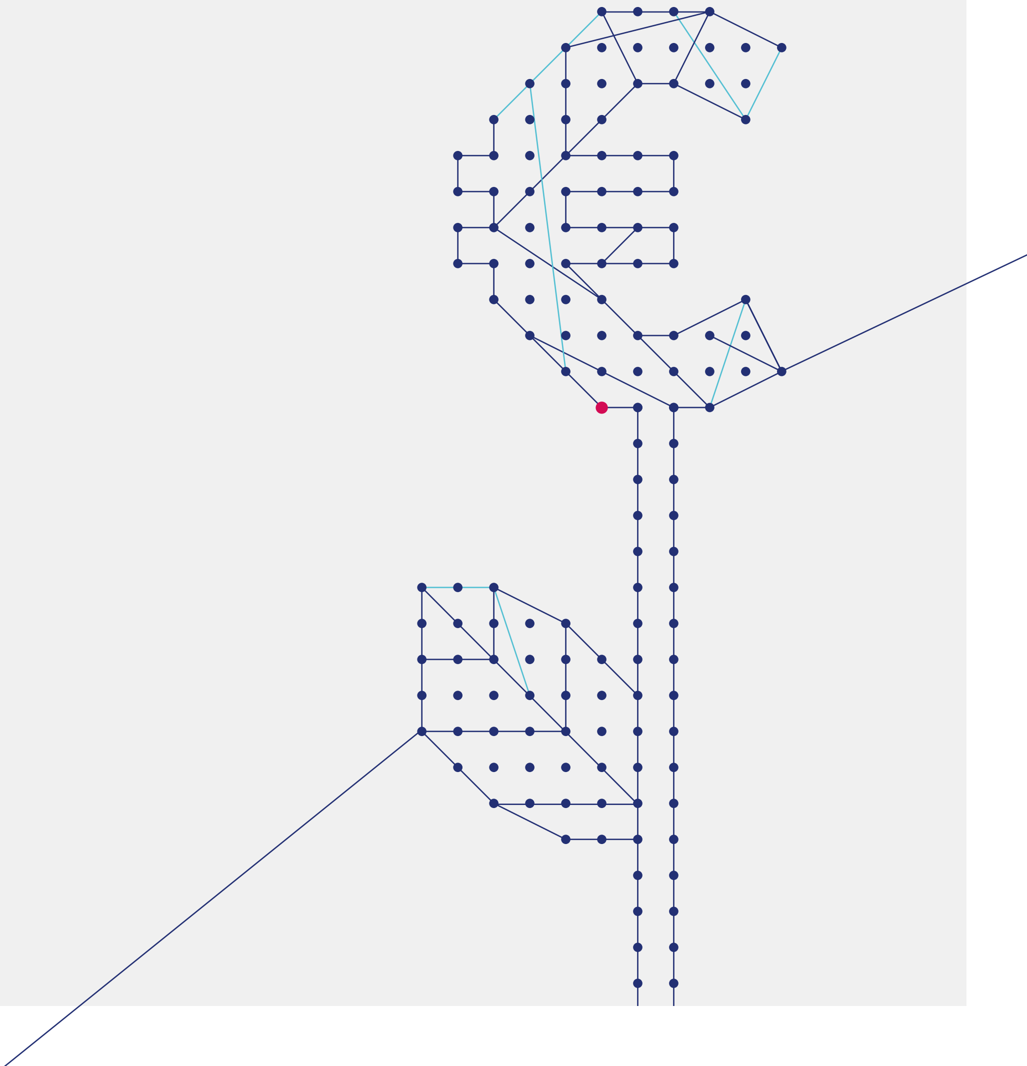
CDSB Climate Disclosure Standards Board

CDP DISCLOSURE INSIGHT ACTION

EU Environmental Reporting Handbook

What does environmental reporting look like in line with the EU Non-Financial Reporting Directive?



February 2020

About the Climate Disclosure Standards Board and CDP

CDSB's mission is to create the enabling conditions for material climate change and environmental information to be integrated into mainstream reports. This facilitates the assessment of the relationship between specific environmental matters and the organisation's strategy and financial performance for the benefit of investors.

CDSB does this by offering companies the CDSB Framework for reporting natural capital and environmental information with the same rigour as financial information. The CDSB Framework helps companies to provide investors with decision-useful environmental information via mainstream corporate reports, enhancing the efficient allocation of financial capital in support of sustainable and climate-resilient economies. Regulators also benefit from the compliance-ready materials that CDSB produces.

The CDSB Framework is composed of seven guiding principles and twelve reporting requirements. These set out the how and the what, respectively, for reporting relevant and material environmental and climate-related information in mainstream annual reports.

For more information, visit **cdsb.net** or follow us **@CDSBGlobal**.

We welcome your input and discussions. If you would like to comment on this document, please contact us at **info@cdsb.net**.

CDP wants to see a thriving economy that works for people and planet in the long term. To achieve this, it focuses investors, policymakers, companies, cities, states and regions on taking urgent action to build a truly sustainable economy.

CDP runs a global disclosure system that enables companies, cities, states and regions to measure and manage their environmental risks, opportunities and impacts. More than 8,400 companies respond to CDP's climate change, water security and forests questionnaires annually at the request of more than 525 investors with US$96 trillion in assets and 125 large purchasing organisations. CDP provides data users with critical financial and non-financial information to integrate sustainability into their investment and decision-making processes.

CDP's questionnaires gather both qualitative and quantitative information from across governance, strategy, risk, impact and performance. To aid comparability and ensure comprehensiveness, CDP includes sector-specific questions and data points; for example, the climate change questionnaire incorporates sector-specific questions for high-impact sectors, such as agricultural commodities, oil and gas, cement, and transport services. In 2018, CDP aligned its climate change questionnaire with the TCFD.

For more information, visit **cdp.net** or follow us **@CDP**.

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Chapter 1

Introduction

Introduction

Recent years have seen an increased appreciation of the need for decision-useful environmental, social and governance (ESG) information to help drive sustainable financial markets. As we obtain a better understanding of the potential risks associated with climate change and environmental degradation, companies are expected to provide evidence of how they are responding, to strengthen decision-making by investors, lenders, and insurers in allocating capital and in underwriting risks.

A large number of initiatives have emerged, many with the shared intention to improve the quality and consistency of corporate reporting. In Europe, one of the most significant developments has been the transposition of the Non-Financial Reporting Directive, and its entry into force in Member States legislation. It seeks to facilitate "relevant, useful and comparable information by undertakings".[1]

The Directive 2014/95/EU on the Disclosure of Non-Financial and Diversity Information the (NFR Directive) requires certain large companies to disclose information. More specifically, the NFR Directive requires these companies to disclose information on their business models, policies, risks and outcomes as regards to environmental matters, social and employee aspects, respect for human rights, anti-corruption and bribery issues, and diversity in their board of directors. The disclosures required on these matters should be "to the extent necessary for an understanding of the undertaking's development, performance, position and impact of its activity relating" to these matters.[2] Companies meeting the criteria for disclosure were required to disclose such information in a non-financial statement for the financial years commencing on or after 1 January 2017. As part of the European Green Deal, the European Commission will review the NFR Directive in 2020.

This Handbook follows on from CDSB and CDP's First Steps review of corporate climate and environmental disclosure under the EU Non-Financial Reporting Directive[3], and is an update to the EU environmental reporting handbook published in 2016. To demonstrate how companies have responded to the NFR Directive, this Handbook contains annotated examples of disclosures on environmental matters from annual reports of select European companies.

The examples are drawn from different sectors and across the five content categories of the NFR Directive to assist companies in understanding what reporting looks like in line with the NFR Directive, and how they can enhance their own disclosures. Suggestions made throughout the Handbook provide additional tips and offer examples of decision-useful information. While the examples are focused on environmental matters, the conclusions from the analysis may also be useful for reporting other non-financial information.

Each section is also mapped to the corresponding requirements of the CDSB Framework for reporting environmental information[4], the recommendations of the Task Force on Climate-related Financial Disclosure[5], and relevant questions of the CDP Climate Change Questionnaire[6]. This mapping is intended to help reduce the reporting burden for companies, demonstrate commonalities and synergies, and to ensure that information is connected across various reporting channels.

1 European Parliament and Council, Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (2014).

2 *Ibid*

3 Climate Disclosure Standards Board and CDP, First Steps: Corporate climate and environmental disclosure under the EU Non-Financial Reporting Directive (2018).

4 Climate Disclosure Standards Board, CDSB Framework for reporting environmental and climate change information (2019).

5 Task Force on Climate-related Disclosure, Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (2017).

6 CDP, Climate Change Questionnaire and Guidance (2019).

About the EU Non-Financial Reporting Directive

Where to report?

Companies required to disclose under the NFR Directive are expected to include a non-financial statement in the management report or the consolidated management report i.e. annual report for corporate groups. This shall also, where appropriate, include references to, and additional explanations of, amounts reported in the consolidated financial statements.[7]

Reporting non-financial information in annual reports allows investors to assess the relationship between specific non-financial matters and an organisation's overall strategy, performance and prospects. As a result, a more holistic picture of the inter-relationships between factors that affect their ability to create value is provided.

There is no specific requirement on where information should be disclosed in the annual report, i.e. a separate section in, or throughout, the annual report. The NFR Directive[8] further states that if a company prepares a separate report corresponding to the same financial year, Member States may exempt the undertaking from reporting this information in their annual report as long as the separate report is published within a reasonable period of time, not exceeding six months. In all instances, companies are required to comply with applicable national legislation.

What to report?

Under Article 19(a) and Article 29(a), companies are expected to disclose the following information under five content categories (specified in a) to e) below):

"Information to the extent necessary for an understanding of the group's development, performance, position and impact of its activity, relating to, as a minimum, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, including:

(a) a brief description of the [undertaking/group's] business model;

(b) a description of the policies pursued by the [undertaking/group] in relation to those matters, including due diligence processes implemented;

(c) the outcome of those policies;

(d) the principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the group manages those risks;

(e) non-financial key performance indicators relevant to the particular business.

Where the [undertaking/group] does not pursue policies in relation to one or more of those matters, the [consolidated] non-financial statement shall provide a clear and reasoned explanation for not doing so."[9]

Which companies are required to disclose matters stated in the NFR Directive?

The NFR Directive applies to "large undertakings or parent undertakings of a group exceeding on their balance sheet ... [an] ... average number of 500 employees during the financial year".[10]

Article 19(a) of the NFR Directive applies to large undertakings and Article 29(a) corresponds to parent undertakings of large groups. These undertakings, which are public-interest entities, will have an average of 500 employees on their balance sheet during the financial year.

Public-interest entities are defined as "entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State".[11] However, the NFR Directive states that this categorisation should not prevent companies out of scope from voluntarily disclosing information for such matters.[12] For example, PostNord is a state-owned enterprise and has provided the relevant information in their annual report. However, as an enterprise jointly owned by the Swedish and Danish Governments, PostNord is not required under the NFR Directive to disclose relevant information but has chosen to do so regardless.

7 European Parliament and Council, Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (2014).

8 *Ibid*

9 *Ibid*

10 *Ibid*

11 European Parliament and Council, Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (2006).

12 European Parliament and Council, Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (2014).

Related corporate reporting developments
Since the requirements of the NFR Directive were introduced into national legislation across the EU Member States, a number of new initiatives have emerged that are intended to support and evolve corporate reporting. Some of these initiatives are mutually reinforcing with the NFR Directive.

The recommendations of the Task Force on Climate-related Financial Disclosure (TCFD): In June 2017, the TCFD's Final Report[13] outlined eleven recommended disclosures and seven principles for effective disclosure, designed to solicit consistent, comparable, decision-useful and forward-looking information on the financial impacts of climate-related risks and opportunities.

Updated Guidelines on Non-Financial Reporting: In June 2019, the European Commission (EC) published a supplement[14] to the non-binding Guidelines on Non-Financial Reporting (2017/C 215/01) to help companies report climate-related information.

Technical expert group on sustainable finance (TEG): The TEG, set up by the EC in July 2018, aims to assist in the development of the EU taxonomy, an EU Green Bond Standard, climate disclosure benchmarks and guidance to improve corporate disclosure.[15]

European Corporate Reporting Lab:
The European Financial Reporting Advisory Group (EFRAG) was tasked by the European Commission to set up the European Corporate Reporting Lab to stimulate innovations in the field of corporate reporting in Europe by identifying and sharing good practices. The Lab has produced its report on examples of good practice and scenario analysis in relation to climate change reporting under the NFR Directive and the TCFD recommendations.[16]

For a more comprehensive summary of the various initiatives and policy updates, please refer to the CDP publication "CDP and the EU Action Plan on Sustainable Finance".[17]

13 Task Force on Climate-related Disclosure, Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (2017).

14 European Commission, Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019).

15 EU Technical Expert Group on Sustainable Finance, Report on Climate-related Disclosures (2019).

16 European Reporting Lab, Project Task Force on Climate-Related Reporting, How to improve climate-related reporting (2020).

17 CDP, CDP and the EU Action Plan on Sustainable Finance: Outlining how CDP can help companies, investors, cities, regions and policymakers to deliver the EU's climate and environmental targets (2019).

Chapter 2

Examples of disclosures on environmental matters

The following examples are for illustrative purposes only. They are designed to help companies consider their own reporting practices in line with the expectations of the NFR Directive. However, local implementation of the NFR Directive may have introduced variations at the national level. In all instances, companies must comply with applicable legislation. The examples in this handbook should not be seen as good practice in the context of the entire annual report, but only as extracts of particular points of good practice in relation to the corresponding NFR Directive category.

Background

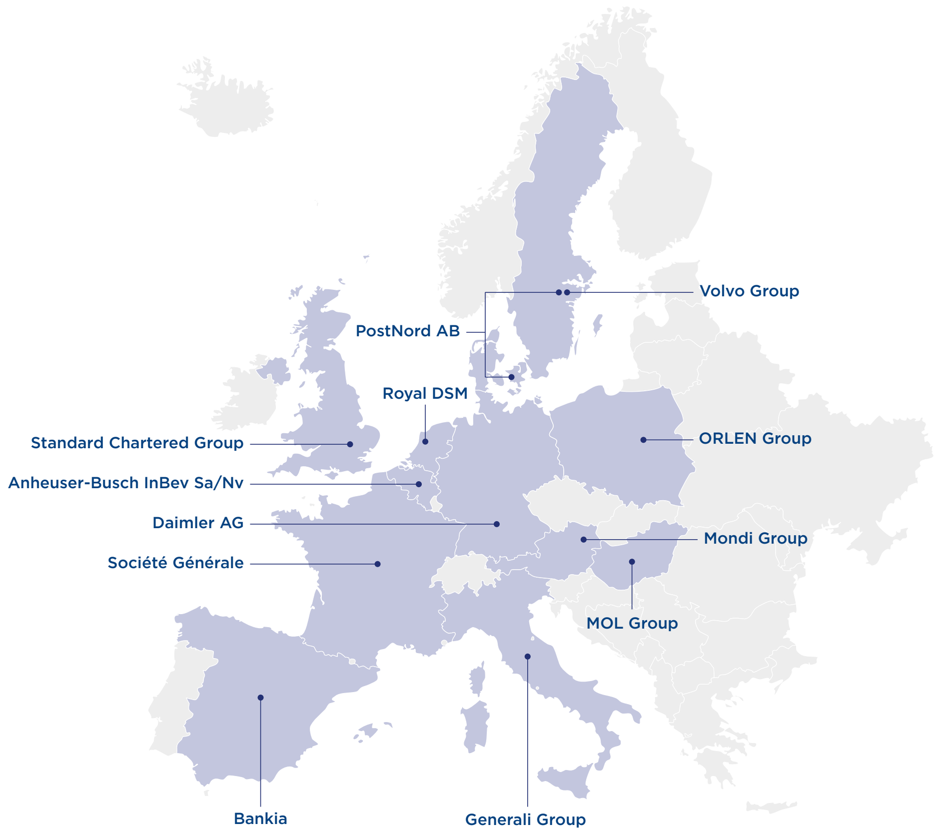
The CDSB Framework[18] sets out an approach for reporting environmental and climate information through mainstream reporting channels, such as the management report (i.e. annual report) referenced in the NFR Directive. The CDSB Framework's reporting requirements and principles has been used as criteria for identifying appropriate examples of reporting practice that satisfy the environmental requirements of the NFR Directive.

The following examples of good practice and recommendations for companies are presented in five sections. Each section corresponds to one of the five content categories outlined in Article 19(a) and its equivalent in Article 29(a) of the Accounting Directive (2013/34/EU). The content categories are also mapped to the corresponding requirements of the CDSB Framework, the TCFD recommendations, and the relevant questions of the CDP Climate Change Questionnaire to demonstrate commonalities and synergies across the reporting frameworks and standards.

Coverage of annual reports

The annual reports analysed contain the following companies incorporated in EU Member States, and covers a broad range of European countries.

Annual reports analysed	TCFD industry sector	Country
Anheuser-Busch InBev Sa/Nv	Agriculture, Food and Forest Products	Belgium
Bankia	Banks	Spain
Daimler AG	Transportation	Germany
Generali Group	Insurance	Italy
MOL Group	Energy	Hungary
Mondi Group	Agriculture, Food and Forest Products	Austria
ORLEN Group	Energy	Poland
PostNord AB	Other	Sweden/Denmark
Royal DSM	Materials and Buildings	Netherlands
Société Générale	Banks	France
Standard Chartered Group	Banks	United Kingdom
Volvo Group	Transportation	Sweden



18 Climate Disclosure Standards Board, CDSB Framework for reporting environmental and climate change information (2019).

(a) A brief description of the undertaking's business model

The following examples illustrate the way in which some companies communicate their business model. Many of these descriptions are in line with the International Integrated Reporting <IR> Framework's input, activities, output, outcome model by describing how various capitals are transformed by the business.[19]

As outlined in the EC's Guidelines on non-financial reporting, the business model should describe "an overview of how a company operates and the rationale of its structure, by describing how it transforms inputs into outputs through its business activities. In more simple terms, what a company does, how and why it does it."[20]

For further guidance on business model, companies are also encouraged to refer to the relevant sections of the CDSB Framework, CDP Climate Change Questionnaire and relevant core element(s) of the TCFD recommendations as shown in the table below.

CDSB Framework requirements	CDP Climate Change Questionnaire	TCFD recommendations
REQ-02 Management's environmental policies, strategy and targets	Business Strategy (C.3)	Strategy

Recommendations for companies to enhance business model disclosures

- Apply the guidance and structure of the <IR> Framework to demonstrate how value is created using the different capitals as inputs and outputs. The input, output, outcomes model from the <IR> Framework provides a clear and understandable structure for this information.
- Link the business model to the company's strategy and policies to provide a broad understanding of how the company operates.
- Describe the contextual information about the main trends and facts that could affect the business, as it is helpful and can be used to explain the company's policies and strategies.
- Present the Key Performance Indicators (KPIs) as part of the business model to explain the links between organisational strategy, policy outcomes and performance.

19 International Integrated Reporting Council, The International <IR> Framework (2013).

20 European Commission, Guidelines on non-financial reporting (methodology for reporting non-financial information) (2017).

Generali Group
Annual Integrated Report and Consolidated Financial Statement 2018

Our purpose and the value creation

EXTERNAL CONTEXT

FINANCIAL CAPITAL
HUMAN CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
INTELLECTUAL CAPITAL
MANUFACTURED CAPITAL
NATURAL CAPITAL

Generali Group describe the inputs to the business, including those related to natural capital.

The Generali 2021 strategy, p. 16-17

Our strategy

Our governance

Our governance and remuneration policy, p. 34-39

In defining its new strategic plan, Generali has identified a new purpose representing an evolution of its previous vision and mission:

Enable people to shape a safer future by caring for their lives and dreams

It is the essence of what Generali does for its clients every day.

The business model also links to the company's vision and strategy.

Our **sustainable value creation** is reflected in an integrated offering of Life, P&C and Asset Management products, which is fundamental for customers who seek complete solutions to protect their quality of life, now and in the future.
We distribute our products and we offer our services based on a multi-channel strategy: the guidance of our agents will be essential to provide our customers with customized products that meet their needs, including with the support of new technologies.

The Generali 2021 strategy, p. 21

Challenges and opportunities of the market context, p. 31

BRAND

LIFE-TIME PARTNER

Social and relationship capital
Natural capital

Challenges and opportunities of the market context, p. 28-33

VALUES

Deliver on the promise
Value our people
Live the community
Be open

CULTURAL TRANSFORMATIONAL AREAS

Ownership
Simplification
Human touch
Innovation

Intellectual capital
Manufactured capital
Human capital

The Generali 2021 strategy, p. 16-20

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/real-estate-investments for further information on sustainable real estate investments

This diagram provides a clear depiction of how the company creates value by describing the inputs, activities and outcomes. This provides a good overview of the company.

Further information is disclosed throughout the report to explain the company's structure, objectives and business environment in which it operates. These sections are clearly referenced making the report easier to navigate.

Further information from page 28 includes information about the business environment and macroeconomic context in which the company operates.

Deliver on the promise

At 31 December 2018, Generali reached and surpassed its financial targets of more than € 7 billion in cumulative net operating cash in the 2015-2018 period and an average operating return on equity of more than 13%. The proposed 2019 dividend per share will enable Generali to reach and exceed the target of more than € 5 billion in cumulative dividends in the 2015-2018 period.

> € 7 bln cumulative net operating cash 2015-2018
> € 5 bln cumulative dividends 2015-2018
> 13% average operating RoE 2015-2018

Financial capital

www.generali.com/investors/investing-in-generali/goals-and-results for further details on the achievement of 2015-2018 strategic objectives

Value our people

We value our people, encourage diversity and invest in continuous learning and growth by creating a transparent, cohesive and accessible working environment. Developing our people will ensure our company's long-term future.

Human capital

The Generali 2021 strategy, p. 18-20

Live the community

We are proud to belong to a global Group with strong, sustainable and long-lasting relationships in every market in which we operate. Our markets are our homes.

Social and relationship capital
Natural capital

The Generali 2021 strategy, p. 21-23

Be open

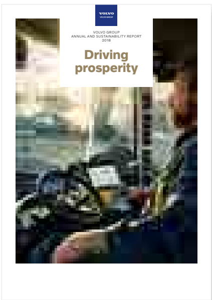
We are curious, approachable and empowered people with open and diverse mindsets who want to look at things from a different perspective.

Social and relationship capital
Intellectual capital

The Generali 2021 strategy, p. 16-20

Challenges and opportunities of the market context, p. 30

Extract from page 26-27
generali.com/investors/reports-and-presentations/report-archive#2018



Volvo Group
Annual and Sustainability Report 2018

As part of their business model section, Volvo Group provides contextual information about the main trends and factors that may affect their future development.

KPIs and outcomes are also disclosed here to demonstrate the interconnectedness between the business model, policies and outcomes.

Investing in the future

Product development is influenced by customers' needs, legislation, changes in society and new technologies. There are strong trends such as automation, electromobility and connectivity that need to be balanced with investments in development of current technologies.

FACTS

- In 2018 investments in research and development amounted to SEK 15.9 (16.1) billion, 4.1% (4.8) of Group net sales.
- Around 95% of the environmental impact from a truck occurs during the use phase. Therefore sustainable solutions are an integral focus for our product development.
- In 25 years the fuel consumption of a 40 ton total weight truck has been reduced by 19% and NO_x emissions by 98%.
- The Volvo Group's safety ambition is zero accidents involving our vehicles and equipment.

Global Development Centers

All our product development is based on the future needs of our customers. We will offer them products and services that help them support their customers with the most efficient transport solutions. The working environment for drivers and operators shall be pleasant and safe, and our products fuel-efficient with high productivity while fulfilling all requirements on emissions standards, safety standards, data protection and more.

New technology areas such as automated driving, electric vehicles and connectivity will reshape the industry and the society we live in. However, the speed of the transition is uncertain and we will therefore need to balance our product development investments between well-known and new technologies.

Automation, electromobility and connectivity have huge potential to raise productivity and safety and to reduce the environmental impact, but it will take time before we can fully utilize these opportunities. Our engineers need to continue to innovate and develop the well-known technologies to make engines and transmissions more fuel-efficient with lower emissions, to further reduce the weight of the vehicles, and make them more aerodynamic, and to ensure that the cabs are further adapted to the needs and demands of drivers and operators. Innovative ideas are equally important in well-known technologies and in new technologies. We firmly believe that there is still huge potential in well-known technologies. The Renault Trucks research and development project, Optifuel Lab 3, is one good example of the possibilities we see in well-known technologies (see page 53).

In parallel with developing well-known technologies, we have embarked on a journey toward increased automation, electromobility and connectivity. Each of these technology areas has the potential to impact the mobility of goods and people. When they converge, they will radically transform the transport industry. To ensure we remain on the frontline of these technology areas we have established three organizations focused on each of these areas.

We also need to work more in partnerships with other companies, universities and suppliers to find the best solutions for the future. One good example of this is our cooperation around future sustainable mining (see page 52). Furthermore, we need to work even more integrated with our customers to ensure that the features we develop are useful for them and that we can work together to develop the new business models needed. The Vera project is a good example of this way of working (see page 22).

The trends are used to justify the company's policies and strategies, with some information about future plans.

Extract from page 48
volvogroup.com/en-en/events/2019/mar/annual-and-sustainability-report-2018.html

(b) A description of the policies pursued in relation to those matters, including due diligence processes implemented

To provide clarity on the information that may be reported in accordance with this content category, the recommendations and guidance from the CDSB Framework[21] were explored. Information reported according to this content category may include, for example, strategies to respond to risks and opportunities, as well as policies and strategies supported through participation in, or endorsement of, sustainability initiatives, regulatory or voluntary schemes.

Policies are defined by the EC as those pursued in relation to the company's approach, objectives and plans to address the key non-financial aspects.[22] Specifically, due diligence is defined as the processes a company takes related to policies and risk management to ensure that they are able to deliver against the defined objective.[23]

For further guidance on environmental policy disclosures, companies are also encouraged to see the relevant sections of the CDSB Framework, CDP Climate Change Questionnaire and core elements of the TCFD recommendations as shown in the table below.

CDSB Framework requirements	CDP Climate Change Questionnaire	TCFD recommendations
REQ-01 Governance	Governance (C.1)	Governance
REQ-02 Management's environmental policies, strategy and targets	Risks and Opportunities (C.2)	Strategy
REQ-06 Outlook		Risk Management

Recommendations for companies to enhance policy disclosures

- Outline the policies clearly and include a rationale.
- Use materiality assessments and stakeholder engagement to provide a rationale for the policies.
- Link the company's policies to the strategy, including the processes and actions the company plans to take (due diligence).
- Clearly explain how these policies and strategies relate to, or support, the company's overall company-wide policies and strategies.
- Link the policies to the relevant targets, which should also have a clear timeline and attached KPI. This demonstrates how the company plans to measure and monitor the policies.
- Consider providing a forward-looking statement which looks at the future impact of these policies and strategies. This might include trends and factors that might affect the company's future performance.

21 Climate Disclosure Standards Board, CDSB Framework for reporting environmental and climate change information (2019).
22 European Commission, Guidelines on non-financial reporting (methodology for reporting non-financial information) (2017).
23 *Ibid*

Royal DSM
Integrated Annual Report 2018

The overall vision (purpose) of the company is explained, which is then linked to policies.

There is a description of the company's policies which are linked to initiatives and an engagement strategy with stakeholders.

"We cannot be successful, nor can we call ourselves successful, in a society that fails."

Feike Sijbesma, CEO/Chairman Managing Board

Our purpose is to create brighter lives for all

We use our bright science to create solutions for people today and generations to come. We use our scientific competences to deliver transformation at scale for as many people as possible, within the constraints of the world's resources. We aim to redefine how we live and work in order to create a fairer, more prosperous, and more sustainable society.

Businesses need to balance the need to generate profitable growth with the need to play a positive role in the world.

Ultimately, we aspire to be a company for all, creating value for all our stakeholders — customers, employees, shareholders, and society at large — and building a stronger legacy and brighter future for generations to come. This is important because:

- *Customers* prefer to work with suppliers who share their values
- *Employees* seek meaning in their work and increasingly want to make a positive contribution
- *Shareholders* prefer to invest in companies that demonstrate beneficial social and/or environmental impact alongside a solid financial return
- *Society at large* ultimately determines our license to operate

By ensuring that these objectives go hand in hand, we will be more appealing to investors, attract the best talent and the most innovative customers, and build the right relationships with partners and governments around the world.

We are sharpening our focus and connecting our purpose, strategy and culture in order to inspire all our people and stakeholders to achieve more together. We are further evolving into a purpose-led, science-based company in Nutrition, Health and Sustainable Living.

Acting on our purpose

We make change happen in three ways:
Improve: we improve and adapt our own operational impact by further improving safety, decreasing our emissions and stepping up our use of renewable energy
Enable: we enable our customers and partners to deliver sustainable and healthy solutions for the planet and society
Advocate: we advocate for the future we believe in and fully accept our responsibilities as a member of society

We recognize the increased scale and impact of private companies in the global economy. Therefore, we take an integrated approach to our responsibilities. Our Brighter Living Agenda brings together many existing purpose-led initiatives and creates an actionable framework for further engagement with our stakeholders.

Purpose drives performance

By focusing on our purpose, we show that it is not only possible but actually beneficial to grow sustainably. We aim to achieve:

- More sustainability: by future-proofing our operations and reducing risk exposure and costs, through working with our value chains to reduce emissions and deal responsibly with energy and other resources
- More growth: by identifying consumer needs and responding with differentiated, science-based innovations, we can make a collaborative contribution to the Sustainable Development Goals together with our customers
- More engagement: by building employee motivation, connecting with ESG-committed investors, and advocating for the future we want for industry and society

There is a link between the policies and the performance, with some details provided about the company's planned strategies.

Extract from page 20-21
annualreport.dsm.com/content/dam/annualreport/ar2018/en_US/downloads/DSM-Annual-Report-2018.pdf

Anheuser-Busch InBev Sa/Nv
Annual Report 2018

The disclosure goes beyond climate change and describes policies in regards to water stewardship. This is also linked to social policies including work in local communities.

ADVANCING WATER STEWARDSHIP

As water resource challenges become increasingly magnified by climate change, we continue to ramp up our water stewardship efforts, taking an outward-in approach and seeking knowledge from key experts and major water conservation organizations. Coupling their guidance with our scale and management systems allows us to ensure a reliable, clean supply of water for both our operations and our local communities.

Our 2025 Water Goal aims to ensure that 100% of our communities in high stress areas will have measurably improved water availability and quality. This ambition correlates directly with UN Sustainable Development Goal #6 and aims to tangibly improve watershed health and livelihoods.

A results-based approach to watershed protection

Striving for measurable improvement in water availability and quality in high risk communities is a bold commitment—one that is grounded in our core belief that water security is a priority challenge to global sustainable development. We plan to lead a corporate shift toward measurability and accountability, ensuring that our local investments and programs translate into lasting impacts on water quality and availability for our communities and operations around the world.

To establish baselines for measurement and tracking techniques, we piloted watershed protection benchmarking initiatives in Mendoza, Zacatecas, Lusaka and Cape Town. We will apply our findings to the rest of high-stress sites by 2020 and share the results with our NGO and local community partners as well as our peers.

100%

Our 2025 Water Goal aims to ensure that 100% of our communities in high stress areas will have measurably improved water availability and quality.

A high-level KPI is provided alongside the policy, allowing the reader to have a better understanding of the company's targets.

There are not yet measurable indicators disclosed which are attached to this policy, however the company has made it clear that they are working towards establishing a baseline through participation in benchmarking initiatives.

Extract from page 43
ab-inbev.com/news-media/latest-headlines/2018-annual-report.html

(c) The outcome of those policies

The outcomes should present the performance of the company against the policies that were outlined in content category (b).[24] This information should be presented using qualitative or quantitative information, as appropriate, to provide the reader with a clear indication of the company's performance.[25]

For further guidance on outcomes of environmental policy disclosures, companies are also encouraged to see the relevant sections of the CDSB Framework, CDP Climate Change Questionnaire and core elements of the TCFD recommendations as shown in the table below.

CDSB Framework requirements	CDP Climate Change Questionnaire	TCFD recommendations
REQ-02 Management's environmental policies, strategy and targets REQ-05 Performance and comparative analysis	Targets and Performance (C.4)	Metrics and Targets

Recommendations for companies to enhance outcome disclosures

- Present results alongside the policies, strategies and targets to demonstrate how this information is interconnected.
- Explain how the outcomes will influence future plans and strategies.
- Describe the actions taken in line with the policies, including the results of these actions.
- Present the outcomes as a narrative and/or as quantified data using KPIs.
- Provide quantitative performance data for multiple years to allow for comparative analysis.
- State the underlying methodologies where quantitative data is used, detailing any changes to the methodology between reporting periods which may affect the results.
- Make the information clear and concise, using visuals, i.e. graphs, charts, diagrams.
- Provide explanations for any significant changes in the results, both positive and negative, and justify any missing data.

24 European Commission, Guidelines on non-financial reporting (methodology for reporting non-financial information) (2017).

25 Climate Disclosure Standards Board, CDSB Framework for reporting environmental and climate change information (2019).

PostNord AB

Annual and Sustainability Report 2018

PostNord AB provide a clear time-bound goal with a baseline.

The results are presented alongside the goal to provide the reader with an indication of the company's current position and performance.

The company describes the actions that they have taken and the outcomes of these actions. In some cases they also link these outcomes to future plans, demonstrating that the outcomes are used to inform future strategies.

Climate: Goals, actions, and results

Climate 2020

Goal: PostNord's total carbon dioxide emissions will reduce by 40 percent in relation to 2009 levels.

Results: At the end of the year, PostNord's carbon dioxide emissions had reduced by 35 (32) percent in relation to 2009. The reduction in 2018 was 3 (8) percent.

Comment: PostNord's climate goals, which are expressed in absolute terms, are extremely challenging as production in terms of numbers of parcels shipped is steadily increasing. The reduction in emissions during the year is a good step towards achieving our 2020 climate goal. This is a outcome we are very satisfied with, particularly in view of the increasing volume of parcels and legislation on biofuels that is curtailing the use of high-blend biofuels.

Greater capacity utilization

In PostNord's integrated production model, letters, parcels, and heavier goods are handled at the same location, and vehicles are used for all types of mail items. This helps to reduce emissions.

We are developing advanced IT solutions for planning, controlling, and monitoring production and transportation. We are also continuously developing our methods for efficient loading of vehicles and optimizing routes.

During the year, we undertook further work on building infrastructure, optimizing transportation, and developing IT solutions. Work on equipping all vehicles with telematics systems continued.

Energy-efficient buildings

PostNord is streamlining its use of its premises, including co-locating areas of business as part of its work on its integrated production model. This reduces the impact on the environment as smaller premises require less energy. We are also assessing and reducing our energy use with the help of new technology. Examples of technical solutions include motion-sensitive lighting, LED lights, and quick-closing gates.

During the year, we replaced the direct acting electrical heating in one of PostNord's major terminals with a heat pump system and put into operation two new terminals that meet GreenBuilding requirements. We also embarked on a project which involves individual electric meters being connected to the cloud. All data will be collected on a new portal, giving us a better picture of our energy use.

More trains, fewer planes

Transportation by air represents 3 (4) percent of carbon dioxide emissions. New legislation allowing us to deliver letters in two days instead of one enables us to reduce our use of air distribution. This change meant that emissions from planes reduced by 26 percent during the year.

In Sweden, PostNord's major sorting terminals are linked to the railway network and 66 percent of letter volume is moved between the terminals by train. In Norway, most parcel and pallet volume is carried by rail.

More electric vehicles

PostNord's aim is to electrify its transportation methods as far as possible. Around 28 (27) percent of PostNord's fleet is electric vehicles, mainly electric bicycles, tricycles, and small cars.

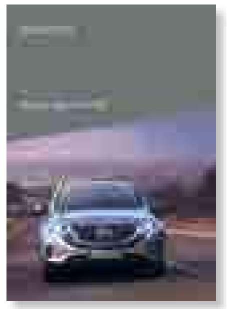
During the year, PostNord bought 355 new, small electric cars and additional electric bicycles. The company continued to support the development of an electrified road between Arlanda airport and its Rosersberg terminal, where an electric rail in the road can power and charge a fully electric lorry.

More biofuels

PostNord is working to increase the proportion of renewable biofuels it uses without using palm oil or residual products from palm oil. The proportion of renewable fuel used in PostNord's own and procured transportation services increased from around 22 to 26 percent in 2018.

Another way to reduce carbon dioxide emissions from vehicles is use of eco-driving techniques. All PostNord's drivers have access to training in eco driving. During the year, all vehicles in Sweden were provided with information on eco driving to make things even easier for drivers.

Extract from page 88
postnord.com/globalassets/global/sverige/dokument/rapporter/arsredovisningar/2018/postnord_eng_190327_index_final.pdf



Daimler AG
Annual Report 2018

Clean air

Target
In addition to climate protection, the improvement of inner-city air quality will continue to be an important environmental consideration in the future. Traffic still accounts for a considerable share of nitrogen oxide pollution near roads. Our fundamental goal is to fulfill emission requirements as far in advance as possible and to reduce potential risks for human beings and the environment.

Measures
Cutting-edge technologies are enabling us to steadily reduce the pollutant emissions of our cars and commercial vehicles. In doing so, we have set our sights not only on conventional gasoline and diesel engines but also on hybrid vehicles that combine conventional and electric drive technologies.

The introduction of the new diesel engine families consisting of the OM654, the OM656 and the OM608, as well as the increasing electrification of drive systems, will greatly help us to reach the emission targets.

Our plan for the future of diesel engines also includes the development of software updates for a total of more than three million vehicles owned by customers – significantly more than one million of which are in Germany. With the updates, we are improving the NO_X emission performance of our vehicles under real driving conditions by an average of 25 to 30%. Verification is with the use of the measuring cycles approved by the authorities (WLTC 1, 2, 3).

Daimler AG provide a clear description of their target alongside the current and future strategies and plans.

The outcomes of these policies are concisely summarised, with information about the results of the company's actions. This includes an explanation and justification of why the outcomes were as such.

After talks with the German Federal Ministry of Transport and Digital Infrastructure (BMVI) in June 2018 and by order of the German Federal Motor Transport Authority (KBA), Daimler is carrying out a mandatory recall of approximately 690,000 vehicles in Europe (including approximately 280,000 in Germany). The great majority of these vehicles were already covered by Daimler's program of voluntary service measures announced in July 2017. These measures are being implemented in close cooperation with Germany's vehicle registration agencies.

Daimler supports the German federal government's concept for clean air and the safeguarding of individual mobility. By means of an attractive incentive program in the defined priority regions, we are accelerating the renewal of the vehicle fleet. In this way, Daimler is making a significant contribution to the German government's concept in order to avoid any disadvantages for drivers of diesel-powered cars.

Following the coalition decision, in early October 2018, Daimler also announced its intention to participate in a hardware retrofit program for diesel vehicles in the defined priority regions as part of the German government's concept for clean air and the safeguarding of individual mobility. Within this context, Daimler is prepared to cover the cost of a hardware retrofitting up to a maximum value of €3,000 for Mercedes-Benz customers with Euro 5 diesel vehicles in the defined priority regions. The retrofitting must be developed and offered by a third-party supplier and approved by the German Federal Motor Transport Authority (KBA). In addition, it must demonstrably authorize entry into certain cities, including driving on roads affected by the driving ban. Daimler's aim is to promote the interests of its customers by creating transparency as to which hardware solutions third-party suppliers can offer, and when.

Result
Mercedes-Benz vehicles powered by the new diesel engines (OM 654, OM 656 and OM 608) emit between 40 and 60 milligrams of nitrogen oxide (NO_X) on average – during thousands of kilometers of driving on the road and under the conditions specified by the Real Driving Emissions (RDE) test. These figures are significantly lower than the current RDE emissions limit of 80 milligrams per kilometer multiplied by the correlation factor 2.1 (Level 1). The correlation factor was determined by an EU regulation to cover the usually higher nitrogen-oxide emissions in real operation for new vehicle types until the end of 2019.

The lower values are made possible by an innovative overall package consisting of the engine and the exhaust aftertreatment system. This package was launched with the new engine generation in 2016 and is being continually enhanced. The very good results have been repeatedly confirmed in road tests by organizations such as DEKRA and TÜV, as well as by various trade magazines.

Extract from page 207-208
daimler.com/documents/investors/reports/annual-report/daimler/daimler-ir-annual-report-2018.pdf

Standard Chartered Group
Annual Report 2018

Managing our environmental footprint

We aim to reduce the direct environmental impact of our operations, namely our branches and offices, which use paper, water and energy, and generate greenhouse gas emissions and produce non-hazardous waste. We do not produce material quantities of hazardous waste, and therefore do not measure or report on the production or handling of hazardous waste.

In 2008, we set long-term targets to reduce energy and water use by 2019. This year, we achieved our energy target for properties in temperate climates one year early. Overall, we reduced energy consumption by 45 per cent between 2008 and 2018 through measures including LED lighting, effective space management and more efficient use of fans, chillers and boilers.

Alongside the strategy, Standard Chartered Group present the results in a graphic form, which allows the reader to understand the year on year progress against the 2019 target.

The results are also described within the narrative. In some cases the results then provide context for future plans.

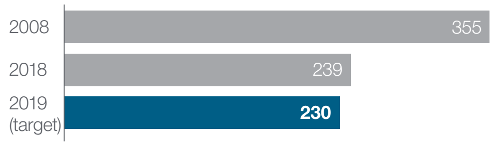
We are committed to managing water responsibly and reduced water use by 57 per cent between 2008 and 2018. We achieved this through a range of initiatives including ultra-low flow water devices. Although we have made good progress, we are currently not on track to achieve our target of 72 per cent reduction by 2019. Recognising that achieving the last part of the target will be the most challenging, we are working across our properties to find innovative ways to achieve the target. We did not have any issues sourcing water that is fit for purpose in 2018.

We aim to minimise waste and continued to reduce plastic use by introducing bio-degradable containers and cutlery into our on-site restaurants. We also extended our re-useable cup initiative to other geographies including the US and the UAE. It has saved more than 500,000 single-use cups since 2017. Rather than send non-recyclable waste to landfill, we aim to compost it or use it in energy generation. In total, these measures resulted in 46 per cent of waste being recycled or reused in 2018 – up from 24 per cent in 2017.

Annual energy use of our property (kWh/m²/year)

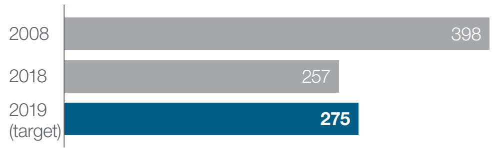
Tropical climate

33% Since 2008



Temperate climate

35% Since 2008



1 Tropical energy usage relates to cooling; temperate energy usage relates to both heating and cooling

Extract from page 50
av.sc.com/corp-en/content/docs/SCB_ARA_2018_FINAL.pdf

(d) The principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks

Companies are required to disclose the principal risks, including how the company intends to manage and mitigate them.[26] The environmental risks that may be disclosed, as listed in the CDSB Framework, could consider the potential implications for the company in terms of operations, supply chain, financial results or ability of the company to achieve the strategic objectives.[27]

For further guidance on principal risk disclosures, companies are also encouraged to see the relevant sections of the CDSB Framework, CDP Climate Change Questionnaire and core elements of the TCFD recommendations as shown in the table below.

CDSB Framework requirements	CDP Climate Change Questionnaire	TCFD recommendations
REQ-03 Risk and opportunities REQ-06 Outlook	Risks and Opportunities (C.2)	Risk Management

Recommendations to companies to enhance principal risk disclosures

- Give an overview of the company's approach to risk management, therein providing the context about how the company defines and manages risks.
- State the materiality assessment to convey how the company identifies and prioritises principal risks.
- Consider a range of environmental risks, including those outlined in the CDSB Framework.
- Refer to the TCFD recommendations which provide further guidance on how to disclose information about the process used to identify and manage climate-related risks and opportunities.
- Link the risks identified to the company's policy and strategy, with information about how the risks may impact on operations, supply chain, the business model and/or financial performance.
- Identify and state the causes and sources of the risks.
- Consider and disclose information about the timeframes over which the risks are likely to materialise, in addition to mitigation strategies in place or planned.
- Clearly define the timescales the company uses for short, medium and long term.

26 European Commission, Guidelines on non-financial reporting (methodology for reporting non-financial information) (2017).

27 Climate Disclosure Standards Board, CDSB Framework for reporting environmental and climate change information (2019).

Société Générale
Registration Document 2018

A governance framework set via climate related risk management

Risks associated with climate change[2] do not represent a new risk category, but rather an aggravating factor for the types of risks already existing in the Bank's risk management system (credit and operational risks, risk related to insurance activities, etc.).

Since 2017, CORISQ (a General Management Committee that defines the Group's risk strategy) has been informed about the risks associated with climate change. In defining credit risk appetite, CORISQ relies on the expertise of the CSR Department, which issues an opinion on environmental challenges for the business sectors concerned (for example the oil and gas sector, renewable energies, or the automotive sector).

In 2017, a mechanism for measuring the impact of a scenario related to the materialisation of climate change-related risks was integrated into the risk mapping presented to the Board of Directors' Risk Committee.

The Climate CORISQ meeting of October 2018 strengthened governance with a view to increasing the credit risk management capacity in the appropriation of climate challenges. This same Committee has set itself the goal of:

- defining and maintaining benchmark scenarios, and has gradually been integrating a climate vulnerability assessment for each client in the sectors sensitive to transition risks;
- approving credit policy guidelines for portfolios sensitive to environmental challenges and policies that do not have dedicated supervision.

> The approach to identifying and assessing climate-related risk is outlined through the governance framework.

EVALUATION OF TRANSITION RISKS

The approach adopted to measure the additional credit risk due to the transition risk corresponds to a vulnerability indicator defined during the annual renewal of internal ratings. The quantification method is inspired by that developed by the United Nations Environment Programme Finance Initiative (UNEP-FI)[3], to which Societe Generale has contributed alongside 15 international banks.

A 2040 scenario analysis was conducted on the lending portfolio under an assumption of the identical extension of the loans and the non-adaptation of borrowers. The impact of a 2°C transition scenario compared with a scenario of no transition measures shows a low impact overall, but a concentrated impact on segments producing particularly high carbon emissions. These results are in line with those shared with other European and American banks.

The Group plans to roll out the assessment of the "climate vulnerability" indicator for clients in the following sectors: oil and gas, metals and mining, electric utilities, and transport. When a client is identified as vulnerable, the client relations manager must issue an opinion on the client's ability to reduce this vulnerability (find all information on Risk typology in Chapter 4, p. 149).

> Société Générale provide specific information about how it evaluates transition risks in relation to credit risks, and the quantification methodology that they use.

> Future plans to address climate-related transition risk are briefly outlined.

> Société Générale's climate-related risk disclosures are aligned with the recommendations of the TCFD, as described in the previous section on page 271.

Extract from page 271-272
societegenerale.com/sites/default/files/documents/Document%20de%20r%C3%A9f%C3%A9rence/2019/ddr-2019_societe-generale_eng_version.pdf

Mondi Group
Integrated Report and Financial Statements 2018

It is clearly stated that sustainability risks are considered and included in the principal risks where relevant.

Mondi Group describe the materiality assessment it conducted to establish their principal risks.

Our principal risks

Over the course of the past year, the audit committee has reviewed the principal risks set out below.
In evaluating the Group's risk management and internal control processes, the committee has considered both internal and external audit reports and received confirmation from the finance directors of the business units that financial control frameworks have operated satisfactorily. The sustainable development risks are considered throughout our business and consolidated into the principal risks where relevant. These risks have been reviewed by the sustainable development committee during the year.

Key changes in the year

The majority of the Group's most significant risks are long-term in nature and in general do not change significantly in the short-term. The Group's principal risks are unchanged from prior year. During the risk review process the assessment of the principal risks was updated to reflect the developments in our strategic priorities. In addition, during the year, further analyses were performed to understand the risks and implications around climate change and the UK's exit from the European Union.

1. Industry productive capacity
2. Product substitution
3. Fluctuations and variability in selling prices or gross margins
4. Country risk
5. Capital structure
6. Currency risk
7. Tax risk
8. Cost and availability of raw materials
9. Energy security and related input costs
10. Technical integrity of our operating assets
11. Employee and contractor safety
12. Attraction and retention of key skills and talent
13. Environmental impact
14. Reputational risk
15. Information technology risk

Year-on-year changes to the principal risks are described.

Each of the principal risks are outlined in more detail, including the potential risk to the company, and ways in which the risks are monitored, mitigated and assured.

8 Cost and availability of raw materials

Potential impact

Access to sustainable sources of raw materials is essential to our operations. The raw materials used by the Group include significant amounts of wood, pulp, paper for recycling, plastic resins and chemicals. The prices for many of these raw materials generally fluctuate in correlation with global commodity cycles.

Wood prices and availability may be adversely affected by reduced quantities of available wood supply that meet our standards for credibly certified or controlled wood, the impact of climate change through increased frequency of severe weather events, changes in rainfall or increased instances of pest and disease outbreaks and increasing use of wood as a biofuel.

We have access to our own sources of wood in Russia and South Africa and we purchase wood, paper for recycling, pulp, and polymers to meet our needs in the balance of our operations. Where we source our raw materials in areas of weaker governance, we may face potential social and environmental risks related to waste, pollution, poor safety and labour practices and human rights issues.

Monitoring, mitigation, and where relevant, independent assurance activities

We are committed to acquiring our raw materials from sustainable, responsible sources and avoiding the use of any controversial or illegal supply. We are involved in multi-stakeholder processes to address challenges in meeting the global demand for sustainable, responsible fibre and we encourage legislation supporting the local collection of recycled materials.

Sustainable management of our forestry operations is key in managing our overall social and environmental impact, helping to protect ecosystems, protect worker and community rights, and to develop resilient landscapes.

We have multiple suppliers for each of our operations and our centralised procurement teams work closely with our operations in actively pursuing longer term agreements with strategic suppliers. In Europe, we source our wood from diverse regions and forest types to mitigate the potential impacts of climate change on our wood supplies.

We have developed an internal monitoring and risk assessment system, Responsible Procurement, to assess and evaluate the performance of our suppliers and their adherence to our Code of Conduct for Suppliers. Supplier performance is evaluated through questionnaires and audits.

We have built strong forestry management resources in Russia and South Africa to actively monitor and manage our wood resources in those countries. We continue to certify our forests with credible external certifications. In South Africa, we have tree improvement programmes in place, which aim to produce stronger, more robust hybrids that are better able to resist disturbances such as drought, pests and diseases.

Extract from page 40 and 43
mondigroup.com/media/10626/mondi_ir_2018_final_jaws_100res.pdf

ORLEN Group
Integrated Report 2018

ORLEN Group's online integrated annual report outlines all the relevant sustainability risks, including environmental risks.

The table includes information about what the risk is and how the company is mitigating it.

RISK/PROCESS	RISK DESCRIPTION	RISK MITIGATION METHODS
Soil and water contamination	• Environmental pollution as a result of accident/failure. • High site restoration costs.	Monitoring of the technical condition of production units and their regular maintenance, ensuring compliance of reporting activities with applicable procedures, recognition of site restoration provisions.
Wastewater and waste management	• Failure to comply with the conditions specified in relevant decisions as to the type and quantity of generated waste. • Discharge of wastewater in violation of applicable permits.	Delegating responsibilities in waste management processes in accordance with the applicable procedure, monitoring the amount and types of waste in order to apply for and secure required amendments to the relevant administrative decisions, coordinating and monitoring the parameters of discharged effluents.

Environmental risks go beyond climate change and consider soil, water contamination, wastewater and waste management.

Extract online
raportzintegrowany2018.orlen.pl/en/risk-management

(e) Non-financial key performance indicators relevant to the particular business

Companies are required to disclose environmental information, which can be done through material narratives and inclusion of key performance indicators (KPIs), necessary to understand the company's development, performance and impact of its activities.[28] The KPIs may also refer to the company's policies and outcomes as defined through content categories (a) and (b) of NFR Directive.

For further guidance on non-financial KPIs, companies are also encouraged to see the relevant sections of the CDSB Framework, CDP Climate Change Questionnaire and core elements of the TCFD recommendations as shown in the table below.

CDSB Framework requirements	CDP Climate Change Questionnaire	TCFD recommendations
REQ-01 Management's environmental policies, strategy and targets REQ-04 Sources of environmental impact	Targets and Performance (C.4) Emissions data (C.6)	Metrics and Targets

Recommendations for companies to enhance non-financial KPI disclosures

- Use indicators that are material and reflect the business' activities, policies and strategies.
- Link KPIs to targets that include a baseline and a timeline to help demonstrate how progress is measured and monitored.
- Differentiate KPIs from other performance indicators.
- Where appropriate, use the indicators defined by CDP, GRI and SASB and other recognised reporting standards and frameworks.

28 European Commission 2017, Guidelines on non-financial reporting (methodology for reporting non-financial information) (2017).

Bankia
Annual Report 2018

Results are presented across multiple years to allow for a more detailed analysis of the company's performance.

ENERGY AND WATER CONSUMPTION [1]	2018	2017	2016	UNITS
Primary energy consumption	19,566	15,580	15,550	Gigajoules
Natural gas consumption	15,501	10,465	10,841	Gigajoules
Liquid fuel (oil and petrol) consumption [2]	4,065	5,115	4,709	Gigajoules
Electricity consumption [3]	353,651	312,950	326,127	Gigajoules
Water consumption [4]	464,393	240,538	244,516	Cubic metres

1 Data for Bankia, S.A.
2 The data on gas consumption for 2018 include data for a new building (The Cube in Granada) that was included in the Bankia group after the BMN merger.
3 100% of the electricity purchased by Bankia comes from renewable sources (green energy with guarantees of origin). The former BMN branches were included in Bankia's green energy supply contract in April 2018. The figures for electricity consumption in November and December 2018 are estimates, as the actual figures were not available at the time of preparing the report.
4 The increase in water consumption is directly related to the inclusion in the Bankia Group of the former BMN branch network and buildings. All the water comes from the mains supply. Actual consumption for the buildings at Las Rozas, P. Castellana, 189 in Madrid, Pintor Sorolla in Valencia, The Cube in Granada and General Salzillo in Murcia. Rest of buildings: estimated consumption based on invoices.

Bankia provide further information about the methodologies behind some of the calculations, in addition to the data sources.

The KPIs are listed under each relevant topic and include a unit of measurement.

Greenhouse gas (GHG) emissions have been broken down into Scope 1, 2 and 3, with further granularity.

EMISSIONS [1] (tonnes)	2018	2017	2016
Scope 1 emissions [2,3]			
Direct CO_2e emissions from natural gas consumption	886.2	595.2	616.6
Direct CO_2e emissions from fuel consumption	265.1	354.3	316.8
Direct CO_2e emissions from refrigerant gas recharging	2,611.8	2,914.5	2,810.1
Direct CO_2e emissions from business travel [4]	600.9	681.7	705.0
Scope 2 emissions			
Indirect CO_2e emissions from electricity consumption [5]	2,418.7	0	0
Scope 3 emissions [2]			
Indirect CO_2e emissions from business trips [6]	3,353.7	2,352.0	2,366.5
Indirect CO_2e emissions from Ofibus mobile branch service	300.2	298.2	294.4
Indirect CO_2e emissions from commutes (shared transport)	8.1	7.9	8.2
Indirect CO_2e emissions from consumption of paper (DIN A4) and printer cartridges	1,481.8	1,236.5	1,087.1
Indirect CO_2e emissions from water consumption	159.7	82.7	84.1
Indirect CO_2e emissions from waste management	22.5	23.9	26.2
Other emissions [7]			
CO emissions	0.24	0.19	0.19
NO_x emissions	1.82	1.40	1.41

1 Data for Bankia, S.A. In 2018 Bankia integrated Banco Mare Nostrum, which entailed an overall increase in CO_2 emissions as a result of the increase in the number of branches and buildings managed, as well as in the total number of employees.
2 Sources of emission factors used: IPCC 2006/2013, CORINAIR 2007,U.S. EPA, Spain – GHG Inventory Report 1990-2015 (2017), DEFRA 2018, Guide for calculating GHG emissions (2018) - Catalan Office for Climate Change, Environmental Paper Network (2012) and Carbon Impact Studies: Toner Refills at Cartridge World - Comparative Carbon Footprints (2008).
3 The figures are based on the 100-year global warming potentials published in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) (2013).
4 This includes the emissions from employees' business travel in leased vehicles. In 2017, following the criteria laid down by the Ministry for the Ecological Transition for the registration of Bankia's carbon footprint, these emissions were transferred from Scope 3 to Scope 1.
5 100% of the electricity purchased by Bankia comes from renewable sources (green energy with guarantees of origin). The former BMN branches were included in Bankia's contract for the supply of green energy in April 2018. The Scope 2 emissions come from the former BMN branches during the period from January to March. Bankia has avoided the emission of 39,822.9 tonnes of CO_2. Source: Electricity Guarantee of Origin and Labelling System (2017). Comisión Nacional de los Mercados y la Competencia.
6 This includes the emissions from employees' business trips by plane, train, coach and ship and from employees' travel in their own vehicles for work purposes.
7 Source: CORINAIR 2007

Further explanations are given, especially in regards to negative results. This helps to provide a fair and balanced disclosure.

Extract from page 212-213
informes.bankia.com/recursos/cmsmemoria/recursos/doc/memoriaanual2018/2019/03/14/ar2018-bankia.pdf


MOL GROUP
INTEGRATED
ANNUAL REPORT
2018

MOL Group
Integrated Annual Report 2018

MOL Group provide a summary of the material KPIs in the Integrated Report, with a link to a data library where more information can be gathered.

CONSOLIDATED SUSTAINABILITY PERFORMANCE DATA

Multi-year disclosure of more than 500 individual sustainability data points covering almost 100 indicators across six focus areas (Climate Change, Environment, Health & Safety, Human Capital, Communities, and Ethics & Governance) can be found at MOL Group's Data Library.

Selected material indicators highlighted below:

1. CLIMATE CHANGE		2016	2017	2018	GRI
Total Direct GHG (Scope 1)	million tonnes CO_2 eq	6.07	7.10	7.23	305-1
Total Indirect GHG (Scope 2) - Location based	million tonnes CO_2 eq	1.33	0.95	0.85	305-2
Total Indirect GHG (Scope 2) - Market based	million tonnes CO_2 eq	1.38	1.08	0.91	305-2
Total Indirect GHG (Scope 3)	million tonnes CO_2 eq	59.14	61.03	62.45	305-3
Methane (CH_4)	tonnes	1,471	1,019	3,560	305-1
Carbon Dioxide (CO_2)	million tonnes	5.98	7.05	7.16	305-1
Total direct energy consumption	GJ	83,552,569	96,116,908	100,825,975	302-1
Total indirect energy consumption	GJ	18,192,245	12,869,548	11,231,955	302-2
2. ENVIRONMENT		**2016**	**2017**	**2018**	**GRI**
Number of Spills (> 1 m^3)	number	11	10	4	306-3
Number of Spills (> 1 bbl)	number	43	38	50	306-3
Volume of Spills (> 1 m^3)	m^3	637.1	129.1	29.20	306-3
Volume of Spills (> 1 bbl)	bbl	4,170.40	882.4	309.15	306-3
Sulphur Dioxide (SO_2)	tonnes	7,077	8,996	8,131	305-7
Nitrogen Oxides (NOx)	tonnes	5,718	7,453	6,430	305-7
Volatile Organic Compounds (VOC)	tonnes	4,695	4,503	6,169	305-7
Total Water Withdrawal	thousand m^3	85,176	96,324	98,220	303-3
Total Water Discharge	thousand m^3	92,234	101,408	109,429	303-4
Total Waste Generated	tonnes	252,926	208,628	272,769	303-5

Sector specific metrics are used, including the number and volume of spills.

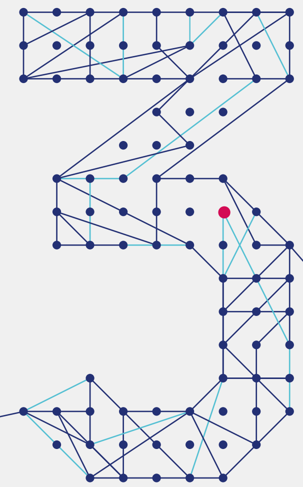
Multiple years provide enough information for comparative analysis.

The metrics are mapped to the relevant GRI standard.

Extract from page 121
molgroup.info/storage/documents/publications/annual_reports/2018/mol_group_integrated_annual_report_2018.pdf

Chapter 3

Tips and resources



Tips for making effective disclosures of environmental matters under the EU NFRD

1. Ensure your disclosures are connected and coherent, linking information on environmental matters to overall corporate strategy, performance and prospects

Companies are presenting and describing the relationship between environmental matters and their overall corporate strategy, performance and prospects. Applying the concept of connectivity helps to show a holistic picture of the factors and relationships that affect an organisation's ability to create value over time.

The 2018 First Steps review of 80 European companies' annual reports found that companies have been able to disclose decision-useful information in line with the NFR Directive, however many do not make the connection between the information disclosed.[29] For example, a report may describe environmental policies, without explaining the company's strategies to implement them. Similarly, in some cases environmental targets/goals lack corresponding KPIs to show performance and progress towards them. Coherent and connected reporting demonstrates the relationships between vision, mission, risks, policies, strategies, targets and KPIs.

2. Ensure that your report is clear and concise

Ensuring your reporting is easy to navigate, read and search is important to aid user understanding. To achieve this, reports should be clear and straightforward, using plain language and consistent terminology, avoiding jargon and boilerplate text and, where necessary, defining technical terms. Data and narrative should be presented clearly and concisely in an easy to follow structure, using appropriate signposts and labelling. Illustrations, graphs and charts also make reports easy to read.

3. Go beyond climate change – environmental reporting is more than emissions reporting

Under the requirements for reporting environmental matters, the NFR Directive refers to "details of the current and foreseeable impacts of the undertaking's operations on the environment...the use of renewable and/or non-renewable energy, greenhouse gas emissions, water use and air pollution."[30]

Significant progress has been made in reporting climate-related information, identifying emissions, methodologies, boundaries, omissions, but there are gaps in disclosures relating to other environmental matters. Some companies are, however, communicating material risks and opportunities associated with waste, air pollutants, water and commodities.

4. Apply guiding principles for effective disclosure of environmental information

Guiding principles are designed to ensure that environmental information in the mainstream annual report is decision-useful, accurate and complete and based on criteria that are suitable for conducting assurance activities, where appropriate. The guiding principles should be applied in determining, preparing and presenting environmental information. The CDSB Framework introduces the following guiding principles which are aligned to the TCFD's seven principles for effective disclosure[31]:

- Relevant and material – environmental information shall be prepared applying the principles of relevance and materiality.
- Faithfully represented – to ensure that information is complete, neutral and free from error in order to be useful.
- Connected with other information – to explain the links between the organisation's governance, strategy, risk management and environmental performance.
- Consistent and comparable – to elicit information of value to investors in a way that is consistent so as to enable a level of comparability between similar organisations, reporting periods and sectors.
- Clear and understandable – to aid understanding by ensuring that disclosures are easy to navigate, read and research.
- Verifiable – to ensure information that forms the basis for disclosures is verifiable.
- Forward looking – to ensure that historic information in the mainstream report is complemented with narrative on the future impact of environmental information.

29 Climate Disclosure Standards Board and CDP, First Steps: Corporate climate and environmental disclosure under the EU Non-Financial Reporting Directive (2018).

30 European Parliament and Council, Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (2014).

31 Corporate Reporting Dialogue, Driving Alignment in Climate-related Reporting: Year One of the Better Alignment Project (2019).

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