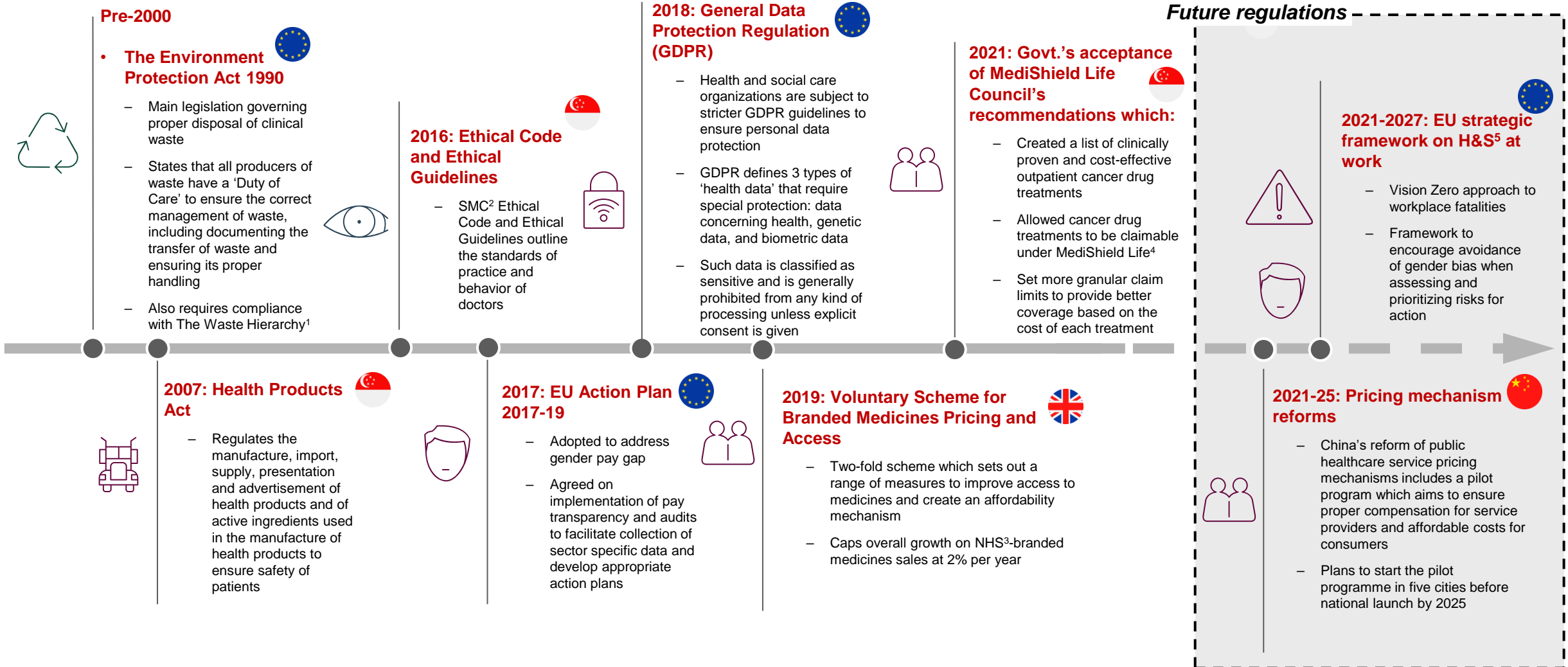
Source: Company websites, company supplier code of conduct, sustainability reports

Materiality – regulatory lens | Outline of key regulations driving adoption of ESG initiatives in Target's industry

MATERIALITY

REGULATION LENS

/ NOT EXHAUSTIVE















































































Note: (1) A set of priorities for the efficient use of resources which underpins the objectives of the Waste Avoidance and Resource Recovery Act 2001; (2) Singapore Medical Council; (3) National Health Service; (4) Public statutory insurance system of Singapore; (5) Health & Safety | Source: Lit. search; Bain analysis

ESG Reporting | Target's performance on key ESG themes in comparison to its relevant peers

PEER COMPARISON

ESG REPORTING

 Covered
  Limited coverage
  No evidence
  Shortlisted for benchmarking

	Key Metric	Target	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7	Peer 8
ESG team	ESG champion/ team in the public domain									
	ESG information on website									
Communication	Published ESG/ sustainability report									
	ESG information in annual/ strategic report									
	Published CDP Climate Report									
Other metrics	Rated by EcoVadis									
	Defined ESG targets/ KPIs									
	Climate Neutral Data Center Pact signatory ²									







Source: Company websites; Annual and Sustainability reports; Sustainalytics; EcoVadis; Lit. search

ESG ratings | Ranking of Target's ESG performance by leading rating agencies

PEER COMPARISON

ESG RATINGS

/ NOT EXHAUSTIVE

			Core cloud services competitors				Broader IT service players		
Ranking			Target	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6
Mainstream generalist ESG data providers		Severe to negligible ESG risk	Medium	Medium	Medium	N/A	Medium	Low	Low
		CCC to AAA ESG rating	N/A	A	BBB	N/A	N/A	AA	AA
		Out of 100	N/A	N/A	36	N/A	N/A	83	58
	Environment		N/A	N/A	40	N/A	N/A	98	62
	Social		N/A	N/A	31	N/A	N/A	73	62
	Governance		N/A	N/A	38	N/A	N/A	79	53
		Out of 100	N/A	23	43	N/A	35	76	71
	Environment		N/A	10	32	N/A	20	75	77
	Social		N/A	49	37	N/A	25	88	91
	Governance		N/A	4	64	N/A	48	66	52
	Bronze (top 50%) to Platinum (top 1%)	N/A	N/A	N/A	Silver (2021)	N/A	Platinum (2021)	Gold (2021)	
Carbon data providers	 Climate change	D- to A	N/A	C	C	N/A	N/A	A	C

Performance comparison: Leader Strong Medium Laggard N/A

Source: MSCI; Refinitiv; Sustainalytics; EcoVadis; CDP Climate Change 2021; Bain analysis

This information is confidential and was prepared by Bain & Company solely for the use of our client; it is not to be relied on by any 3rd party without Bain's prior written consent

ESG initiatives | Initiatives in place by Target and peers across key ESG themes (1/2)





PEER COMPARISON

INITIATIVES

Best in class initiatives

/ NOT EXHAUSTIVE

Deep-dive on initiatives across the ESG themes available in the appendix

	Target	Peer 1	Peer 2	Peer 3	Peer 4
GHG Emissions 	PPA (Power Purchase Agreements) for ~78% renewable energy; carbon capture program for Scope 1 & 2 by 2025 and Scope 3 by 2030	Developed a ' Carbon Reduction Plan '; deployed smart building automation systems in data centers and purchases 100% REGO¹ backed energy	Its US data center operates completely on wind power while in UK and Germany, 100% of electricity comes from renewable sources	All data centers run on 100% renewable energy ; 20% power from PPA by 2035; reduced storage power consumption by 20% through densification of storage servers	Reduced energy consumption by 50% by installing a heat removal system; purchases REGO¹ certified renewable electricity
Water Stewardship 	Measures Water Usage Effectiveness (WUE) for datacenter operations (0.17-0.20 L/kWh in 2021)	Utilizes condensate from HVAC units for landscaping and cooling towers; uses stored rainwater for flushing systems	<i>No information available</i>	Measures WUE for datacenter operations (0-0.15 L/kWh in 2020); installed an adiabatic cooling system consuming minimal water	<i>No information available</i>
Waste Management 	Recycles components to expand their overall lifecycle with ~ 20% components being in their 2nd or 3rd lifecycle ; servers are fully recyclable , with components easy to reuse, recycle and repair	Implemented battery recycling programs ; maintains 100% equipment packaging waste recycling and zero landfill sites	Recycles and disposes of servers that are at the end of their service lives	Increased avg. lifespan of equipment through preventive measures (~ 80% of servers have >7 years of stock age); has block storage offering built out of recycled materials	Reuses and recycles materials and disposes of waste in an environmentally responsible way
Labor Practices 	Offers childcare services, 24x7 medical center and an Employee Assistant Program (EAP) ; implements working time adjustments for disabled and senior employees	Has several resource groups for employees which support working parents, supporting mental and physical wellness; provides trainings and learning opportunities via its '52+ Learning Hours' program	ABC training series for new in-house staff; operates a central training portal to provide training and e-learning opportunities	Partnered with ABC, a networking platform for women ; has a progressive remote working policy which takes stock of impact of remote working on mental health	Enhanced its employee benefits package to include paternity, adoption leave ; revamped its brand values with " People First " at the core

Note: (1) Renewable Energy Guarantees Origin
Source: Company websites and reports, Lit search

ESG initiatives | Initiatives in place by Target and peers across key ESG themes

(1/2)





PEER COMPARISON

INITIATIVES

Best in class initiatives

/ NOT EXHAUSTIVE

Deep-dive on initiatives across the ESG themes available in the appendix

	Target	Peer 1	Peer 2	Peer 3	Peer 4
Diversity & inclusion 	A high proportion of women representation in leadership positions (~35%); has an annual budget to provide customized workstations for differently-abled employees	Achieved 4th consecutive perfect score (100) on the Human Rights Campaign's Corporate Equality Index and named the Best Place to Work for LGBTQ Equality for the 3 rd consecutive year	Signatory of the Diversity Charter¹⁰ , committing to creating a non-discriminatory working environment; organized a three-day conference "Diversity Days" and launched an LGBTIQ+ initiative, "queer.united"	Partnered with ABC to provide opportunities to disadvantaged women in the digital tech space; host workshops , as part of France Digitale's network for women and minorities	Partnered with Scotland's Empowering Women to Lead Digital Transformation leadership program
Cyber security & data privacy 	Granted the SecNumCloud label by the (ANSSI) in 2021 (data security standard for cloud service providers); Compliant with ISO27001¹ , ISO27017² , PCI DSS³ , HDS⁴ , etc.	Offers security solutions such as application security (WAF⁵, DDoS⁶ protection) , data protection (access policy, encryption); Accredited with ISO 27001/2¹	To improve security measures, it provides global distributed DDoS shield⁶ , Transport Layer Security (TLS)⁷ ; certified in accordance with ISO27001¹	Compliant with ISO27001¹ , HDS⁴ , SWIPO⁸ ; have alert systems that are activated in case of DDoS⁶ attacks, for all impacted servers to ensure data protection	A new security partnership with cyber security specialists ' e2e-assure ' to deliver proactive 24/7 security ; Accredited with ISO 27001¹
Business Ethics 	Whistleblower policy allows stakeholders to report any illegal and/or unethical behavior and has a Code of Ethics, Supplier Code of Conduct, Anti-Corruption Policy	Maintains a global whistleblower platform, ' Speak Up ', allowing employees and external stakeholders to report violations ; deals only with suppliers who uphold the same ESG standards	Introduced a new electronic whistleblower system in 2021 to report any violations or unethical practices	Implemented an internal Code of Ethics for all employees in direct contact with suppliers and third parties	Adopted the Quoted Companies Alliance (QCA)⁹ Corporate Governance Code , providing an outcome-oriented governance framework to support its business
National & intl. policies 	Fully compliant data centers located across Australia, Canada, France, Germany, Poland, Singapore, United Kingdom and United States serving 183 countries	Fully compliant data centers located across Australia, China, Germany, Hong Kong, Netherlands, United Kingdom and United States serving 120 countries	Fully compliant data centers located across Germany, Spain, United Kingdom and United States	Fully compliant data centers located across France, Netherlands and Poland serving 160 countries	Fully compliant data centers located across the United Kingdom

Note: (1) Standard on managing information security; (2) Security standard developed for cloud service providers; (3) Payment Card Industry Data Security Standard; (4) Implementation of measures keeping personal health data secure, confidential and accessible; (5) Web application firewall; (6) Anti - Distributed denial of service protects the cloud network from potential attackers; (7) Provides authentication, privacy and data integrity between applications; (8) A multi-stakeholder group facilitated by the European Commission to develop Codes of Conduct for the proper application of the EU Free Flow of Non-Personal Data Regulation / Article 6 "Porting of Data"; (9) A membership organization that enables principles-based, corporate governance code for small and mid-sized quoted companies in the UK; (10) A corporate initiative to promote diversity in companies and institutions | Source: Company websites and reports, Lit search

ESG Targets | Future targets set by peers and Target across key ESG themes


PEER COMPARISON



TARGETS

Best in class Second best in class

/ NOT EXHAUSTIVE

E



KPI	Target		Peer 1		Peer 2		Peer 3		Peer 4	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Scope 1 & 2 GHG emissions reduction^	N/A	Net zero (by 2030)	N/A	Net-zero (by 2045)	N/A	N/A	-1.5% (2020 vs. 2019)	N/A	3.6% (2021 vs. 2020)	Net-zero (by 2050)
Scope 3 GHG emissions reduction^	N/A		N/A		N/A	N/A	-69% (2020 vs. 2019)	N/A	86% (2021 vs. 2020)	
Share of renewable electricity (%)	78% (2021)	100% (by 2025)	100% (2021)	N/A	100% (2022)	N/A	100% (2020)	N/A	100% (2022)	N/A
Water Usage Effectiveness	0.17-0.2 (2021)	N/A	N/A	N/A	N/A	N/A	0-0.15 (2020)	N/A	N/A	N/A
Power Usage Effectiveness	1.1-1.3 (2022)	1.3 (2025,2030) ²	1.15 (2015) ³	N/A	N/A	N/A	1.4 (2020)	<1.15, 1.3 ⁴	N/A	N/A
<div>S</div> <div>  </div>	Gender pay gap (median / average)	N/A	N/A	18% / 15% (2021) ⁵	N/A	N/A	N/A	0% (2022)	7% / 15% (2020)	N/A
	% of female employees	N/A	N/A	N/A	N/A	32% (2021)	N/A	19% (2020)	N/A	N/A
	Female leadership representation (%)	33% (2022)	N/A	22% (2022)	N/A	18% (2021)	N/A	38% (2020)	N/A	27% (2022)
	Female representation on the board	38% (2022)	N/A	11% (2022)	N/A	25% (2022)	N/A	N/A	N/A	14% (2022)
<div>G</div> <div>  </div>	ESG champion / Sustainability committee	✓		✓		✓		✓		N/A
	Ethics helpline / whistleblower policy	✓		✓		✓		N/A		✓

Note: (^) Negative numbers indicate an increase
Source: Company websites and reports, BoardEx

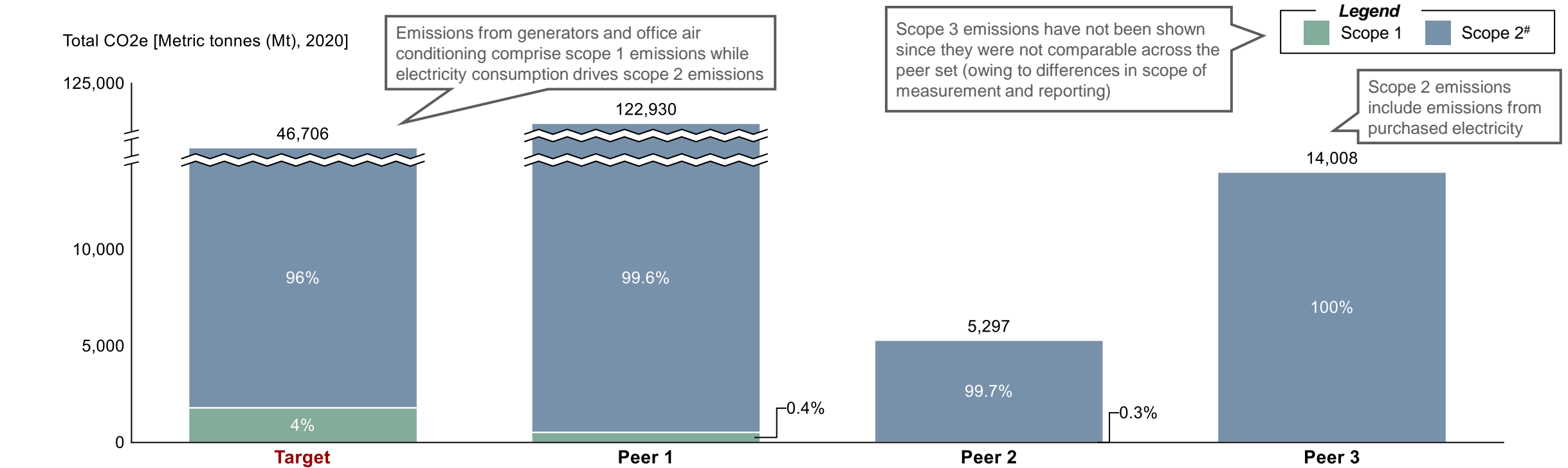
ESG Reporting | Target performance on Scope 1 and 2 emissions intensity in comparison to peers

PEER COMPARISON

GHG EMISSIONS

/ PRELIMINARY

Scope 2 emissions form the largest part of GHG emissions driven by high electricity consumption by datacenters



PUE*	1.1-1.3	1.2^	1.4	-
Scope 1+2 emissions intensity (Mt / €M revenue)	74	52	65	109
Revenue, 2020 (in €M)	632	2,374	82	129

Note: (#) Location-based figures used, where available; (*) Power usage effectiveness – indicator for measuring the energy efficiency of a datacenter; lower score signifies higher energy efficiency
 Source: Company reports

Customer lens – backup | Supplier guidelines set in place by Target's customers across key ESG themes (1/2)

MATERIALITY

CUSTOMER LENS

/ NOT EXHAUSTIVE

Customer 1

Customer 2



- Suppliers are required to make **disclosures** in relation to legislations such as **streamlined energy and carbon reporting regulations**
- Support suppliers to use **less energy** and switch to **low-carbon energy sources**



- Suppliers must work on **reducing GHG emissions, preventing pollution, and contributing to a low-carbon economy**



- Performs a **supplier pre-qualification assessment** to check compliance with UN regulations on labor practices (e.g., 1948 UN Universal Declaration, 1998 ILO Declaration, UNGC¹)
- Suppliers must avoid any form of **forced or child labor, and pay fair wages** according to applicable laws



- Suppliers must provide employees with a **healthy working environment** and adopt appropriate EH&S³ measures for all personnel
- Suppliers must comply with tax and social obligations and **remunerate employees in accordance with applicable laws**



- Suppliers are expected to comply with the **Equality Act 2010²**; recruit, develop, and promote based on professional abilities, and **treat everyone fairly** and with respect
- Suppliers must have **robust and clear data to measure DE&I¹ progress**, including necessary disclosures regarding payment practices, gender pay gap statistics, etc.



- Suppliers are required to promote the principles of DE&I¹ and **refrain from any form of discrimination** based on gender, race, disability, sexual orientation, trade union membership, etc.
- In the UK, initiatives are in place to open access to the group's supply chain for **SMEs, women-owned businesses, and diverse-owned businesses**



- Suppliers must demonstrate an **EDFR⁴-compliant approach to handling proprietary or confidential information**, comply with applicable privacy and **information security laws**, and provide **support during audits** by EDFR⁴



- Suppliers need to **comply with all laws and regulations** and company guidelines relating to the **protection of personal data** including identification information and commercial data



- Suppliers must ensure that employees have a **channel available for reporting serious concerns in a confidential manner** independent of the normal line-management reporting structure
- Suppliers are expected to maintain controls to identify conflicts of interest, and ensure that the **risks of such conflicts are mitigated**



- Suppliers must **prohibit all forms of corruption** and influence peddling, undertake to **avoid conflicts of interest**, and comply with applicable laws



- Suppliers must promote a **circular economy**, and **manage waste** by reducing it to a minimum and **maximizing its recycling**

Note: (1) UN Global Compact; (1) Diversity, equity and inclusion; (2) UK law that protects people from discrimination in the workplace and in wider society; (3) Employee health and safety; (4) EDF Renewables
Source: Company websites, company supplier code of conduct, sustainability reports

Customer lens – backup | Supplier guidelines set in place by Target's customers across key ESG themes (1/2)

MATERIALITY

CUSTOMER LENS

/ NOT EXHAUSTIVE

Customer 3

Customer 4



- Suppliers must comply with applicable local environmental laws and encourage the use of processes and materials that **support sustainability of the environment throughout the supply chain**



- Plans to screen and report suppliers on environmental risks such as **handling, collection, storage, and disposal of waste** in line with Germany's new Supply Chain Act that will come into force in January 2023



- Suppliers must treat all workers with respect and prohibit any harsh or inhumane treatment, and mitigate any adverse **human rights impacts**
- Suppliers must provide a **clean, safe and healthy work environment** in compliance with mandated standards, and take precautions to protect everyone from **workplace injuries and occupational disease**



- Plans to **screen and report suppliers on water consumption, and any unlawful use of water resources** based on Germany's new Supply Chain Act that will come into force in January 2023



- Suppliers are required to ensure that employment (including hiring, payment, advancement, termination and retirement) is based on ability and **not on discriminatory beliefs or any other personal characteristics** such as sex, race, color, political beliefs, trade union activity etc.



- Monitors social and labor standards of suppliers** through supplier-provided documentation, **audits, inspections, and/or sustainability reports**
- Plans to screen and report suppliers on human rights, OH&S¹, freedom of association, adequate wages, etc. based on Germany's new Supply Chain Act that will come into force in January 2023



- Suppliers must **carefully handle, discuss and transmit confidential information** and ensure that all **personal information and data systems are controlled in compliance with applicable laws** and regulations



- Suppliers and business partners are required to comply with the **information security and data protection/confidentiality** conditions which are included in the supplier code of conduct



- Suppliers should **refrain from engaging in any form of commercial bribery** and comply with laws of working with government officials
- Suppliers must **avoid interactions with Serco employees** that may result in a **conflict of interest**, and make Serco aware of any such conflicts



- Suppliers and business partners are required to comply with the **fair competition and profitable growth** conditions highlighted in the supplier code of conduct

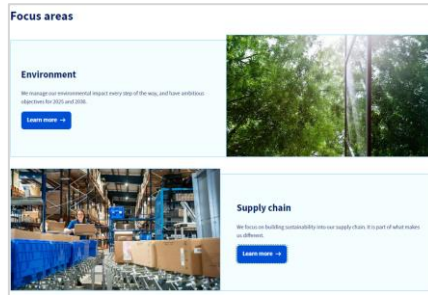
Note: (1) Occupational Health & Safety

Source: Company websites, company supplier code of conduct, sustainability reports

Material issues – back-up | Materiality assessment by Target and peers on key ESG focus areas (1/3)

INDUSTRY | UNDERSTAND WHAT MATTERS

Target Materiality Assessment (2022)



OUR RESPONSIBILITY AS A COMPANY	
20	Our "zero corruption" policy
36	How we combat money laundering and terrorist financing
24	Supporting our employees
26	Interacting with our ecosystem
28	How we protect the environment
30	How we protect personal data
32	How we manage confidentiality
34	Loyalty in our daily business
36	Our best practices for gifts and invitations
OUR RESPONSIBILITY AS AN EMPLOYER	
40	How we combat fraud
42	What we do to prevent insider trading
44	Our commitment to avoiding conflicts of interest
46	How we combat harassment
48	Respecting diversity and combatting discrimination
50	Health, safety and quality of work life
52	Respecting private life
54	Protecting our assets
56	Sharing our values
58	Partnerships, philanthropy and sponsorship

WHAT	HOW	KEY FIGURES
1 Energy Management Monitor our energy usage. Over 30% of our greenhouse gases emissions are directly linked to energy (Scope 1 & scope 2)	- Implement Power Purchase Agreements in Europe for high quality renewable energy supply - Go further than "Guarantees of Origin"	- 100% of renewable energy by 2025 - ISO 50001 (Energy management) certified
2 Digital Activities We are digital, and our solutions are used in many different ways: storage, compute, streaming, gaming, etc. We need to challenge the environmental impact of these solutions, and demonstrate the impacts to our customers.	- Measure cloud products consumption and share them with customers. Develop long-term research challenges related to digital impacts with Inria. - Monitor data with accuracy (real-time consumption, carbon footprint, etc.)	- API energy implementation by Summer 2022 - Carbon footprint implementation in manager by Summer 2022 - 4 years research partnership with Inria ongoing
3 Sustainable use of resources Optimizing hardware equipment lifespan, as limited resources are utilized for their production (energies, rare earths, water, etc.)	- Encourage circular economy amongst our partners - Develop a brand dedicated to products running on refurbished servers - Run life cycle assessment (LCA) of our servers - Implement ambitious supplier policy.	- New brand of refurbished servers by mid 2022 - Full LCA done <i>To go further, check our suppliers code of conduct</i>

4 Towards Net Zero: Carbon capture & biodiversity Our activity has little direct impact on biodiversity, but some impact on CO2 emissions. We are committed to having a positive impact on biodiversity, in addition to our carbon capture strategy. <i>Refer to our latest carbon balance</i>	- Map and audit risks related to biodiversity, in order to challenge our suppliers in their approach. - Implement carbon strategy program with positive biodiversity impacts.	- Carbon capture for incompressible emissions [scope 1 + 2] by 2025 - Carbon capture for incompressible emissions [all scopes] by 2030
---	--	---



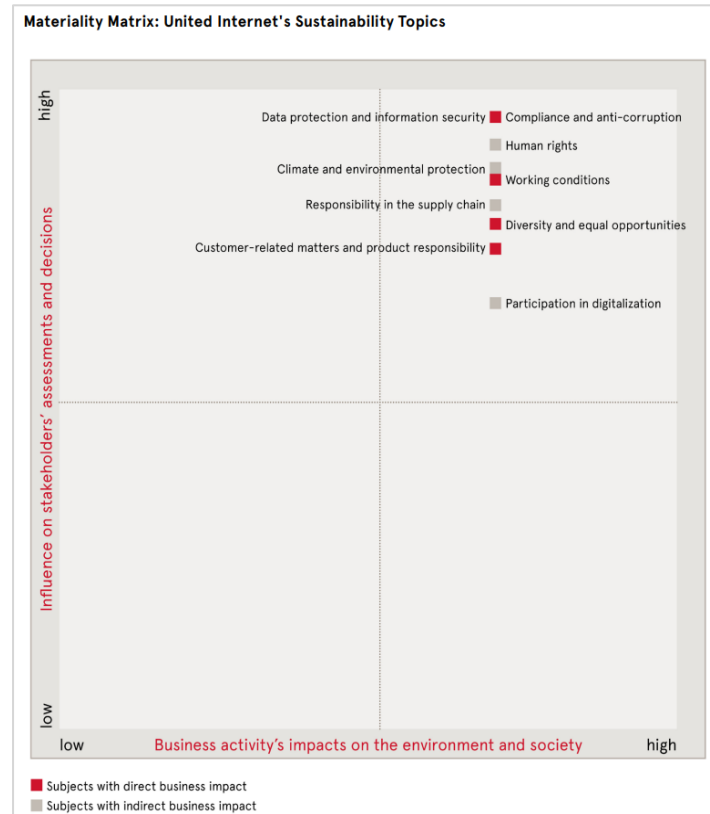
WHAT	HOW	KEY FIGURES
5 Industrial Ecodesign "Use smarter, use longer, use less." We apply this principle to our industrial model, including reused datacenters, refurbished components, and cooling optimizations.	- Keep mastership of servers assembling (France & Canada) - Capitalize on our already high recycling & repair rate - Work with partners for end-of-life sustainable valorization - Increase average age of our refurbished servers	- 4,5 years old: average age of OVHcloud's server - 45% of servers are made out of reused components - 24/33 datacenters are reused industrial buildings
6 Waste Management Thanks to our integrated industrial model, we already have an accurate overview of direct waste we generate: packaging, freight, employees waste, IT components.	- Engage discussions with suppliers - Monitor use of freight - Deploy "Sustainable workplace" with help of our employees - Find partners for waste reuse opportunities	- 0% waste to landfill by 2025 - 100% used components are valorized through brokers or recycling industry

Target highlights emissions, water stewardship, data privacy & security and business ethics as top material topics

Material issues – back-up | Materiality assessment by Target and peers on key ESG focus areas (2/3)

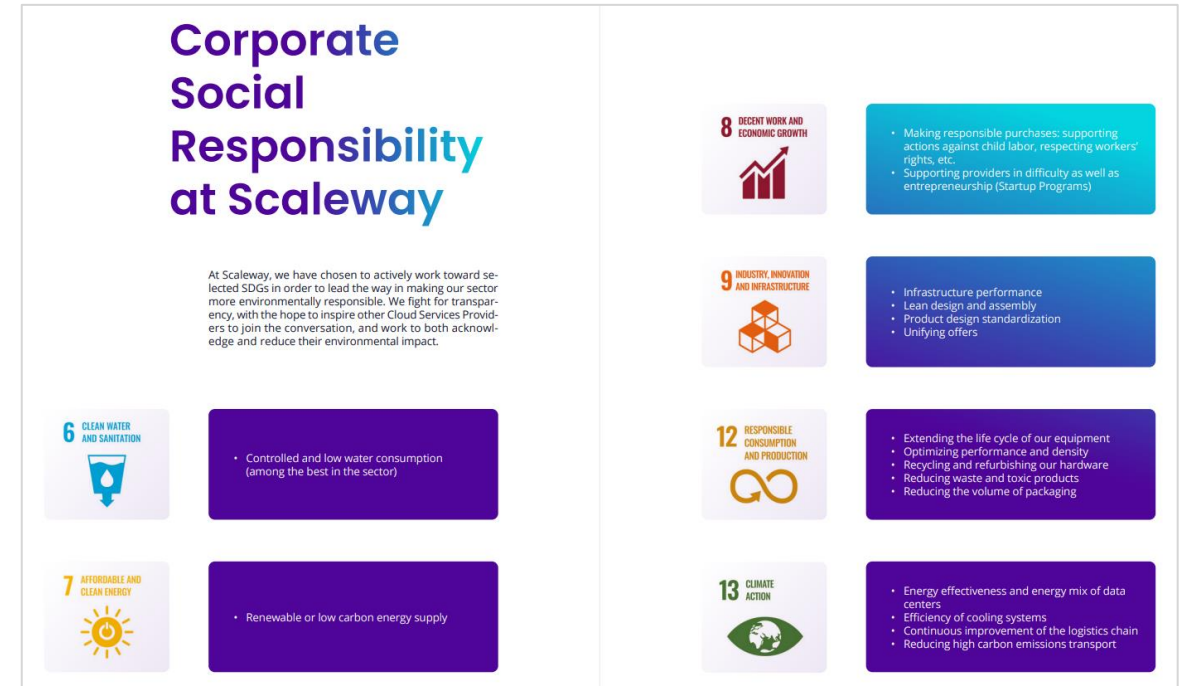
INDUSTRY | UNDERSTAND WHAT MATTERS

Peer 1 Materiality Assessment (2021)



Peer 1 highlights emissions, diversity & inclusion, data privacy & security and business ethics as top material topics

Peer 2 Materiality Assessment (2021)



Peer 2 highlights emissions, water stewardship, data privacy & security and business ethics as top material topics

Material issues – back-up | Materiality assessment by Target and peers on key ESG focus areas (3/3)

INDUSTRY | UNDERSTAND WHAT MATTERS

Peer 3 Materiality Assessment (2021)

Materiality assessment

Through our engagement with a third-party ESG advisory partner and polling of nine internal departments that represent a wide cross section of roles and operations at Rackspace Technology, we've identified the following specific areas of high priority for our ESG initiatives:

Social:

- Diversity, inclusion and belonging
- Employee engagement and satisfaction
- Employee recruitment, development and retention
- Discrimination and harassment

Environmental:

- Energy management and usage
- Renewable energy usage

Governance:

- Data privacy and cybersecurity
- Managing systemic risks from technology disruptions
- Business ethics and code of conduct
- Intellectual property protection and competitive behavior
- Whistleblower programs

Oversight and accountability for these initiatives

Moving forward, we will establish oversight for these initiatives at three levels: Board oversight, Executive ESG Committee oversight and our internal ESG Steering Committee:

Board oversight

The Board will contribute to oversight of ESG initiatives by providing advice and guidance on ESG management and the strategic roadmap for ESG efforts.

Executive ESG Committee

Our senior leadership will review strategic proposals with the Board and oversee the execution of decisions, with direct oversight of the ESG Steering Committee.

ESG Steering Committee

This cross-functional team of Rackers will assist with policy planning, the coordination of company-wide ESG efforts, managing the day-to-day implementation of company initiatives and maintaining accountability for our performance.



Peer 3 highlights emissions, diversity & inclusion, data privacy & security and business ethics as top material topics

ESG initiatives – backup | Target and peer initiatives across key ESG parameters

(1/4)

PEER COMPARISON

INITIATIVES

Lagging
At par
Leading

/ NOT EXHAUSTIVE

GHG emissions



Water stewardship



	Target	Peer 1	Peer 2	Peer 3	Peer 4
GHG emissions	<ul style="list-style-type: none"> Has an energy management system for data centers <ul style="list-style-type: none"> Power purchase agreements for renewable energy (78% in 2021) Planning to get ISO 50001¹ accredited Plans to launch a carbon capture program for Scope 1 & 2 by 2025 and for all 3 scopes by 2030 Part of Net Zero initiatives like Climate Neutral Data Center Pact⁴ and VMware Zero Carbon Committed⁵ initiative 	<ul style="list-style-type: none"> Published a 'Carbon Reduction Plan' in 2022 to achieve net zero emissions by 2045 Purchases 100% REGO² backed energy for the Slough data center and London HQ Deployed smart building automation systems in several corporate offices and data centers Participates in the Climate Change Agreement (CCA)³ to reduce energy use and CO2 emissions 	<ul style="list-style-type: none"> Uses a mix of local, renewable energy sources and carbon offset certificates to neutralize CO₂ emissions: <ul style="list-style-type: none"> In the US, its largest data center runs completely on wind power In the UK and Germany, 100% of the electricity for data centers comes from renewable sources Upgraded the AC system in 2020 at its largest data center in Germany, improving energy efficiency by 15% 	<ul style="list-style-type: none"> Regularly publishes Power Usage Effectiveness (PUE) and rDCE data⁶ All data centers run on 100% renewable energy; working on sourcing 20% of power from Power Purchase Agreements (PPA) by 2035 <ul style="list-style-type: none"> Agreements with energy providers ensuring their renewable energy have origin guarantee certificates Banning all products that have a harmful impact on ozone Densification of storage servers enabled it to reduce storage power consumption per GB by up to 20% 	<ul style="list-style-type: none"> Partnered with Schneider Electric to reduce carbon emissions Installed a heat removal system at the Glasgow data center, reducing energy consumption by up to 50% <ul style="list-style-type: none"> Received the "Best Use of Emerging Technology" honor in March 2022 for the impact it could have on carbon footprint of the data center industry Purchases REGO² certified renewable electricity across its UK data centers
Water stewardship	<ul style="list-style-type: none"> Measures Water Usage Effectiveness (WUE) for datacenter operations (0.17 - 0.20 L/kWh in 2021) 	<ul style="list-style-type: none"> Utilizes condensate from HVAC units for landscaping and feeding water to operate cooling towers Uses stored rainwater for all flushing systems Fitted water efficient fixtures in restrooms and break areas 	<p><i>No information available</i></p>	<ul style="list-style-type: none"> Incorporates Water Usage Effectiveness (WUE) as a metric to determine a data center's efficiency (0-0.15 L/kWh in 2020) Banned water cooling towers and installed an adiabatic cooling system which consumes minimal water Has closed circuits in data centers to reduce water loss (in 3 out of 4 data centers) 	<p><i>No information available</i></p>

Note: (1) Energy management certification (2) Renewable Energy Guarantees Origin; (3) A voluntary UK scheme for energy intensive industries; (4) A pledge of industry players and trade association of cloud infrastructure services and data centres in Europe to achieve climate neutrality by 2030; (5) A collaboration with cloud providers that operate energy and carbon-efficient data centers and have commitments to using renewable energy power; (6) Real Data Center Efficiency (rDCE) is a transparent industry index to show the actual use of water & energy in data centers | Source: Company websites and reports, Lit search

ESG initiatives – backup | Target and peer initiatives across key ESG parameters (2/4)

PEER COMPARISON

INITIATIVES

Lagging
At par
Leading

/ NOT EXHAUSTIVE

Waste management



Target

- Out of order components at the datacenters are sent to **certificated partners** to create **new raw materials**
- **Recycles and reuses components** to expand the overall lifespan (~20% components are in the second or third lifecycle)
- **Servers are designed** to be fully removable, with components chosen specifically for easy **reuse, recycle** and **repair**

Peer 1

- Maintains **100% equipment packaging waste recycling** and zero landfill sites where all waste is reused or recycled
 - Works with suppliers to ship equipment in reusable crates
 - Participates in recycling programs for paper, aluminum, plastic, cardboard, glass and e-waste
- Has implemented **battery recycling programs**

Peer 2

- Ensures that **servers are recycled** or disposed of properly at the **end of their service lives**
- In 2020, **recycled 172.39 tons of hardware**

Peer 3

- **Reuses and refurbishes** key components
 - Developed a **block storage** offering made with recycled materials
- **Reduces waste** by purchasing the exact number of components required
- Participates in **Digital Cleanup Day**
 - Separates and **recycles five types of waste** (paper/ cardboard, metal, plastic, glass and wood)
 - Has partnerships to recycle **WEEE²**
- **Increased the average lifespan** of equipment through **preventive measures** (e.g., corrosion prevention through osmosis)

Peer 4

- Disposes waste in an **environmentally responsible way to minimize pollution**
- **Reuses and recycles materials**
- **Environmental factors are assessed** when purchasing products and services

Labor practices



- Offers **childcare services** in France, **24x7 medical center** and an **Employee Assistant Program (EAP)** to improve quality of life at work and prevent psychosocial risks
- Developed XYZ to provide **coworking and collaborative spaces**, ergonomic workstations, etc.
- Implements **working time adjustments for disabled and senior employees**
- Has a **remote work policy** - 40 days per year of Home Office with flexible days

- Has several **resource groups for employee wellbeing** such as **ABC** (support for working parents), **XYZ** (supporting mental and physical wellness), **ABC** (bringing together its distributed workforce)
- **ABC three days of training for new hires** on the culture and business
- **Introduced 52+ Learning Hours** – employees accrue at least 52 hours annually toward **learning** via **trainings, solving customer problems, coaching, etc.**

- Signatory of the **ABC Initiative – committing to provide fair conditions** such as appropriate compensation and personal support
- **XYZ training series for new in-house staff**
- Has a **central training portal (1&1 Campus)** which bundles **training and e-learning offerings**, giving quick and easy access to development materials

- Set up an **internal academy** to train new engineers
- **Partnered with ABC**, a **networking platform** for women, to **connect** with experts, and get access to **training and learning opportunities**
- Implemented a **senior grid system** that assess the seniority level and salary grid of employees to **identify pay gaps**
- Has a **progressive remote policy** which measures the **impact of remote working** on employees' **mental health**

- **Revamped its brand values**, with **"People First"** at the core
- **Enhanced its employee benefits package** to cover paternity, sick, adoption leave, and enhanced maternity leave to 4 months' full pay and then 4 months half pay
- Rolled out a **Leadership Program** across the Group
- Introduced **flexible work arrangements** and changed core working hours to help families with childcare responsibilities

ESG initiatives – backup | Target and peer initiatives across key ESG parameters

(3/4)

PEER COMPARISON

INITIATIVES

Lagging
At par
Leading

/ NOT EXHAUSTIVE

Diversity & inclusion



Cyber security & data privacy



	Target	Peer 1	Peer 2	Peer 3	Peer 4
Diversity & inclusion	<ul style="list-style-type: none"> Supports associations such as Code First Girls² to promote training and employment for women in the IT sector Has ~35% female representation in leadership roles and ~40% female representation on the Board Has an annual budget of more than €40,000 devoted to customized workstations for differently-abled employees 	<ul style="list-style-type: none"> Achieved 4th consecutive perfect score (100) on the Human Rights Campaign's Corporate Equality Index (2021) Named a Best Place to Work for LGBTQ Equality for the 3rd consecutive year (2021) Seeks to increase the pool of diverse suppliers (such as Women, Military/Veteran, Minority and LGBT-Owned businesses) 9 Resource Groups to further diversity & inclusion 	<ul style="list-style-type: none"> Signatory of the Diversity Charter¹, committed to creating a non-discriminatory working environment Organized a three-day conference in 2021 with 35+ sessions on diversity Launched an LGBTIQ+ initiative, "ABC" Launched an internal podcast series featuring interviews on diversity issues, developed independently by the "Women explore" program 	<ul style="list-style-type: none"> Partnered with XYZ to provide opportunities to disadvantaged women in the digital tech space Hosts workshops, as part of France Digitale's network for women and minorities to discuss opportunities Implemented a Referral Bonus program targeted at recruiting more women 	<ul style="list-style-type: none"> Published its first Gender Pay Gap Report in 2020 Partnered with Scotland's Empowering Women to Lead Digital Transformation leadership program
Cyber security & data privacy	<ul style="list-style-type: none"> Granted the SecNumCloud label by the French National Cybersecurity Agency (ANSSI) in 2021 (data security standard for cloud service providers) Installed various security measures such as Anti-DDoS³, SSL Gateway Service⁴, etc. to protect digital infrastructure Compliant with ISO27001⁹, ISO27017¹⁰ certifications and other certifications including PCI DSS¹¹, HDS⁵, etc. 	<ul style="list-style-type: none"> Offers security solutions and services such as application security (WAF)⁶, DDoS³ protection, data protection (access policy, encryption), network security, etc. Datacenter operations conform to ISO 27001/2⁹ requirements 	<ul style="list-style-type: none"> Provides global distributed DDoS shield³, secure software development, Transport Layer Security (TLS)⁷, Georedundancy⁸ to improve security measures Certified in accordance with ISO27001⁹ 	<ul style="list-style-type: none"> Compliant with ISO27001⁹, HDS⁵, SWIPO¹³ certifications Has alert systems that get activated in case of DDoS³ attacks, and impact detection and automatic disconnection for all impacted servers to ensure data protection Developed in-house tools to erase data from drives to be recycled in a secure manner 	<ul style="list-style-type: none"> Announced a security partnership with cyber security specialists 'ABC' to deliver proactive security Has a data protection policy and information security management systems in place and is ISO 27001⁹ accredited

Note: (1) The Charta der Vielfalt is a corporate initiative to promote diversity in companies and institutions; (2) Code First Girls is a provider of free coding courses for women in the UK; (3) Anti - Distributed Denial of Service (DDoS) protects the cloud network from potential attackers; (4) A secure gateway allowing users to accept encrypted transactions; (5) Implementation of measures keeping personal health data secure, confidential and accessible; (6) Web application firewall; (7) Provides authentication, privacy and data integrity between applications; (8) Distribution of infrastructure across geographies; (9) Standard on managing information security; (10) Security standard developed for cloud service providers; (11) Payment Card Industry Data Security Standard; (12) An organization inspiring young people with the range of careers in Science, Technology, Engineering and Mathematics; (13) A multi-stakeholder group facilitated by the European Commission to develop Codes of Conduct for the proper application of the EU Free Flow of Non-Personal Data Regulation / Article 6 "Porting of Data" | Source: Company websites and reports, Lit search

ESG initiatives – backup | Target and peer initiatives across key ESG parameters (4/4)

PEER COMPARISON

INITIATIVES

Lagging
At par
Leading

/ NOT EXHAUSTIVE

Business ethics



Target

- Target has a **Code of Ethics, Supplier Code of Conduct, Anti-Corruption Policy** and **reporting platforms** to address corruption and other associated risks
- Has an **anti-corruption compliance program** and a **zero-tolerance policy** towards corruption
- ABC whistleblower policy** allows stakeholders to report any illegal and/or unethical behavior

Peer 1

- Maintains a **global whistleblower platform**, allowing employees and external stakeholders to **report violations** of the Code of Business Conduct and Business Ethics
- In accordance with its **Supplier Code of Conduct Guide**, Peer 1 **deals only with suppliers** who uphold the **same ethical, environmental** and **business standards**

Peer 2

- Introduced **ABC**, an electronic **whistleblower system** in 2021 to report any violations or unethical practices

Peer 3

- Implemented an **internal Code of Ethics** for all employees in direct contact with suppliers and third parties
- Ensures all **suppliers are aligned with the company's values**
 - Requires suppliers to submit **manufacturing reports** for all components purchased to analyze their **environmental impact** and **compliance** with all relevant laws

Peer 4

- Has **detailed whistleblowing, business ethics and anti-bribery policies** to maintain high ethical standards in all areas of work
- Adopted the **Quoted Companies Alliance (QCA)¹ Corporate Governance Code**, which provides an outcome-oriented governance framework to support its business

National and intl. policy



- Fully compliant data centers located across **Australia, Canada, France, Germany, Poland, Singapore, United Kingdom** and **United States** serving **183 countries**

- Fully compliant data centers located across **Australia, China, Germany, Hong Kong, Netherlands, United Kingdom** and **United States** serving **120 countries**

- Fully compliant data centers located across **Germany, Spain, United Kingdom** and **United States**

- Fully compliant data centers located across **France, Netherlands** and **Poland** serving **160 countries**











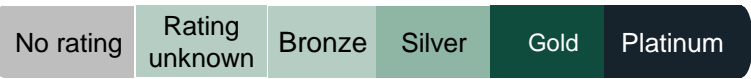
- Fully compliant data centers located across the **United Kingdom**

Note: (1) A membership organization that provides a principles-based, corporate governance code for small and mid-sized quoted companies in the UK
Source: Company websites and reports, Lit search

ESG maturity benchmarking back-up | Methodologies and interpretation differ across players– *Generalists and Carbon/Climate*

BENCHMARK AGAINST PEERS

/ PRELIMINARY / DIRECTIONAL

	Ratings provider	Description	Methodology	Rating interpretation
Carbon/ climate data providers	 CDP	<ul style="list-style-type: none"> Ranking provided are a factor of disclosure, awareness, management and leadership of carbon 	<ul style="list-style-type: none"> Weighted category scores for each level are then summed together to calculate the overall final score 	<p>Lowest score → Highest score</p> 
	REFINITIV 	<ul style="list-style-type: none"> Ratings provider focusing on public companies covering all ESG dimensions 	<ul style="list-style-type: none"> Data points are consolidated to 186 data points and 10 ESG category scores Pillar scores and pillar weights lead to ESG overall scores 	
Mainstream Generalist ESG data providers	 S&P Global Ratings	<ul style="list-style-type: none"> Ratings provider focusing on public companies covering all ESG dimensions 	<ul style="list-style-type: none"> Provides a total sustainability percentile rating derived from the total sustainability score and based on the S&P Global ESG Rank The ESG Profile score combines S&P Global Ratings assessment of three Profiles: Environmental (30%), Social (30%), and Governance (40%) 	
	MSCI 	<ul style="list-style-type: none"> Based on data available in public sources and proprietary research, it provides an investor focussed ratings 	<ul style="list-style-type: none"> For final score, weighted (contribution to resp. industry to E&S) averages of Key Issue Scores is aggregated & normalized by industries 	
	 SUSTAINALYTICS	<ul style="list-style-type: none"> Investor-focused ESG data and risk - ratings provider 	<ul style="list-style-type: none"> Framework uses data from public sources to measure company's exposure to industry-specific ESG risks 	
	ecovadis	<ul style="list-style-type: none"> Ratings provider specializing in private companies covering all ESG dimensions 	<ul style="list-style-type: none"> Weighted average of four pillars/ themes (Environment, Labor, Ethics, Sustainable Procurement,) rated 0-100 is taken for final rating 	

Note: For Bloomberg, robustness assessment is high however it might not be a preferred default choice for benchmarking/ teams because: (a) It republish data from other sources such as MSCI, Sustainalytics etc., hence not necessarily new data in case Bain access any of the sources leveraged by Bloomberg, (b) Data cannot be redistributed - internal use would not be plausible given contract rules

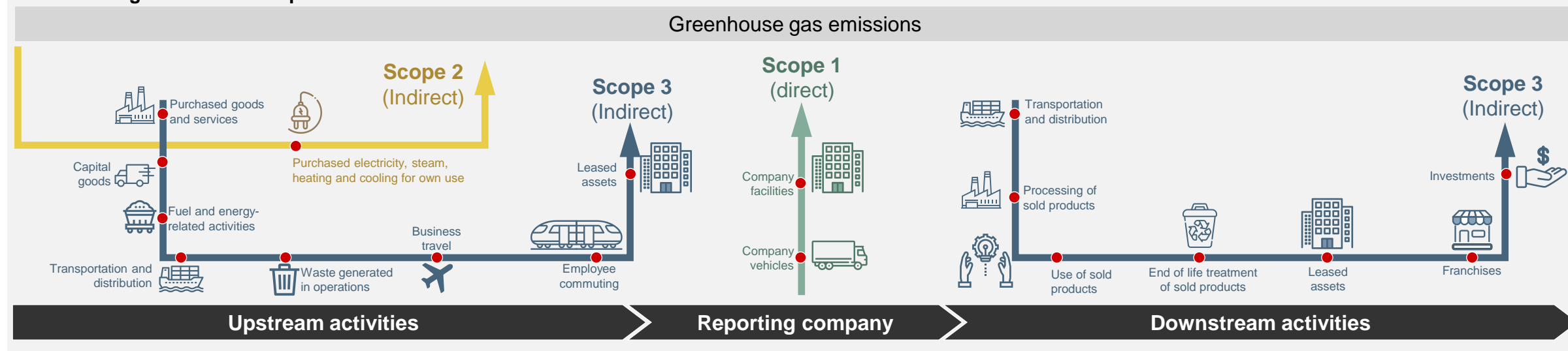
GHG emissions – back-up | GHG Protocol defines 3 ‘scopes’ of emissions to help companies understand, quantify, and manage greenhouse gas emissions

GHG EMISSIONS

	Scope 1	Scope 2	Scope 3
Description	• Emissions from assets owned or operated by the company	• Emissions from purchased electricity and fuel	• Emissions from all other value chain activities and end use of produced products
CP examples	<ul style="list-style-type: none"> Chemical and physical processing Transportation of products, waste and employees 	<ul style="list-style-type: none"> Purchased electricity to power office buildings and manufacturing plants 	<ul style="list-style-type: none"> Consumer use of sold products (e.g. cooking food, showering, washing clothes) Waste disposal

Increasing difficulty to address

Greenhouse gas emission scopes across the value chain



Source: IPIECA; Greenhouse Gas (GHG) Protocol

