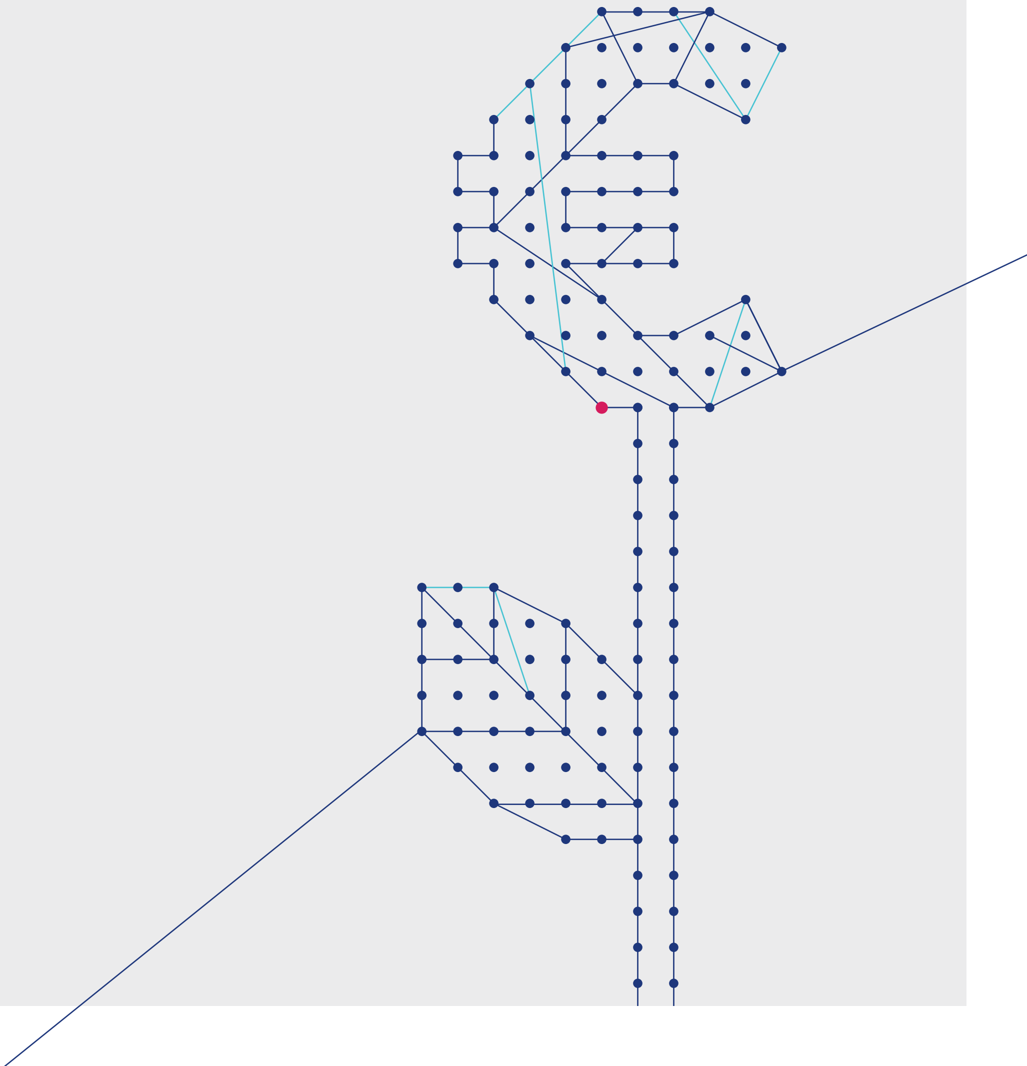
CDSB Climate Disclosure Standards Board

CDP DISCLOSURE INSIGHT ACTION

EU Environmental Reporting Handbook

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



October 2021

About the Climate Disclosure Standards Board & CDP

The Climate Disclosure Standards Board (CDSB) is an international consortium of business and environmental NGOs. We are committed to advancing and aligning the global mainstream corporate reporting model to equate natural and social capital with financial capital.

We do this by offering companies a framework for reporting environment- and social-related information with the same rigour as financial information. In turn this helps them to provide investors with decision-useful environmental information via the mainstream corporate report, enhancing the efficient allocation of capital. Regulators have also benefited from CDSB's compliance-ready materials. Recognising that information about natural, social and financial capital is equally essential for an understanding of corporate performance, our work builds trust and transparency needed to foster resilient capital markets. Collectively, we aim to contribute to more sustainable economic, social and environmental systems.

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 is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions.

Founded in 2000 and working with more than 590 investors with over $110 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests.
Over 10,000 organizations around the world disclosed data through CDP in 2020, including more than 9,600 companies, worth over 50% of global market capitalization, and over 940 cities, states and regions, representing a combined population of over 2.6 billion.
Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative.

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Chapter 1

Introduction

Recent years have seen an increased appreciation of the need for decision-useful 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 adoption of the Non-Financial Reporting Directive (NFR Directive), and its transposition in Member States legislation. It seeks to facilitate the disclosure of "relevant, useful and comparable information by undertakings".[1]

Although the NFR Directive still applies to this day, it is currently under review and once finally adopted, will be replaced by the Corporate Sustainability Reporting Directive (CSR Directive). This new Proposal for a Directive was introduced by the European Commission in April 2021 and is now under discussions until final approval by the European co-legislators (the European Parliament and Member States within the Council of the European Union). Until the updated CSR Directive is transposed into Member State legislation, the NFR Directive remains in force. For this reason, this Handbook still focuses on the current requirements. For further information about the ongoing development of the CSR Directive, please see section The ongoing review of the NFR Directive in this chapter.

The NFR Directive requires certain large companies to disclose social and environmental information. More specifically, it requires these companies to disclose on their business models, policies, risks, outcomes, and key performance indicators with regards to, as a minimum, environmental matters, social and employee aspects, respect for human rights, anti-corruption and bribery issues. 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 within scope of the Directive started to disclose such information in 2018 in a non-financial statement within the management report (or consolidated management report) or in a separate report if allowed at national level for the financial years commencing on or after 1 January 2017.

This Handbook follows on from CDSB's 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 and 2019. 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 business 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, such as social issues.

Each section is also mapped to the corresponding requirements of the CDSB Framework for reporting environmental and climate change 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. About the EU Non-Financial Reporting Directive

1.1 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]

Companies are encouraged to report non-financial information in their annual reports, as this allows investors to assess the relationship between specific non-financial matters and an organisation's overall strategy, performance and prospects, therein providing a more holistic picture of the inter-relationships between factors that affect their ability to create value.

It should be noted that, the NFR Directive[8] allows Member States, when transposing the Directive, to exempt the undertaking from reporting this information in their annual report as long as they publish a separate report for the same financial year within a reasonable period of time, not exceeding six months. Additionally, there is no specific requirement on where information should be disclosed in the annual report, i.e. whether a separate section in, or throughout, the annual report.

1.2 What to report?

Under NFR Directive 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]

1.3 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]

NFR Directive Article 19(a) applies to large undertakings and NFR Directive Article 29(a) corresponds to parent undertakings of large groups. Public-interest entities are "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 additional companies that are not subject to this Directive from voluntarily disclosing information for such matters.[12]

1.4 Related corporate reporting developments

Since the requirements of the NFR Directive were introduced into national legislation across EU Member States, a number of new initiatives have emerged 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 Climate Reporting:** In June 2019, the European Commission published a supplement[14] to the non-binding Guidelines on Non-Financial Reporting[15] to help companies report climate-related information.
- **Fitness check on public information disclosed by companies:** The European Commission published in November 2019 the results of a fitness check on the EU framework for public reporting by companies, including against the NFR Directive, to inform future corporate reporting policy developments in Europe.[16]
- **Other related reporting requirements and legislations:** Since the launch of the first EU sustainable finance action plan ("Action Plan on Financing Sustainable Growth") in March 2018[17], a number of reporting requirements and legislations have been introduced in Europe, including the Taxonomy Regulation[18] and the Sustainable Finance Disclosure Regulation[19]. Following the launch of the European Green Deal in 2019,[20] a second sustainable finance strategy ("Strategy for financing the transition to a sustainable economy") was released in July 2021.[21]
- **Technical expert group on sustainable finance (TEG) and the Platform on Sustainable Finance:** The TEG, set up by the European Commission in July 2018, aims to assist in the development of sustainable finance policies, and more specifically on the development of an EU taxonomy for sustainable investments, the creation of an EU Green Bond Standard, the adoption of climate disclosure benchmarks rules and the strengthening of corporate disclosure requirements.[22] Following the work of the TEG and the final adoption of the Taxonomy Regulation, the Platform on Sustainable Finance was set up in May 2020 to keep advising the European Commission on sustainable finance.
- **EFRAG European Corporate Reporting Lab:** The European Financial Reporting Advisory Group (EFRAG) was asked by the European Commission to set up the European Corporate Reporting Lab to stimulate innovations in the field of corporate reporting by identifying and sharing good practices. The Lab has set up several project task forces, one of which produced in February 2020 its report on examples of good practice and scenario analysis in relation to climate change reporting under the NFR Directive and the TCFD recommendations.[23]

1.5 The ongoing review of the NFR Directive

Although the NFR Directive still applies to this day, it is currently under review and once finally adopted, will be replaced by the Corporate Sustainability Reporting Directive (CSR Directive). This new Proposal for a Directive was introduced by the European Commission in April 2021 and is now under discussions until final approval by the European co-legislators (the European Parliament and Member States within the Council of the European Union). The current envisaged timeline for its final adoption and entry into force is provided below.

This review aims to address a number of shortcomings of the NFR Directive highlighted by a number of studies, showing that the current Directive is not reaching its intended purpose with a lack of quality, consistency and comparability of the information provided by companies. Improving corporate reporting is seen as a necessary condition to make the European Green Deal and the sustainable agenda a success based on further transparency on sustainability risks and impacts.

The CSR Directive may include significant changes compared to the NFRD, including:

- Mandatory location of the sustainability information in the annual report;
- Extension of the scope of companies covered by the Directive to all large companies and all listed companies, including SMEs, as well as listed subsidiaries of non-EU companies (covering close to 50,000 companies);
- Introduction of new and more granular reporting requirements covering the TCFD recommendations;
- Reporting against a set of EU reporting standards to be developed by EFRAG;
- Clarification of the double materiality concept;
- Requirement to provide sustainability information in a digitalised format; and
- Requirement to perform a limited assurance for sustainability information (with an option to move later on towards reasonable assurance).

21 April 2021	Q1 2022	1 January 2023	2024
Release by the European Commission of the proposed CSR Directive	(expected) Final agreement on the new CSR Directive	Entry into force of the new CSR Directive requirements	First reports against CSR Directive, including EU reporting

Fig. Timeline for adoption and entry into force of the Corporate Sustainability Reporting Directive requirements[24]

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.

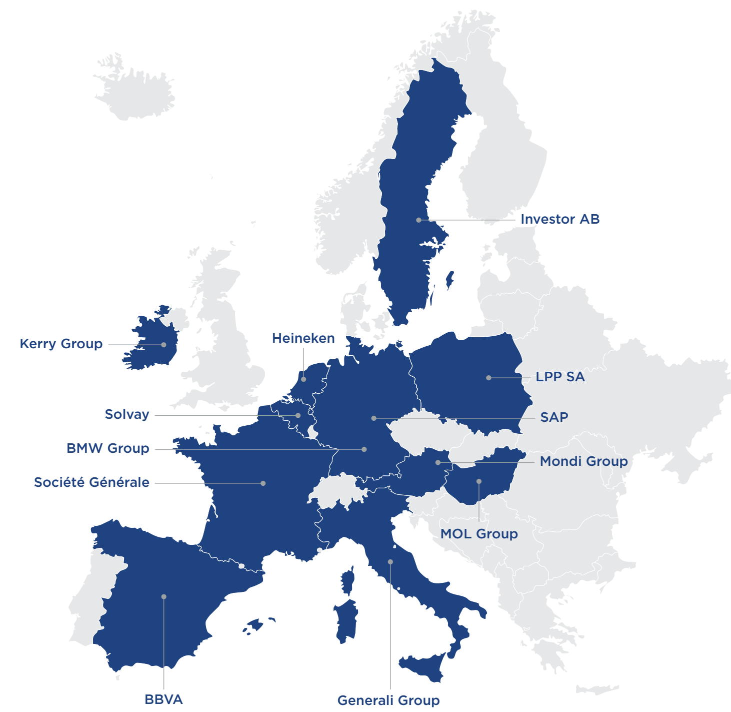
1. Background

The CDSB Framework[25] 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 have 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 NFR Directive Article 19(a) and its equivalent in Article 29(a). 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.

1.1. Coverage of annual reports

This guidance includes extracts from the annual reports of the following companies.



Annual reports analysed	Geography	TCFD Industry Group
BBVA	Spain	Banks
BMW Group	Germany	Transportation
Generali Group	Italy	Insurance
Heineken	Netherlands	Agriculture, Food and Forest Products
Investor AB	Sweden	Asset Manager
Kerry Group	Republic of Ireland	Agriculture, Food and Forest Products
LPP SA	Poland	Other
MOL Group	Hungary	Energy
Mondi Group	Austria	Agriculture, Food and Forest Products
SAP	Germany	Other
Société Générale	France	Banks
Solvay	Belgium	Chemicals

(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 model (i.e. input, business activities, output, outcome) by describing how various capitals are transformed by the business.[26]

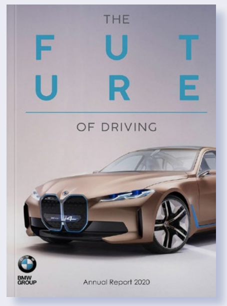
As outlined in the EC's Guidelines on non-financial reporting, the business model should describe "an overview of how a company operates and the rationale of its structure, by describing how it transforms inputs into outputs through its business activities. In more simple terms, what a company does, how and why it does it."[27]

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 Guidance, 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, business activities, output, outcomes model from the <IR> Framework provides a clear and understandable structure for this information. Many reports include a diagrammatic representation of this business model.
- Where separate and secondary disclosure on environmental aspects of the business model is made, companies should clearly cross-refer this information to the main business model description.
- 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.
- Avoid generic statements by including company-specific information, which may include referencing specific business activities and environmental matters that are relevant.



BMW Group
Annual Report 2020

As part of their business model section and alongside information about the company's structure and strategy, BMW provide contextual information about the how sustainability is incorporated in the business model. In particular, they mention innovative low-emissions technology and resource-efficient value creation. Sustainability is described as being integral to the Group's business model and viability.

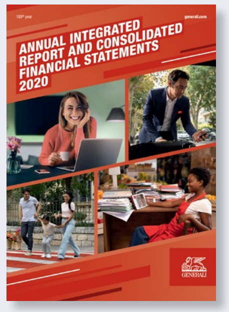
ORGANISATION AND BUSINESS MODEL

General information on the BMW Group is provided below. There have been no significant changes in the Group's structure compared to the previous year. Bayerische Motoren Werke Aktiengesellschaft (BMW AG), based in Munich, Germany, is the parent company of the BMW Group.

The starting point for the BMW Group's corporate strategy is to act in a consistent manner on a customer-oriented and sustainable basis. Products, brands and services are currently being developed with a clear focus on innovative technologies such as low-emissions drivetrains, digitalisation, connectivity and autonomous driving.

The BMW Group is one of the most successful manufacturers of automobiles and motorcycles in the premium segment worldwide. With BMW, MINI and Rolls-Royce, the BMW Group owns three of the best-known premium brands in the automotive industry. It also holds a strong market position in the premium segment of the motorcycle business. The Group sets itself clear goals in terms of sustainable, individual mobility, resource-efficient value creation, the continued development of its workforce potential and its contribution to society. Sustainability is an integral part of the Group's business model and plays a vital role in ensuring its viability going forward.

Retrieved from page 378: https://www.bmwgroup.com/content/dam/grpw/websites/bmwgroup_com/ir/downloads/en/2021/bericht/BMW-Group-Bericht-2020-EN.pdf



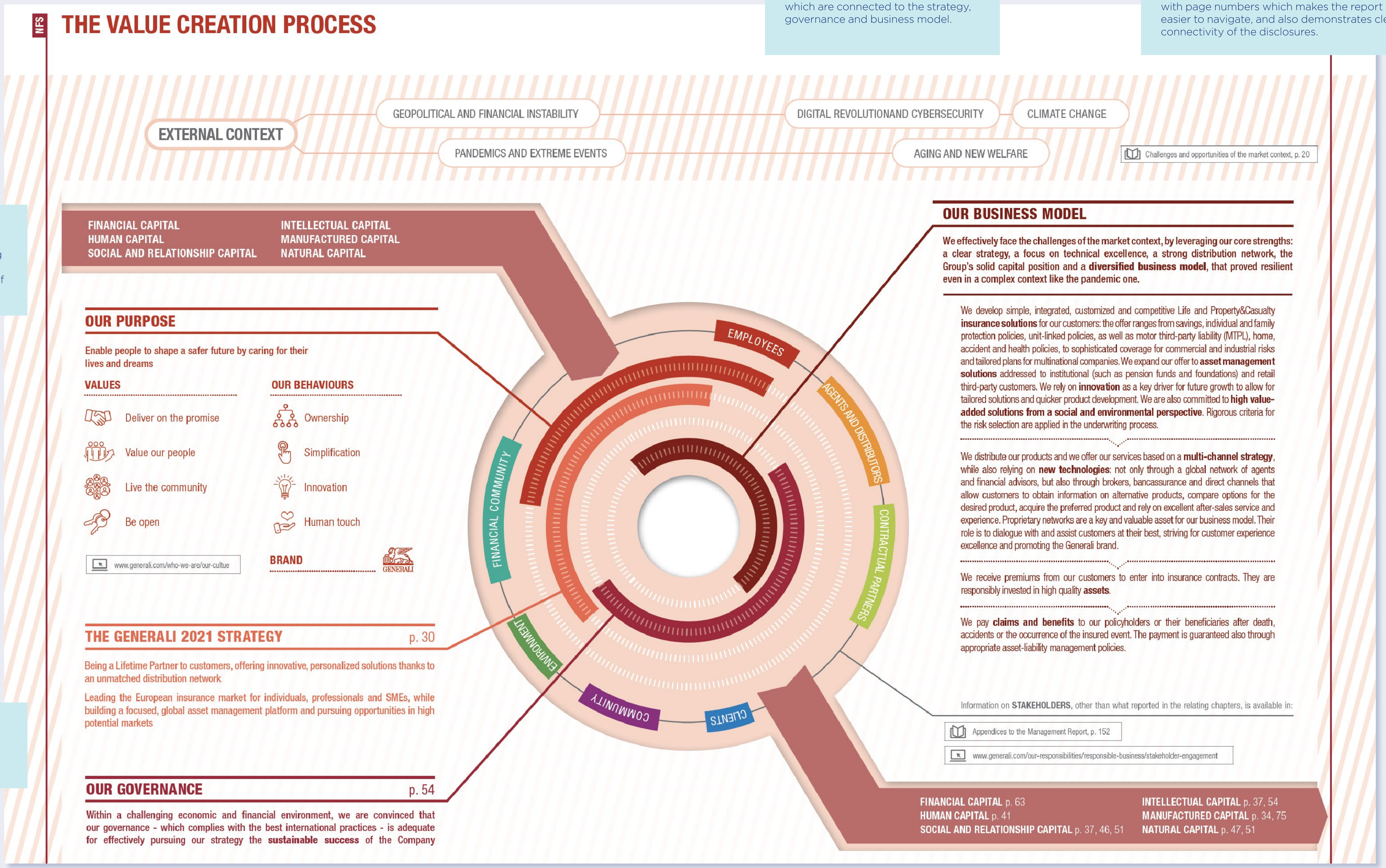
Generali Group
Annual Integrated Report and
Consolidated Financial Statement 2020

This diagram provides a good overview of how the company creates value by describing the inputs, activities and outcomes, which are connected to the strategy, governance and business model.

Rather than providing large quantities of information in this diagram, Generali refer to further information that is disclosed throughout the report. These sections are clearly referenced with page numbers which makes the report easier to navigate, and also demonstrates clear connectivity of the disclosures.

Generali use the six capitals, as defined by the Integrated Reporting Framework, to indicate the inputs and outputs of the business model.

The business model also links to the company's overall strategy and governance structure.



Retrieved from page 18-19: https://www.generali.com/investors/reports-and-presentations/report-archive#2020

(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[28] 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.

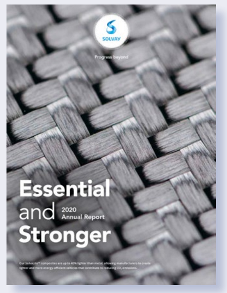
Policies are defined by the European Commission as those related to the company's approach, objectives and plans to address the key non-financial aspects.[29] Specifically, due diligence is defined as the processes a company takes related to policies and risk management to ensure that they are able to deliver against the defined objective.[30]

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 Guidance, 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 REQ-02 Management's environmental policies, strategy and targets REQ-06 Outlook	Governance (C.1) Risks and Opportunities (C.2)	Governance Strategy Risk Management

Recommendations for companies to enhance policy disclosures

- Outline the policies clearly from the outset so that they inform and connect to the overall narrative of the non-financial statement.
- 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). For example, GHG emissions reduction policies should be accompanied by a clear strategy and action plan that outlines how the company intends to meet the ambitions of this policy.
- Clearly explain how these policies and strategies relate to, or support, the overall company-wide policies and strategies.
- Link the policies to relevant targets, which should also have a clear timeline and associated KPI's. This demonstrates how the company plans to measure and monitor the policies to track progress.
- 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.
- Consider the use of scenario analysis to convey the resilience of the company's policies and strategies to future climate-related risks, as outlined by the TCFD.



Solvay
Annual Report 2020

Solvay provide information on their impact on biodiversity including the factors used in an impact statement. This assessment then informs the management approach which is described at both a local and global level.

SOLVAY
2020 ANNUAL REPORT
•
EXTRA-FINANCIAL STATEMENTS

4.3. BIODIVERSITY

GRI Disclosures 304-1 304-2 304-3 304-4

Priority

4.3.1. Definition

The calculation of the Solvay Group's pressure on biodiversity combines three factors:

1. The first factor, Components / Indicators of the environmental footprint of each Solvay product, is data extracted from the Eco-profile database we use for Sustainable Portfolio Management (SPM) assessments. This product environmental footprint is calculated using the Life Cycle Assessment methodology and metrics, and it covers the "cradle-to-gate" scope for each product.
2. The second factor, "biodiversity loss", which stems from the release of components, molecules, etc. into the air, water, and soil, is given by the ReCiPe methodology based on scientific studies made in 2000-2010. In summary, this method determines the pressure each component released into the air, water, and soil puts on the ecosystem, and then converts those pressures into "biodiversity loss" or "Ecosystem Quality".
3. The third factor is the product sales volume during the year in question, which is used to assess the annual impact on biodiversity.

ReCiPe is a method for impact assessment in a Life Cycle Assessment. Life cycle impact assessment converts emissions and resource extractions into a limited number of environmental impact scores, with harmonized characterization factors at the midpoint and endpoint level. The ReCiPe method was first developed in 2008 and updated in 2016.

4.3.2. Management approach

Local biodiversity

We conducted a screening of all our sites and their potential impact on protected areas according to the International Union for the Conservation of Nature (IUCN) management categories. We prioritized sites for risk assessment according to their proximity with protected areas and the IUCN management category.

This led to working with local administrations in charge of the protected areas to track and analyze the actions needed to alleviate those impacts, depending on the type of biodiversity being protected. This is work in progress.

Global biodiversity

Pressure on biodiversity means all the different ways in which humanity alters the environment that in turn harm the organisms living in it. There are about 15 different pressures, each one individually quantifiable. Using the increasingly precise environmental profiles of our products, and looking at their entire life cycle from raw material to distribution, we were able to identify the pressures to which our portfolio are the greatest contributors.

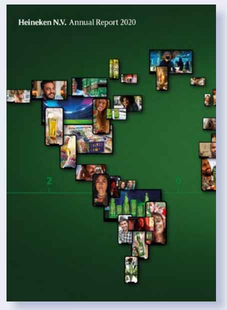
Greenhouse gas emissions, freshwater eutrophication, marine ecotoxicity, and soil acidification represent 90% of our emissions and effluents potentially affecting biodiversity. As part of Solvay ONE Planet, we have committed to reducing our pressure on biodiversity by 30% by 2030 compared to 2018.

Solvay joined the Caisse des Dépôts et Consignations' B4B+ (Business for Biodiversity+) interest group, working on an international Global Biodiversity Score (GBS) as part of a European initiative.

Solvay also joined CSR Europe's collaborative platform, Biodiversity and Industry, to develop a holistic approach to environmental issues in the business strategy.

The policies for managing Solvay's impact on biodiversity is outlined for both local and global approaches. The global policy includes a timebound target (with a baseline), and also a summary of the relevant initiatives Solvay are part of.

Retrieved from page 85: https://www.solvay.com/sites/g/files/srpend221/files/2021-07/210525%20SOLVAY%20-%20MANAGEMENT%20REPORT%202019_UK_web.pdf



Heineken
Annual Report 2020

Alongside the policy and strategy, Heineken have included graphs that present the outcomes. This disclosure demonstrates how the content categories of the NFR Directive can interconnect and form a holistic view of the company's policy, strategy, and performance.

The graphs include multiple years of historic data to demonstrate performance trend against the 2020 targets.

Reduce water consumption in our breweries

Heineken have a number of policies in relation to environmental matters, including policies specifically related to water. The commitment is summarised in a clear and concise manner, alongside an indication of the process towards this target.

Our commitment:

Reduce average water consumption in our breweries to 3.3 hl/hl in water-stressed areas and to 3.5 hl/hl in all our breweries

Our 2020 result:

Achieved

Alongside a summary of the commitment, Heineken provide significant information about the actions taken towards meeting the target, including investment in technology and activities undertaken in specific locations.

Our contribution to the SDGs:

6 CLEAN WATER AND SANITATION

6.4
Substantially increase water-use efficiency

Our 2020 commitment was to reduce average water consumption in our breweries to 3.5hl/hl compared with 2008. We surpassed the commitment by reducing our average water consumption to 3.4hl/hl (2019: 3.4hl/hl). This represents a 33% decrease in water consumption since 2008 (5.0 hl/hl).

In water-stressed areas, we also surpassed our target of 3.3hl/hl, with an average water consumption in our breweries of 3.1hl/hl. These achievements are the result of adopting good practices and improving water efficiency at our production sites. We are working with 31 production sites, accounting for 5% of total volume, where water consumption remains more than 5hl/hl (2019: 28 sites, 4%).

Investing in technology to reclaim and recycle water from production processes is a high priority, especially in water-stressed areas.

- Our brewery in Spain (Jaen), reduced the water consumption by 12% through redesigning its water network and by addressing leakages.
- In Indonesia (Tangerang), a newly constructed Water Reclamation Plant uses water recycling technology to reclaim wastewater at drinking water quality. It has enabled production of soft-water for the secondary utilities, such as bottle washer, pasteurizer, boiler feed water and general cleaning, which resulted in a water consumption reduction of 35%.

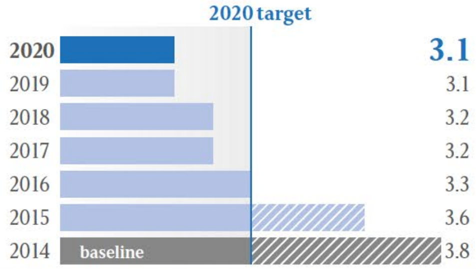
Improving water reclamation in Mexico

Since it started up early 2020, the new water reclamation plant at our brewery in Meoqui has helped reduce water use from 2.99hl/hl to 2.69hl/hl. The recycled water is reused in evaporative condensers and processes such as the CO_2 plant, as well as for on-site landscaping. By improving the efficiency of the reverse osmosis system and challenging operational standards, the team in Mexico managed to achieve a further 10% reduction in water use.

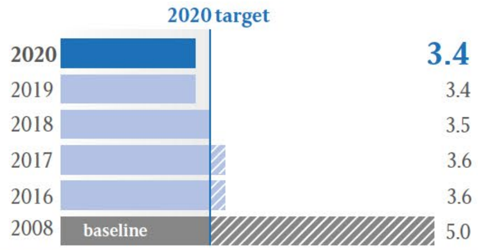
Accelerating efficiency through knowledge management

Launched in 2020, the Water Good Practices Management initiative aims to accelerate progress by sharing technical knowledge, supporting collaboration and promoting a zero loss culture across our breweries. So far, it has identified over 85 proven good practices for good water management in production.

Water consumption (water-stressed areas)
(hl/hl beer, cider, soft drinks and water)



Water consumption (global average)
(hl/hl beer, cider, soft drinks and water)

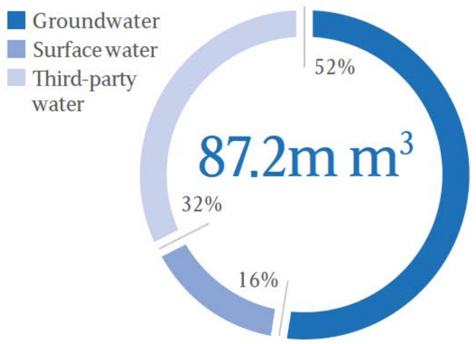


33%
Decrease in water consumption in our breweries since 2008

16,100
Olympic-sized pools- the equivalent volume of water we saved since 2008

€15m
saved through water efficiency since 2009

Total water withdrawal, including sources



The initiative will support breweries around the world to optimise water consumption and reuse as much water as possible, in a sustainable way.

Learn more about this topic on our website

Looking ahead:

In the coming years, we will channel investments through the Water Good Practices Management initiatives to drive progress on water consumption and recycling.

In addition to discussing the companies performance, Heineken also provide a short summary of their future plans.

Retrieved from page 128: https://www.theheinekencompany.com/sites/theheinekencompany/files/Investors/financial-information/results-reports-presentations/heineken-nv-annual-report-2020.pdf

(c) Outcome of Policies

The outcomes should present the performance of the company against the policies that were outlined in content category (b).[31] 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.[32]

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 Guidance, 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 the outcomes alongside policies, strategies and targets.
- Explain how the outcomes will influence future plans and strategies.
- Describe the actions taken in line with the policies, including the outcomes of these actions.
- As appropriate, present the outcomes as a narrative and/or as quantitative data using KPIs.
- Provide quantitative performance data for multiple years to allow for comparative analysis.
- Where quantitative data is presented, provide accompanying narrative to ensure the outcomes can be identified and explained.
- Provide explanations for any significant changes in the results, both positive and negative, and justify any missing data.
- 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.

Investor AB
Annual Report 2020

Investor AB summarise their policies towards monitoring and reducing GHG emissions from portfolio companies. This includes a quantitative GHG reduction target that is timebound.

Portfolio companies' greenhouse gas emissions

As an owner, we acknowledge our broader role to accelerate the transition to a sustainable low carbon economy. It is Investor's ambition to reduce the portfolio's carbon footprint by impacting companies to reduce their carbon emissions in line with the Paris Agreement. Investor aims to strengthen the portfolio's resilience and have committed to reduce absolute GHG emissions from portfolio companies by 50 percent between 2016 and 2030.

The target includes the portfolio companies' total scope 1 and 2 emissions and is set for the overall portfolio (not an equity approach). Investor has set targets on the total level in order to contribute to an actual reduction of carbon emissions. The baseline is 2016 as this is the first year we measured its companies' emissions and is aligned with the Agenda 2030. The emissions from portfolio companies' exclude Financial Investments and EQT funds.

Alongside the policy and target, Investor AB provide a summary table that indicates the outcomes of this policy. The data is provided for multiple years so as to allow for trend analysis.

GHG emissions, tonnes CO_2e [1)]	2020	2019	2018	2017	2016
Listed Companies	1,345,400	1,786,300	2,043,200	2,256,200	2,360,300
Patricia Industries	136,800	139,000	132,500	120,200	121,000
EQT AB [2)]	300	400	400	300	200
Portfolio companies' emissions	**1,482,500**	**1,925,700**	**2,176,100**	**2,376,700**	**2,481,500**

1) Emissions from our portfolio companies' total scope 1 and 2 emissions. The figures for emissions have been restated compared to Annual Report 2019 due to updated data from portfolio companies.
2) EQT AB has changed its method for calculating scope 1 and 2 emissions and Investor has estimated historical figures 2016-2018 based on number of employees (FTE).

In addition to quantitative data, Investor AB also explain the outcomes in a narrative. This includes a description of the activities undertaken by the organisation that contribute to the performance outcome.

In 2020, greenhouse gas emissions from our overall portfolio decreased by 40 percent compared to 2016. Investor works through its representation on the boards to drive the companies to set targets and strategies to develop resource efficient processes and to reduce their greenhouse gas emissions. In the yearly sustainability questionnaire Investor tracked that 78 percent of our companies had targets to reduce its scope 1 and 2 emissions (50).

By the end of 2020, 57 percent of our portfolio companies had aligned their climate strategies to the Paris Agreement and set measurable targets to decrease greenhouse gas emissions by 50 percent or more by 2030 (23). By the end of 2020, the portfolio companies that represent more than 77 percent of the total emissions from the portfolio had set reduction targets that were aligned with the Paris Agreement.

The reduction of emissions is both in absolute terms and in relation to revenues, i.e. decoupling (lower carbon impact and higher revenues and economic results). The diagram shows the emissions from the total portfolio in relations to the revenue from all the portfolio companies.

Retrieved from page 120: https://adobeindd.com/view/publications/d91540c6-d5e4-4bd4-9a56-18e9aa06438a/1/publication-web-resources/pdf/Investor_Anual_Report_2020_EN_P_O_L.pdf

SAP
Integrated Report 2020

Within their integrated report, SAP describe their policy and governance structure in relation to energy and emissions. Included within this disclosure is a description of SAP's targets, which are approved by the Science Based Target Initiative (SBTi).

How We Measure and Manage Our Performance

Our Targets

In 2017, we set our leading environmental target of making our operations carbon neutral by 2025. This target refers to our total net carbon emissions, which are calculated by deducting purchased renewable energy certificates, self-generated renewable energy, and carbon offsets from our gross carbon emissions in the respective reporting period. Our carbon neutral target includes all direct and indirect emissions from running our business (Scope 1 and Scope 2)[3] as well as a selected subset of indirect emissions from our value chain (Scope 3).[4] This objective is key to reducing SAP's own environmental footprint and to combatting climate change – one important step towards contributing to SAP's overarching purpose.

To achieve our carbon neutral target and to track its progress, we have derived annual targets for our internal operational steering. Since the beginning of 2020, these annual targets have been firmly integrated in the Executive Board's short-term performance-based compensation.

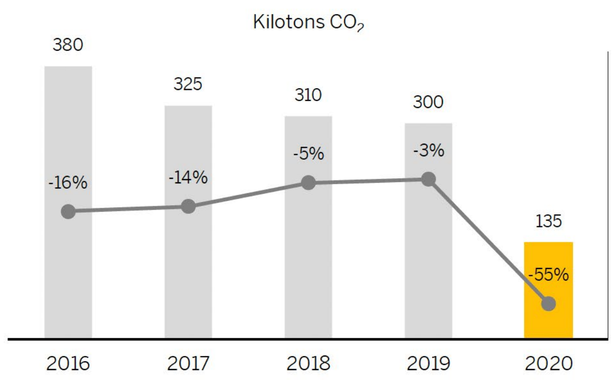
Since 2017, we have complied with the requirements of the Science Based Targets initiative (SBTi) and are committed to reducing emissions by 85% by 2050 compared to the base-year level 2016, including emissions of our products in use at our customers. This target reflects the level of decarbonization required to keep the global temperature increase below 1.5°C compared to preindustrial temperatures. This has been confirmed by the SBTi in a target reassessment in 2019.

Performance and Measures to Progress

As a result of the COVID-19 pandemic, we have experienced a significant decrease in our 2020 carbon emissions due to a reduction in carbon-intensive business activities, in particular, business flights. Even though our employee headcount increased by 2.1%, our carbon emissions dropped to 135 kilotons (kt) (2019: 300 kt). That remains 10% below our latest target of 150 kt as updated in October 2020 to reflect the expected impact of the COVID-19 pandemic on SAP's business results (original target for 2020: 238 kt).

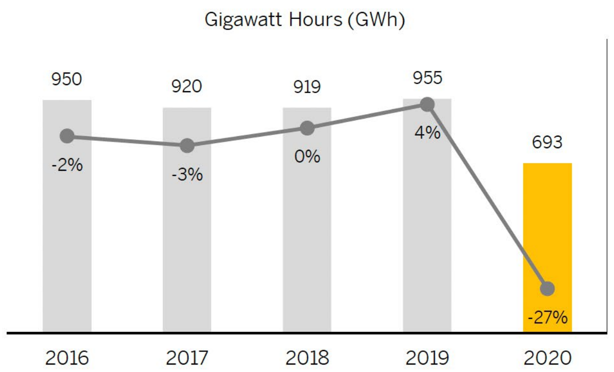
To consider the impact of COVID-19 on our carbon emissions, to uphold our role model position in sustainability, and to maintain our ambition level, we decided to revise and accelerate our carbon neutral target: we now aim to become carbon neutral in our own operations by 2023 – two years earlier than what we aimed for thus far.

Total Net Carbon Emissions



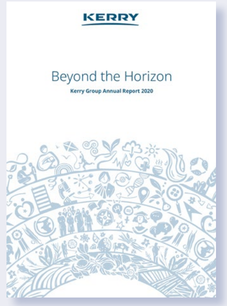
Due to COVID-19, electricity consumption in our offices also dropped as the majority of employees moved to a remote working model.

Total Energy Consumption



The performance of the company is first described, which includes an explanation events and activities that have impacted the results. The performance is then presented in a graph that visually represents the year-on-year changes since 2016.

Retrieved from page 77-78: https://www.sap.com/investors/en/reports.html?tab=reports&sort=latest_desc&tag=investor-relations:financial-reports/annual-report



Kerry Group
Annual Report 2020

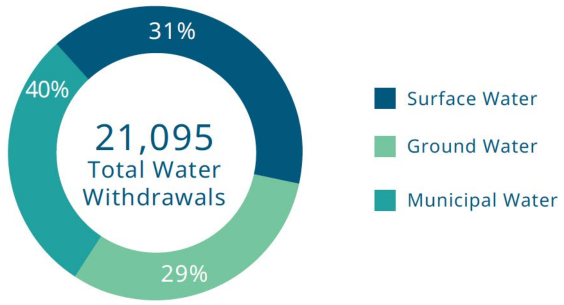
Kerry Group describe their approach to water risks, including the tools used to identify priority locations that are monitored.

Water Risk

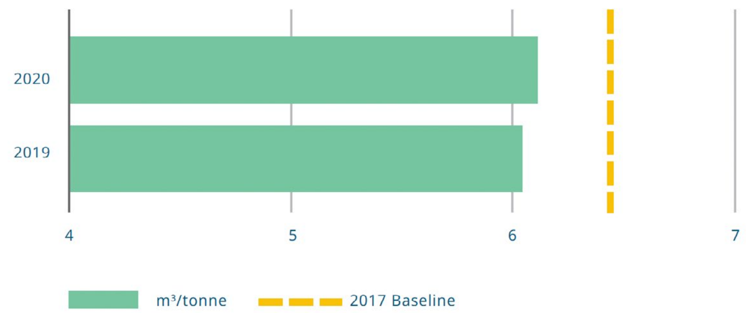
We continue to view our water footprint within the broader context of global water risk. Given the uneven distribution of water resources, some of our locations are potentially more vulnerable to physical water risk. Using the World Resources Institute's Aqueduct Tool, we identified 8 priority sites where we continue to monitor our footprint closely. In 2020, efficiency across these sites continued to significantly exceed that for the Group and is 28% lower versus our base year. However, we did see a marginal increase versus 2019, as a result of COVID-19.

As part of our *Beyond the Horizon* strategy, we have commenced a revised water risk assessment across all sites, looking at water consumption and related risks more broadly and we expect to update our priority sites in 2021, as a result of this review.

2020 Water Withdrawal by Source (Megalitres)



Water Intensity



The outcomes in 2020 are presented in graphic visuals which makes the information clear and concise. An explanation for the changes in the results from 2019 to 2020 are also briefly described in the narrative above the graphs.

Notes:

Our target for water is a relative measure of metres cubed (m^3) divided by tonnes of finished product produced.

Our data reflects water use across our manufacturing facilities and is a like for like performance versus our base year.

Retrieved from page 67-68: https://www.kerrygroup.com/annual-report/assets/pdfs/KGAR2020_web.pdf

(d) 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.[33] 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.[34] Companies should also consider specific climate-related physical and transition risks, as categorised in the TCFD recommendations and CDP questionnaire.

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 Guidance, 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) Business Strategy (C3)	Risk Management

Recommendations for companies to enhance principal risks 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 assessment used to understand how the company identifies and prioritises risks.
- Specify how environmental risks are integrated into overall risk management processes, and whether specialised processes are used.
- 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.
- Consider a range of environmental risks, including those outlined in the CDSB Framework and CDP's Questionnaires and Guidance.
- Explain how the risks identified may impact on operations, supply chain, the business model and/or financial performance.
- Avoid generic descriptions of environmental risks by articulating specifically how these risks are likely impact the business. This might also include a description of the causes and sources of the risks.
- Consider and disclose information about the time horizons over which the risks are likely to materialise. The time horizons, including short, medium and long term, should be clearly defined.
- The risks should be accompanied by mitigation strategies in place or planned. These strategies may inform the environmental policies and strategies outlined in content category (b).

Société Générale
Universal Registration Document 2020

Société Générale's climate-related risk disclosures are aligned with the recommendations of the TCFD, which is integrated throughout the report.

Environmental and Social (E&S) risk factors inherent in its activities

Environmental, social or human rights risk factors may trigger or aggravate compliance, reputational and credit risks.

The risk of non-compliance with E&S laws or the Group's E&S commitments may result from an inadequate system that does not sufficiently cover the inherent E&S risks, or from a system that is not properly implemented.

Reputational risk may result from operational risks, such as the risk of non-compliance with E&S laws or commitments, or may arise from a negative perception of E&S issues by stakeholders, particularly external stakeholders.

Lastly, E&S issues may affect the Group's credit risk, especially with respect to the climate: transition risks and physical risks.

The policies and procedures established to mitigate the risk of non-compliance with E&S laws or E&S reputational risk are based on the E&S risk management framework set out in the *transactional* and *customer* processes described below.

The approach to identifying climate-related risk is outlined in the risk section, with further information about assessing environmental and social (E&S) risk is outlined in the corporate social responsibility section.

The E&S risks are connected to wider company risks, including compliance, reputational and credit risks.

E&S risk management is based on three main steps:

- **E&S risk identification:** This step consists in identifying whether the customer's activities or the transaction present a potential E&S risk. In particular, it is based on an analysis aimed at verifying whether the counterparties or underlying activities are on the E&S exclusion list or the E&S identification list (see below, page 280), whether they are subject to a sector-specific policy or whether they are the subject of E&S controversies. This process makes it possible to review compliance with the exclusion criteria of the various sector-specific policies;
- **E&S assessment (of counterparties or transactions identified as presenting an E&S risk):** when an E&S risk has been identified, an E&S risk assessment (focusing on E&S credit risk, E&S reputational risk and the risk of non-alignment with E&S policy criteria) is performed by the business lines. The following are analysed: compliance with the criteria of the applicable E&S policy(ies), the severity of E&S controversies and, where applicable, the CSR maturity of the counterparties;
- **E&S actions:** the E&S assessment can result in a positive, conditional (contractual conditions, action plans, restrictions) or negative E&S opinion. Mitigation actions are proposed in proportion to the residual risk identified. Opinions that are not positive and proposed action plans are reviewed by the second line of defence, *i.e.* the Risk or Compliance Departments, and may be mediated by the heads of the business lines if necessary.

Monitoring and controls are also gradually being implemented in E&S risk management processes within the business lines.

In addition to facilitating the identification, assessment and appropriate management of potentially negative E&S impacts, these procedures also enable the identification of transactions and customers having a positive impact in terms of sustainable development. Sustainable finance with a positive impact is underpinned by this dual approach (see: *A Bank committed to sustainable and responsible finance*, page 285).

The disclosure on E&S risks include information about how the company's sector-specific and cross-sector E&S policies provide a framework for which risks are identified and managed.

Société Générale describe their three step E&S risk policy that includes the identification, assessment and mitigation of E&S risks. This also includes a summary of the controls being implemented within the company.

Retrieved from page 278 and 279: https://www.societegenerale.asia/fileadmin/user_upload/Societe_Generale_websites/Asia/Taiwan/pdf/1_Statutory_Public_Disclosure/11_Yearly_Reports/SG_Bank_Financial_reports/2020annualreport.pdf

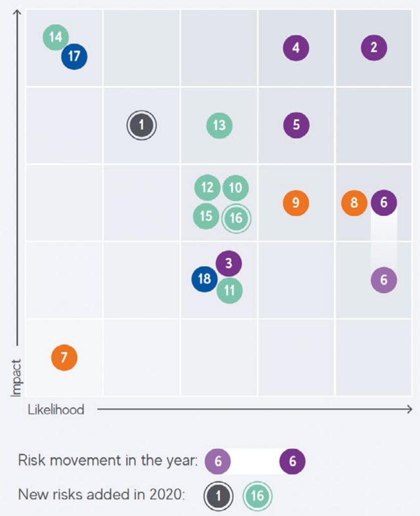
Mondi Group
Integrated Report 2020

Mondi describe the materiality assessment they conducted to establish their principal risks, with the results summarised in this materiality matrix. This matrix also indicates the year-on-year changes to the principal risks.

Relevant sustainability risks are included as company-wide risks where relevant.

Each principal risk are described in more detail using corresponding numbers to easily navigate the section. The risk disclosures including the potential risk to the company, and ways in which they are monitored and mitigated.

Our principal risks



Pandemic
1. Pandemic risk

Strategic
2. Industry productive capacity
3. Product substitution
4. Fluctuations and variability in selling prices or gross margins
5. Country risk
6. Climate change related risk

Financial
7. Capital structure
8. Currency risk
9. Tax risk

Operational
10. Cost and availability of raw materials
11. Energy security and related input costs
12. Technical integrity of our operating assets
13. Environmental impact
14. Employee and contractor health and safety
15. Attraction and retention of key skills and talent
16. Cyber security risk

Compliance
17. Reputational risk
18. Information technology risk

6 Climate change related risk

Potential impact
- Climate change has the potential to affect our business in various ways and while these may not be severe in the short term, we believe climate change related risks are likely to have a medium- and long-term impact on our business.
- Our manufacturing operations are energy-intensive resulting in both Scope 1 and Scope 2 greenhouse gas emissions.
- Fibre is the main raw material for our products and forests are an important carbon store, with sustainably managed forests having the opportunity to support a circular bioeconomy.
- Customers and consumers are increasingly concerned about the consequences of climate change and are looking for solutions produced from renewable materials and reduced carbon footprints.
- Our climate change related risks relate to the following transition and physical risks:

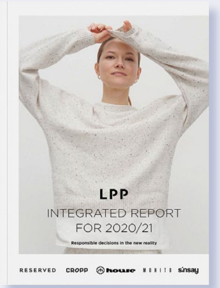
Transition risks:
- Governments and regulators are likely to continue to take action to curb carbon emissions such as the introduction of carbon taxes. All of our European pulp and paper mills fall under the EU Emissions Trading Scheme (EU ETS) and post-2020, could receive lower CO_2 allowances resulting in additional costs at a number of the Group's mills. The European Union recently approved an update to the EU's climate target for 2030, targeting a 60% reduction in emissions by 2030 on route to achieve carbon neutrality by 2050.
- In South Africa, the government has introduced a carbon tax. A carbon tax is also under consideration in Russia.

Physical risks:
- Changes in precipitation patterns and related droughts may result in water shortages in water-scarce countries (such as South Africa) which could result in lost production at our pulp and paper mills if there is insufficient water to service the mill.
- The Group manages forestry land in Russia and South Africa and in addition, purchases timber externally. Increased severity of extreme weather events (such as changing precipitation patterns, windstorms and the emergence of pests and disease) may result in soil erosion and calamity wood leading to wood fibre yield losses resulting in a shortage of wood supply in the long term thereby driving up costs.
- Pulp and paper mills are generally situated in close proximity to rivers or the sea due to the significant amount of water required as part of the production process. Certain mills are at risk of flooding if the region experiences extreme rainfall, rapid snow melting (due to higher than anticipated temperatures), or rising sea levels.
- Rising average temperatures will result in higher water temperatures which will increase the amount of water required by our mills for cooling purposes resulting in additional water consumption fees and potential administrative penalties should water temperatures exceed pre-determined levels.

Managing our relationships and resources – Climate change
Page 58–60

Mitigation
- Through a combination of capital investment and ongoing efficiency programmes we reduce our GHG emissions by improving our energy efficiency, optimising the use of biomass-based fuels in order to reduce our use of fossil-based energy sources, and decreasing carbon-intensive energy sources such as coal.
- Sourcing our wood from diverse regions and forest types mitigates the potential impacts of climate change on our wood supplies, in particular in Europe; in South Africa, we continue to investigate and develop wood species which require less water and are more resistant to pests and disease.
- Our impact on climate change is monitored and measured, reporting on GHG emissions and energy is independently assured, we have science-based targets for our Scope 1 and Scope 2 emissions.
- Through our participation in the WWF Climate Savers programme and the We Mean Business Coalition, which aims to catalyse business action, we support policy ambition to accelerate the transition to a low carbon economy.
- Investigating and reporting on climate-related risks and opportunities in adherence to internationally accepted recommendations, such as those published by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).
- We will continue to investigate the financial implication of our short-, mid- and long-term climate-related risks and opportunities using the International Energy Agency's 2°C scenario and a business as usual scenario (RCP8.5). We are exploring a science-based GHG reduction target for our Scope 3 emissions, which takes into account the GHG emissions in our value chain.

Retrieved from page 76 and 80: https://www.mondigroup.com/media/13645/mondi_integrated-report-2020.pdf



LPP SA
Integrated Report 2020

LPP SA's report outlines all relevant non-financial risks, including weather, climate and environmental risks.

The table includes a description of the risks and how the company is managing them. This includes whether the risk is applicable to LPP SA and/or the wider LPP Group.

Weather risk	More unpredictable weather and blurred seasons may influence sales dynamics and achieved margins.	• We monitor sales and margins in individual markets. • Our structure and decision-making flexibility makes it possible for us to quickly react to unfavourable weather changes in the course of a season. • We develop a multiple seasonal model: our collections are becoming more and more suitable for all seasons, thanks to the choice of fabrics, among other things.	✓	✓	• Natural environment
Climate risk	Climate change that causes abrupt occurrences such as fires, droughts, floods, global warming, are becoming a major challenge for any company, regardless of the industry and markets where it operates.	• By implementing our 2019 sustainable development strategy "For People For Our Planet", we limit our environmental impacts. • We set ambitious, measurable targets for ourselves that will achieve by 2025, including, among others, the implementation of a scheme of collaboration with factories as regards water management and energy supply (Eco Aware Production) or the carbon footprint.	✓	✓	• Natural environment
Environmental risk	The apparel market may have negative impacts on the natural environment and overuse natural resources.	• We took it upon ourselves to end the use of single-use, non-recyclable or non-compostable plastics. • We strive to achieve chemical safety in manufacturing. • In collaboration with our suppliers, we implement the Eco Aware Production scheme to limit their use of water, among other things.	✓	✓	• Natural environment

* Polish Accounting Act.

LPP SA go beyond climate-related risk by including environmental risks linked to their impacts on the natural environment and overuse of natural resources.

Retrieved from page 36: https://www.lppsa.com/wp-content/uploads/2021/05/LPP-Group-Integrated-Report-for-2020-21-1.pdf

(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.[35] The KPIs may also refer to the company's policies and outcomes as defined through content categories (b) and (c) 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 Guidance, 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 & Performance (C.4) Emissions data (C.6) Emissions breakdown (C.7) Energy (C.8)	Metrics and Targets

Recommendations for companies to 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 to highlight priority metrics that are connected to the company's policy and strategy. These KPIs should articulate the company's progress, performance and position.
- Provide at least two years' of prior data to demonstrate performance trends.
- Present the KPIs in a table or graphic to ensure the information is clear and concise.
- Where appropriate, use the indicators defined by CDP, the other recognised reporting standards and frameworks.

BBVA
Annual Report 2020

BBVA summarise the KPIs in a table on page 22 of the annual report. These KPIs are directly connected to the material topic and associated targets.

Goals and level of progress of the material issues for BBVA. 2020.

Material issue	Indicator	Goal	2020 Progress
Climate change	Sustainable finance mobilization	€100.000 million between 2018-2025	€50,155m
	Allignment by sectors indicators	Portfolio alignment with Paris Agreement	Defined methododologies and indicators and pilot assessment in sensible sectors
	Energy obtained from renewables sources	70% in 2025 and 100% in 2030	65%
	CO_2 emissions (scope 1 and 2)[(1)]	-68% reduction in 2015-2025 period	-60%
	TCFD recommendations in 2020	Implementation of TCFD recommendations in 2020	Publication of TCFD report in november 2020
Solvency and financial results	CET 1 fully-loaded ratio	2020: 225- 275 basic points over a 8.59% requirement 2019: 11.5% -12%	11.73% (314 basic points over the requirement of 8.59%)
Easy, fast and do it yourself	Reaching more clients	% customers acquired by digital channels (2021 >36%)	33.3%

[(1)]Scope 1: Emissions from direct energy consumption (fossil fuels), calculated based on the emission factors of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. The IPCC Fifth Assesment Report and the IEA were used as sources to convert these to CO_2e.
Scope 2: Emissions from electricity consumption, calculated based on the latest emission factors available from the IEA for each contry.

Each environmental KPI is further detailed on page 89-90, alongside relevant global targets. The KPIs are then explained with accompanying narrative to justify why they have been included and the management approach taken by the company.

GLOBAL ECOEFFICIENCY PLAN GOALS 2016-2020

Vector	Indicator	Global target
ENVIRONMENTAL MANAGEMENT AND SUSTAINABLE CONSTRUCTION	% occupants in certified buildings	46%
ENERGY AND CLIMATE CHANGE	Consumption per occupant (kWh/occup)	-5%
	% Energy from renewable sources	48%
	CO_2eq emissions per occupant (tCO2eq/occp)	-8%
WATER	Consumption per occupant (m^3/occup)	-5%
	% Occupants in buildings with alternative water sources	9%
PAPER AND WASTE	Paper consumption per occupant (kg/occup)	-5%
	% Occupants in buildings with separate waste collection	30%
EXTENSION OF THE COMMITMENT	Awareness campaigns for employees and suppliers	

3. **Water**

   Water, which is one of the resources that has a major impact, is another priority indicator for BBVA. In order to reduce this impact, the headquarters of Spain and Mexico are equipped with gray water recycling systems and rainwater recirculation for irrigation.

4. **Paper and waste**

   Waste generation is becoming a major global problem. BBVA has spent many years working to reduce this impact as much as possible through sustainable construction standards or through implementing ISO 14001-certified Environmental Management Systems. In order to ensure the proper separation and subsequent recycling of waste, facilities feature clearly differentiated and signposted areas in order to minimize the amount of waste that ends up in landfills.

Retrieved from page 22 and 89: https://shareholdersandinvestors.bbva.com/wp-content/uploads/2021/03/Annual-Report-2020_ENG1.pdf

MOL Group
Integrated Annual Report 2020

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

Selected Group-level key sustainability indicators highlighted below based on the **materiality assessment** (refer to **Materiality Matrix** on page 5 for list material issues). When selecting indicators, MOL Group used the **SASB Materiality Map**, **IPIECA Sustainability Reporting Guidance** and **GRI** as reference. Disclosure of 600+ ESG data points for the 2016-2020 period can be obtained from the Data Library.

CLIMATE CHANGE & ENVIRONMENT	UNIT OF MEASURE	2020	2019	SASB	IPIECA	GRI	PAGE
Total Direct GHG (Scope 1) – 2019 figure restated	mn tonnes CO_2 eq	6.81	6.84	EM-RM-110a.1	CCE-4	305-1	122
Total Direct GHG (Scope 1) under ETS	mn tonnes CO_2 eq	6.08	6.11	EM-RM-110a.1	CCE-4	305-1	123
Total Indirect GHG (Scope 2) - Location based	mn tonnes CO_2 eq	0.80	0.90	EM-RM-110a.1	CCE-4	305-2	122
Total Indirect GHG (Scope 2) - Market based	mn tonnes CO_2 eq	0.85	1.02	EM-RM-110a.1	CCE-4	305-2	122
Total Indirect GHG (Scope 3)	mn tonnes CO_2 eq	54.5	59.3	-	CCE-4	305-3	123
Methane (CH_4) – 2019 figure restated	tonnes	2,315	2,592	EM-EP-110a.2	CCE-5	305-1	123
Total direct energy consumption	mn GJ	94.1	93.61	EM-RM-120a.1	CCE-6	302-1	123
Total indirect energy consumption	mn GJ	11.17	11.01	EM-RM-120a.1	CCE-6	302-2	123
Sulphur Dioxide (SO2)	tonnes	3,835	6,367	EM-RM-120a.1	ENV-5	305-7	124
Nitrogen Oxides (NOX)	tonnes	6,077	5,602	EM-RM-120a.1	ENV-5	305-7	124
Number of Spills (>1bbl)	number	51	62	EM-EP-160a.2	ENV-6	306-3	125
Volume of Spills (>1bbl) - HC content	m^3	194.6	320.8	EM-EP-160a.2	ENV-6	306-3	125
Total Water Withdrawal – 2019 figure restated	thousand m^3	95,183	87,551	EM-RM-140a.1	ENV-1	303-3	125
o/w regions w/ High or Extremely High Baseline Water Stress	%	0	0	EM-RM-140a.1	ENV-1	303-3	125
Total Water Discharged	thousand m^3	104,915	100,491	EM-RM-140a.1	ENV-2	303-3	125
Total Waste Generated	tonnes	173,119	210,738	EM-RM-150a.1	ENV-7	303-5	125
o/w Hazardous Waste	tonnes	73,708	96,957	EM-RM-150a.1	ENV-7	303-5	125

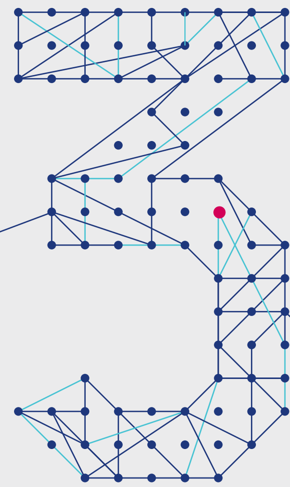
Sector specific metrics are used, including the number and volume of spills.

The metrics are mapped to the relevant SASB, IPIECA and GRI standard.

Retrieved from page 121: https://molgroup.info/storage/documents/publications/annual_reports/2020/integrated_annual_report_merged_eng.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
Coherent and connected reporting demonstrates the relationships between a company's vision, mission, risks, policies, strategies, targets and KPIs. The five content categories of the NFR Directive should be disclosed in a clear, concise and connected way to provide report users with a holistic picture of the company's impacts and dependencies on environmental matters. For example, environmental policies, that may be informed by specific risks, should be connected to relevant targets and KPIs that demonstrate the outcomes and progress of a company.

Additionally, the relationship between environmental matters and a company's overall strategy, performance and prospects should be described. Applying the concept of connectivity helps to show a complete picture of the factors and relationships that affect an organisation's ability to create value over time.

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."[36] Therefore disclosures should include environmental issues beyond climate change.

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. CDSB's 2020 analysis of European company reports found that most large EU companies now provide some disclosures against all core categories of the NFR Directive. In particular, the review found that companies are continuing to enhance their disclosures on climate change, with less focus on other environmental matters. To further support companies, CDSB has produced application guidance on water and biodiversity to help companies disclose these topics in the mainstream report. For many years, CDP have provided structured questionnaires for water and forest disclosure, including detailed reporting guidance documents. These documents are a wealthy resource for companies aiming to report on water forests matters and can be used to inform and structure disclosure in the mainstream report.

4. Apply CDSB's guiding principles for effective disclosure of environmental information
CDSB's 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:

1. **Relevant and material** – environmental information shall be prepared applying the principles of relevance and materiality.
2. **Faithfully represented** – to ensure that information is complete, neutral and free from error in order to be useful.
3. **Connected with other information** – to explain the links between the organisation's governance, strategy, risk management and environmental performance.
4. **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.
5. **Clear and understandable** – to aid understanding by ensuring that disclosures are easy to navigate, read and research.
6. **Verifiable** – to ensure information that forms the basis for disclosures is verifiable.
7. **Forward looking** – to ensure that historic information in the mainstream report is complemented with narrative on the future impact of environmental information.

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