













Sustainability & ESG Reporting: A Brief Guide to Global Frameworks and Standards by Benchmark Digital Partners

The sustainability management and ESG disclosure landscape comprises many standards, guidelines and reporting frameworks. Aligning with the right framework is essential to meeting your sustainability & ESG program objectives. This document outlines the principal frameworks and provides some guidance on what they do and how they can best be used.

Global Frameworks & Standards at a Glance

| | Sustainability | Climate | Business Risk/Value/ESG |
|-----------|---|---|--|
| Voluntary |     |  <p>SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p>  |  <p>G R E S B</p>   |
| Mandated |  <p>EU Taxonomy</p>  <p>Non Financial Reporting Directive</p>  <p>Corporate Sustainability Reporting Directive</p>  |  <p>TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>  <p>GREENHOUSE GAS PROTOCOL</p> | |

Purpose and Features: How Global Frameworks & Standards Compare



| | Global Reporting Initiative | CDP | Taskforce on Climate Related Financial Disclosure | Sustainability Accounting Standards Board |
|-----------------------------|---|--|--|---|
| Primary Objective and Focus | A set of indicators to report sustainability performance to multiple stakeholders | Template for disclosure of GHG emissions performance | A set of recommendations for voluntary climate-related financial disclosures, aimed at all business actors, to provide consistent and transparent information to global markets | Metrics to help businesses and investors develop a shared understanding of enterprise value—how it is created, preserved, or eroded over time |
| Domain Focus or Scope | Sustainability | GHG | GHG | Sustainability & business risk |
| Form | A detailed and prescriptive set of metrics with sector supplements | Qualitative and quantitative questionnaire | Recommendations structured around four thematic areas: governance, strategy, risk management, and metrics and targets. Requirements can be met using existing processes and metric content. SASB sustainability accounting standards, and the CDSB Framework for Reporting Environmental Information and Natural Capital, allow companies to integrate climate-related factors into their investor-focused reporting, as recommended by the TCFD | A detailed and prescriptive set of metrics with sector supplements |
| Number of Users | 5,000 | 14,000 | 2,600 | 1,500 |
| Embedded in Benchmark ESG ? | Yes | Yes | Yes | Yes |

Purpose and Features: How Global Frameworks & Standards Compare



| | Science Based Targets initiative | International Sustainability Standards Board | World Economic Forum Metrics | EU Taxonomy |
|-----------------------------|---|---|---|---|
| Primary Objective and Focus | Methodology and tools to set targets to meet the Paris Agreement objectives | A comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities to help them make informed decisions | Metrics and disclosures that can be used to align mainstream reporting on performance against ESG indicators and track contributions towards the SDGs | A classification system establishing a list of environmentally sustainable economic activities to evaluate investment portfolios |
| Domain Focus or Scope | GHG | Sustainability | GHG | Environmental |
| Form | Excel tool enabling calculation of targets based on corporate data | A further evolution of the SASB metrics; created by merging the two organisations VRF (SASB, Integrated Reporting Principles) and CDSB | Framework of metrics that coordinates other sources (GRI, SASB) into a standard reporting format | Excel tool enabling calculation of alignment with the taxonomy; corporates will be required to disclose the proportions of turnover, capital expenditure and operating expenditure linked to at least one of the six environmental objectives |
| Number of Users | 1,000 | TBD (metrics expected Dec 2023) | 50 | Begins in 2023 |
| Embedded in Benchmark ESG ? | N/A | Yes | Yes | N/A |

Purpose and Features: How Global Frameworks & Standards Compare



Primary Objective and Focus



Sustainable Development Goals

A set of 17 interlinked high-level global goals designed to be a blueprint to achieve a better and more sustainable future for all

Greenhouse Gas Protocol

A comprehensive global standardized framework to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions

Non-Financial Reporting Directive

EU law requiring large companies to disclose information on the way they operate and manage social and environmental challenges; soon to be superseded by EU Corporate Sustainability Reporting Directive

EU Corporate Sustainability Reporting Directive

Extending the scope to all large companies and all companies listed on regulated markets; requires the audit (assurance) of reported information, more detailed reporting requirements, a requirement to report according to mandatory EU sustainability reporting standards and digital 'tagging' of the reported information, to be machine readable

Domain Focus or Scope



Sustainability

GHG

Sustainability

Sustainability

Form



17 broad subject areas companies choose to focus on, supported by training events and publications

Guidance and GHG emission calculation tools

Environmental matters, social matters and treatment of employees, respect for human rights, anti-corruption and bribery, diversity on company boards (in terms of age, gender, educational and professional background); metrics or format not proscribed

The CSRD envisages the adoption of EU sustainability reporting standards.

The standards will be tailored to EU policies, while building on and contributing to international standardisation initiatives.

The first set of standards would be adopted by October 2022

Number of Users



8,550

Global

12,000

50,000

Embedded in Benchmark ESG ?



N/A

Yes (SR)

Yes

TBD

Purpose and Features: How Global Frameworks & Standards Compare



| | Climate Disclosure Standards Board | Global Real Estate Sustainability Benchmark | ISO 20006 |
|-----------------------------|---|---|--|
| Primary Objective and Focus | Framework to help companies report climate change and environmental information in the mainstream (annual) corporate reports to provide consistent and comparable information to investors; will continue as part of ISSB | Validated ESG performance data and peer benchmarks for investors and managers to improve business intelligence, industry engagement and decision making | Guidance enabling assessment of an organization's commitment to sustainability and its overall performance |
| Domain Focus or Scope | Natural, human and social capital | ESG | Social responsibility |
| Form | Framework for reporting built on international accounting practices and standards comprising 7 principles and 12 reporting requirements; no metrics, matrix cross-reference to other metrics sets | Detailed metrics in Excel tool addressing ESG factors for infrastructure and real estate assets | A set of standards and guidelines to inform best practice; does not have a certification status |
| Number of users | 374 | 271 | Global |
| Embedded in Benchmark ESG? | Yes | TBD | Through reporting |

When and How Should Frameworks Be Used?

| | SDG | GRI | SASB | CDP | CDSB | TCFD | GHG Pro | WEF Metrics | SBT | EU Taxon | NFRD | ISO 20006 |
|-------------|-----|-----|------|-----|------|------|---------|-------------|-----|----------|------|-----------|
| Principles | ✓ | | | | ✓ | ✓ | | | | ✓ | ✓ | ✓ |
| Goals | ✓ | | | | | ✓ | | | ✓ | | | |
| Strategy | | | | | ✓ | | | ✓ | | | | ✓ |
| Metrics | | ✓ | ✓ | ✓ | | | | | | | | |
| Methodology | | | | | | | ✓ | | ✓ | ✓ | | |

| Your Purpose | Reference Framework |
|--|--------------------------------|
| Develop Scope using materiality assessment and other business planning | SDGs, TCFD, NFRD |
| Select metrics and other measures, and collect necessary data | GRI, SASB, CDP |
| Undertake necessary calculations | SBT, GHG Protocol, EU Taxonomy |
| Create disclosures and reports in accordance with commitments | GRI, SASB, CDP |
| Create cross-reference matrix to demonstrate | CDSB, WEF Metrics |

Benchmark ESG: Committed to Industry Support and Collaboration



Global Reporting Initiative (GRI)

- Benchmark ESG: **Certified Partner** (Completion Jan 2022)
- GRI Standard integrated in Benchmark ESG Director



CDP (Carbon Disclosure Project)

- Benchmark ESG: **Gold Partner**
- CDP Questionnaire integrated in Benchmark ESG Director



Taskforce on Climate-Related Financial Disclosures

- Benchmark ESG: **Official Supporter**
- TCFD Metrics integrated in Benchmark ESG Director



Value Reporting Foundation

- Benchmark ESG: **Alliance Member**
- SASB Materiality Map and reporting taxonomy integrated in Benchmark ESG Director



SCIENCE BASED TARGETS NETWORK GLOBAL COMMONS ALLIANCE

Science Based Targets Network

- Benchmark ESG: **Corporate Engagement Program Member** to align ESG Director with SBT methodology
- Benchmark Digital Partners has committed to set Science Based Targets, and supports the UN Net Zero program



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