



**GET IT FAIR**

# GIF Framework

2024 – Rev 02



Title of the document	GIF (Get It Fair) Framework
Revision N°	02
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Scope	<p>Validation of the "GIF Responsible Organization" assertion based on a quantitative assessment (scoring) of the level of exposure to current or potential risks of events that may cause future adverse impacts to the organization and its stakeholders related to sustainability issues:</p> <ul style="list-style-type: none"> <li>- Governance and management system for social responsibility</li> <li>- Social (Human rights, labor practices and local communities)</li> <li>- Health and Safety</li> <li>- Environmental (Pollution, resource consumption, climate change and protection of the natural environment)</li> <li>- Business Ethics (Proper business practices, customer issues)</li> </ul> <p>The GIF Framework focuses on the risk assessment of one or more business units belonging to a legal entity.</p> <p>The GIF Framework is <b>not prescriptive and can be applied by any organization</b>, regardless of size, sector, or maturity.</p>
Exclusions	<p>Ethical characteristics of products/services</p> <p>Product/service/process compliance with legal requirements or standards</p> <p>Compliance with requirements of management system standards</p>
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## Introduction

Responsible businesses are distinguished by their ability to combine financial and economic performance with the protection of human rights and labor practices, the health and safety of workers in the workplace, the protection of the environment, and the conduct of fair business practices toward competitors and customers.

The evolving regulatory framework stimulates the demand for accurate, reliable, and credible information about companies' sustainability practices to enable stakeholders to decide how to relate to them. This demand concerns not only the impacts caused by the organization's activities on the external context and stakeholders but also the impacts caused by the external context on the organization (e.g., the effects of climate change).

The scope of sustainability information is not limited to the organization's boundaries but extends to its value chain. In the context of increasingly long and fragmented value chains on local and global scales, there is growing exposure to the risk of upstream and downstream violations of human rights, environment, and business ethics that cause adverse impacts on the organization and its stakeholders. Therefore, there is a growing demand to disclose accurate information regarding social risks along the value chain. Mandatory regulations such as EU Directive 2024/1760 (CSDD) introduce mandatory Due Diligence on suppliers to reduce exposure to social and environmental risks.

The ability to attract financial resources from investors and banks will increasingly depend on the firm's ability to identify and assess risks and devise appropriate mitigation plans. The cost of capital (debt or equity) will increasingly depend on reliable assessments of all sustainability issues.

Insurers will define products and policies whose premium will also depend on the level of exposure to future social and environmental risks with a focus on transition risks.

Buyers and contracting stations will insert increasingly stringent supplier qualification requirements and will award contracts giving preference to those who demonstrate that they expose the buyer to lower risks of adverse impacts and unexpected costs due to sustainability issues. In public procurement, Green Public Procurement legislation calls for increasingly stringent mandatory or reward criteria on sustainability aspects to be included in tenders.

End consumers and, more generally, those buying a product or service increasingly want to choose products and suppliers based on reliable and verified information on sustainability.

These trends require companies to provide information not only on historical data and results but also supplement it with future-oriented (Forward-Looking) information that enables them to estimate the level of exposure to future risks.

These pushes for predictive information on all aspects of sustainability require organizations to develop an integrated management system based on a few key pillars:

- Collection and analysis of information on external and internal context trends that may have future impacts on strategic choices.
- Engaging and listening to stakeholders and gathering input on their needs, expectations, and, most importantly, priorities regarding material sustainability-related issues.
- Defining policies and strategies with action plans and measurable short-, medium- and long-term goals.
- Definition and implementation of an integrated approach to identifying, assessing and mitigating risks and impacts within the organization and along the value chain on all sustainability issues.
- Linking the risk management system with the management control system to determine short-, medium- and long-term impacts on expected economic and financial performance.
- Active management of relationships with suppliers and business partners to mitigate social and environmental risks along the value chain.

The Get It Fair program provides accurate, credible and reliable sustainability information about an organization's sustainability level of excellence verified by an independent third-party assessment hinged on:

**A**

A **GIF Framework** covering all aspects of an organization's sustainability with reference to internationally recognized guidelines (OECD) and standards (ISO 26000).

**A**

An integrated Assurance Process (ISO/IEC 17029 compliant) that involves part of the activities performed at the organization's site and is focused on assessing the level of exposure to current or potential risks and impacts on all aspects of sustainability.

**Multiple**

**Multiple Output** to meet the sustainability information needs of different stakeholders:

- (a) Validated "**GIF Responsible Organization**" assertion (in accordance with ISO 17033);
- (b) Validation of the ESG Rating;
- (c) Validation of the "**GIF ethical Label**" (in accordance with ISO 17033);
- (d) Verification of the sustainability report in compliance with GRI or ESRS standards.

# Get It Fair Framework

## The Basics of the Framework

Around the world, driven by various stakeholder and regulatory constraints, organizations are becoming increasingly aware of the need for and benefits of responsible, sustainable development-conscious behavior in a future (short-, medium-, and long-term) perspective.

ISO 26000 defines social responsibility as: “the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that:

- *Contributes to sustainable development, including health and the welfare of society.*
- *Considers the expectations of stakeholders.*
- *Complies with applicable law and consistent with international Code of Conduct*
- *Is integrated throughout the organization and practiced in its relationships.”*

The GIF Framework is based on documents published by international organizations, including the Universal Declaration of Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on Environment and Development.

The OECD Guidelines provide voluntary principles and standards for responsible business conduct and are the benchmark for a growing number of sustainability-related legislations.

The ISO 26000 “Guide to Social Responsibility” describes principles and recommendations for responsible conduct on all aspects of sustainability.

In addition, the GIF Framework incorporates key sustainability reporting standards (EFRAG-ESRS and GRI) to link ESG risk assessment with sustainability reporting.

The GIF Framework can be integrated into any organization’s existing governance and management system and used in conjunction with other management system tools/methods.

## The need for the GIF Framework

Responsible Organizations must define, implement, and improve a management system and identify, assess, and mitigate all risks of current and potential events that may result in future impacts on the organization **and its stakeholders on all sustainability issues.**

The GIF Framework is a **non-prescriptive** (it contains no requirements to be applied but only sample requirements) and **performance-oriented management model.**

The GIF Framework applies to any organization, regardless of size, sector, activity, location, and maturity level.

The GIF Framework supports organizations that wish to continuously improve the effectiveness of process approaches and results in all aspects of sustainability, going beyond the minimum requirements prescribed by applicable legislation.

The GIF Framework provides a tool for:

- Share a common language in the area of sustainability.
- Guide the definition, implementation and improvement of a management system that reduces risks and impacts and improves results on all sustainability issues.
- Support self-assessment that enables the identification of strengths and areas for improvement.
- Support the conduct of an assurance aimed at assessing the level of exposure to sustainability risks of suppliers and business partners that may adversely impact the organization and its stakeholders.
- Facilitate the preparation of sustainability information in accordance with internationally recognized standards.

In addition, the GIF Framework constitutes:

- The template for conducting a third-party assessment of sustainability risks and sustainability reporting.

The GIF Framework in no way constitutes a basis for lawsuits, injunctions, or claims in any legal proceeding (Judicial and extra-judicial).



## The structure

The GIF Framework consists of three integrated and interdependent components:

1. The Principles of Social Responsibility
2. The GIF Criteria
3. The GIF Scoring System.

### 1) The Principles of Accountability (ISO 26000)

The GIF Framework is based on some fundamental principles of corporate responsibility.

The Get It Fair Framework adopts the 7 (seven) principles for social responsibility defined by the ISO 26000 standard, which are closely related to the United Nations Global Compact's 10 (ten) Principles for Sustainable and Socially Responsible Business.

Get It Fair encourages organizations to apply the seven Principles for Responsible Business in their operations and along the value chain and assumes that they will comply with them, regardless of whether they are legally required to do so.

### 2) The criteria

The GIF Framework is a management model geared toward continuous performance improvement on all aspects of sustainability based on 5 (five) criteria.

The first criterion concerns the Governance and Management System and aligns with the main management system standards (ISO 9001, ISO 14001, ISO 37001, ISO 45001, ISO 50001, SA 8000).

Each of the other 4 (four) covers the results expressed in terms of the level of risk exposure on as many sustainability issues (social, health and safety, environmental, and ethical business conduct).

There are interconnections and interdependencies between the first criterion and the criteria on the specific issues and risks.

Regardless of the organization's size, complexity, industry, and maturity, how it is governed and managed influences the results of its operations and activities and the level of risk exposure.

The GIF Framework enables organizations to apply and translate the seven Principles of Social Responsibility into practice through the above Criteria.

It also provides professionals (managers, consultants, evaluators) with a tool for understanding:

- The relationships between what the organization does to prevent risks that may cause a negative impact on the organization and/or its stakeholders; and
- The level of risk concerning each ESG aspect.

### 3) The Scoring System

The third element of the GIF Framework is the Scoring System.

The GIF Framework not only sets down a list of evaluation elements and requirements but also includes the metrics that allow the judgment of

qualitative elements to be transformed into a quantitative evaluation.

The "score" oriented evaluation metrics ("score") allow the measurement and comparison over time of:

- The measure of the effectiveness of the governance and management system and how well the organization has defined, implemented, and reviewed how process approaches cover all aspects of sustainability;
- The level of exposure to the risk of actual or potential events that may result in future negative impacts on the organization and its Stakeholders due to sustainability issues.

The "Governance and management system" criterion metric is based on the logic of the PDCA (plan, do, check, act) cycle. It allows for measuring the level of effectiveness of approaches to each process and **checking the alignment between:**

- the effectiveness of the governance system,
- the stakeholders engagement,
- the results of the assessment of material issues,
- the RBC (Responsible Business Conduct) policy,
- the management of compliance,
- the risk management system,
- the sustainability planning (actions and objectives),
- the implementation of risk treatment,
- the management control system,
- the planning and implementation of improvement.

The metrics for assessing specific risks ("Social," "Safety," "Environmental," and "Business Ethics") are based on a judgment of how the organization identifies, analyzes, assesses, and treats risks for each aspect of sustainability.

The metrics aim to verify the information needed to understand the organization's impacts on sustainability issues and how sustainability issues affect the organization's development, performance and position.

In accordance with the requirements of Directive 2022/2464/EU (CSD), the metrics allow for the assessment of, in particular:

- The level of effectiveness of the organization's business model and strategy, including the resilience of the business model and strategy to risks and opportunities related to sustainability issues, plans to ensure that the business model and strategy are compatible with the transition to a sustainable economy and with limiting global warming (in line with the Paris Agreement), how the business model and strategy take into account the interests of stakeholders and the organization's impacts on sustainability issues (verification and validation of the materiality matrix), and how the sustainability strategy has been implemented;

- The consistency of the goals related to sustainability issues set by the organization and the progress made toward achieving those goals;
- The role of the governing, management and supervisory bodies in sustainability matters;
- The sustainability policies (responsible business conduct);
- The approach to the assurance process implemented on sustainability issues, the major actual or potential adverse impacts related to the organization's value, including its operations, products and services, business relationships, and value chain, and any actions taken, and the result of those actions, to prevent, mitigate, or remedy the actual or potential negative impacts.
- The major risks associated with sustainability issues, including the organization's significant dependencies on these issues and how the organization manages these risks.

The GIF Framework also assesses risks related to intangible assets, including information on intellectual, human, social, and relational capital.

Paragraphs 1 and 2 contain forward- and backward-looking information, as well as qualitative and quantitative information.

The assessment metrics for confirming the plausibility of assumptions (Validation) regarding the level of risk exposure consider, in each Topic of the GIF Framework, assessment elements that include:

- materiality with respect to business processes,
- past performance (trends, targets, benchmarking),
- observations, documents, records and interviews,
- the analysis of mitigation plans for the future.

The analysis of plans for the future is essential for making a forward-looking judgment on the level of exposure to risks.

Particular attention is paid to the verification of the consistency of the established action plans and objectives with the needs and expectations of stakeholders (thus with the results of the analysis of material issues), taking into account the actual

available resources (financial, human, know-how, etc.) allocated for the implementation of the plan.

**GIF Framework: EU regulatory framework**

The GIF Framework is defined with reference to the principles of key emerging international legislation, including:

- EU Regulation 2019/2088 "Sustainability Disclosures in the Financial Services Sector."
- EU Regulation 2020/852 "Establishment of a Framework for Sustainable Investment (Environmental Taxonomy)";
- EU Regulation 2022/2453 "Disclosure of Environmental, Social and Governance Risks";
- EU Directive 2022/2464/EU on the disclosure of non-financial information.
- Directive 2024/1760 on companies' duty of care for sustainability purposes.

In addition, the GIF Framework (Principles, Criteria and Metrics) meets the recommendations specified in the European Banking Authority (EBA) documents.

- "Guidelines on Loan Origination and Monitoring (LOM)"
- "Report on management and supervision of ESG risks for credit institutions and investment firms."

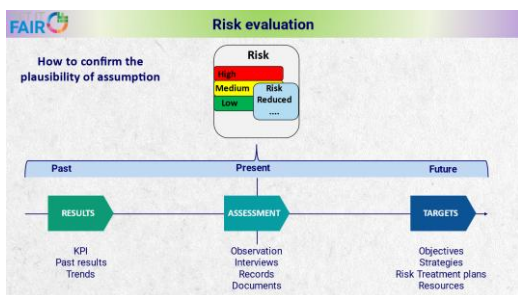
**GIF Framework and Sustainability Reporting**

The GIF Framework incorporates sustainability disclosures required by internationally recognized sustainability reporting standards:

- GRI (Global Reporting Initiative);
- EFRAG ESRS.

Narrative-type references to the standards are made explicit in the GIF Framework's Assessment Points.

A table for each area of the GIF Framework represents references to leading or lagging performance indicators called out by the sustainability reporting standards or used by excellent organizations (even if not called out in the reporting standards). The table contains KPIs defined by the reporting standards and examples of other performance indicators.





## The seven principles of social responsibility



The principles of social responsibility on which the GIF Framework is based are taken from ISO 26000 and are listed below.

### Accountability

An organization should be accountable for its impacts on society and the environment.  
(ISO 26000 - 4.2)

In practice, Responsible Organizations:

- Accept appropriate oversight and accept a duty to respond to that oversight;
- Maintain accountability in relation to laws and regulations to legal authority;
- Are accountable to those affected by its decisions and activities and society at large for their overall impact. The degree of accountability may vary but must always correspond to the extent or scope of authority;
- Have supreme authority and pay greater attention to the quality of their decisions, including accepting responsibility for wrongdoing, responding appropriately to remedy the wrongdoing, and taking steps to prevent its recurrence; and
- Explain the results of its decisions and activities, including the consequences and the significant impacts on society and the environment; also, avoid the recurrence of unintended or unforeseen decisions or activities.

### Transparency

An organization should be transparent in its decisions and activities that impact society and the environment.  
(ISO 26000 - 4.3)

In practice, Responsible Organizations:

- Reasonably and sufficiently disclose the policies, decisions, and activities for which they are responsible, including known and likely impacts on society and the environment;
- Ensure that sustainability information is readily available, accessible and understandable to those who have been or are likely to be significantly affected by adverse impacts;
- Present information in a timely, clear and objective manner so that stakeholders can accurately assess the impact that the organizations' decisions and activities have on their respective interests; and
- Are transparent about the governance structure, functions and control (internal audit) and financial and operational performance, the purpose, nature, and location of activities, how decisions are made, implemented, and reviewed, including the definition of roles, responsibilities, and authorities in different functions, their performance in relation to relevant and significant ESG risks, the source of their financial resources, the known and likely impacts of their decisions and activities on stakeholders, society, and the environment, and the identity of their stakeholders and the criteria and procedures used to identify, select, and engage them.

## Ethical behaviour

An organization should behave ethically at all times  
(ISO 26000 - 4.4).

In practice, Responsible Organizations:

- Develop governance structures that help promote ethical conduct within the organization and in its interactions with others;
- Identify, adopt and apply standards of ethical behavior appropriate to their purpose and activities and consistent with the principles outlined in this Framework;
- Encourage and promote compliance with their own standards of ethical behavior;
- Define and communicate the standards of ethical behavior expected of its governance structure, staff, suppliers, contractors, and, where appropriate, owners, managers, and particularly those who have the opportunity to significantly influence the values, culture, integrity, strategy, and operations of the organization and its people, while preserving local cultural identity;
- Prevent or resolve conflicts of interest within the organization that might otherwise lead to unethical behavior;
- Establish oversight mechanisms and controls to monitor and enforce ethical behavior;
- Establish mechanisms to facilitate the reporting of unethical behavior without fear of retaliation;
- Recognize and address situations where local laws and regulations do not exist or conflict with ethical behavior; and
- Respect the welfare of animals when it affects their lives and existence, including ensuring dignified conditions for their keeping, breeding, production, and use.

## Respect for the rule of law

An organization should respect, consider and respond to the interests of its stakeholders  
(ISO 26000 - 4.5).

In practice, Responsible Organizations:

- Identify their stakeholders.
- -Are aware of and respect the interests of their stakeholders and respond to their expressed concerns.
- Recognize the interests and legal rights of their stakeholders.
- Recognize that some stakeholders can significantly affect their activities.
- Assess and consider the relative ability of stakeholders to contact, interact with, and influence the organization.
- Consider the relationship between their stakeholders' interests, the broader expectations of society and sustainable development, and the nature of the stakeholder's relationship with the organizations.
- Consider the views of stakeholders who might be affected by a decision, even if they do not hold formal roles in the organizations' governance or are unaware of the impact of decisions and activities on them.

## Respect for international norms of behavior:

An organization should accept that respect for the rule of law is mandatory  
(ISO 26000 - 4.6)

In practice, Responsible Organizations:

- Comply with legal requirements in all jurisdictions (domestic and international) in which they operate.
- Ensure that their relationships and activities fall within the applicable legal framework.
- Keep abreast of their legal obligations.
- Periodically review their compliance with applicable regulations.
- Use appropriate international dispute resolution mechanisms, including arbitration, to facilitate the resolution of legal problems that arise between companies and host country governments.

## Respect for international norms of behavior

An organization should respect international norms of behavior, while adhering to the principle of respect for the rule of law (ISO 26000 - 4.7)

In practice, Responsible Organizations:

- Strive to comply with international norms of behavior in countries where the law or its implementation does not provide minimum environmental/social safeguards.
- Strive to comply as much as possible with international norms of behavior in countries where the law or its implementation is in significant conflict with international norms.
- Review, where feasible and appropriate, the nature of their relationships and activities within the jurisdiction in situations where the law or its implementation conflicts with international norms of behavior and where failure to comply would have significant consequences.
- They consider legitimate opportunities and channels to seek to influence relevant organizations and authorities to remedy any conflict.
- Avoid being complicit in the activities of other organizations that are inconsistent with international norms of behavior.

## Respect for human rights

an organization should respect human rights and recognize both their importance and their universality  
(ISO 26000 Clausola 4.8)

In practice, Responsible Organizations:

- Respect and promote the rights enshrined in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights and the main instruments in which it has been codified) and refrain from requesting or accepting exemptions not covered in the legal or regulatory framework relating to human rights.
- Accept that these rights are universal; they are indivisibly applicable in all countries, cultures, and situations.
- Avoid violating human rights and address negative human rights impacts in which they are involved.
- Prevent or mitigate human rights impacts that are directly related to their business operations, products, or services from a business relationship.
- Provide or cooperate in remedying adverse human rights impacts that the organization has caused or contributed to.
- Respect human rights regardless of the state's ability and/or willingness to fulfil its human rights obligations.
- In situations where human rights are not protected, take measures to respect human rights and avoid taking advantage of such situations.
- In situations where the law or its implementation does not provide for adequate protection of human rights, adhere to the principle of compliance with international norms of behavior.

## Criteria



The image represents the Get It Fair benchmark model, based on 5 (five) criteria.

The central Criterion is considered the “Enabler”, and the other 4 Criteria are focused on the “Results.”

The “Governance and Management System” Criterion (the “Enabler”) focuses on how an organization establishes, implements, monitors, and reviews a management system for Social Responsibility and how it can identify, prevent, and mitigate all risks related to ESG issues based on stakeholder needs.

The four criteria focused on “Results” define the organization's level of exposure to specific risks: social, health and safety, environmental, and business ethics. The four criteria' results depend on the effectiveness of the approaches of the Governance and Management System processes and can be improved with careful risk analysis.

A definition of each criterion is given to explain its high-level meaning.

Each criterion is divided into Areas that group specific Topics.

For each Topic, the Purpose (why the theme is important in the Framework) and Metrics (how the theme is measured) are explained.

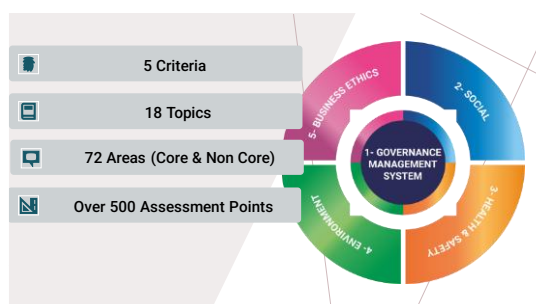
Within each Topic is a set of Assessment Points that are directly or indirectly related to the seven principles of Social Responsibility.

The Assessment Points are intended to provide users with examples to support the interpretation of the Topic and are considered during the scoring process.

The “Criteria” distinguish the Topic into two categories:

- **Core Topic:** These reflect the principles of the OECD Guidelines for Responsible Business Conduct and, more specifically, the principles of the OECD Guidelines on Duty of Care for Responsible Value Chains.
- **Non-Core Topic:** These reflect the requirements of ISO 26000 relevant to SR but result in minor negative impacts and otherwise do not compromise the relationship with Stakeholders.

The Topic and Assessment Points apply and are considered in scoring based on the Organization's business model and context.



## GIF Framework Topic's structure

All GIF Framework Topics have the same structure described in this section.

### ID NUMBER AND TITLE

#### PURPOSE

The purpose of the Topic within the Framework

#### METRICS

How The Topic is measured

### DESCRIPTION

A brief explanation of the sustainability issue addressed in the Topic and its importance in defining the level of ESG risk.

### ASSESSMENT POINTS

The assessment elements are non-exhaustive lists that guide the organization in progressively improving the effectiveness of process approaches and the level of exposure to social, health and safety, environmental, and business ethics risks.

The assessment elements are grouped in distinct ways between the "Governance and Management System" criterion and the "Social," "Health and Safety," "Environmental," and "Business Ethics" criteria.

In Criterion 1 "Governance and management system," the evaluation elements are organized according to PDCA logic:

<b>PLAN</b>	Elements to assess whether an approach is appropriately defined (taking into account stakeholder needs and data and facts), integrated (to other approaches), and covers all aspects of sustainability.
<b>DO</b>	Elements to assess whether and to what extent an approach is implemented systematically and in all areas of the organization.
<b>CHECK</b>	Elements to assess whether and to what extent the organization conducts continuous monitoring of the level of implementation of the approach and periodic review of the effectiveness of the approach with respect to the defined objectives and the needs and expectations of relevant stakeholders.
<b>ACT</b>	Elements to assess whether and to what extent the organization, based on the results of the periodic assessment, modifies the approach to improve its effectiveness or to adapt it to changes that have occurred in the internal and external environment.

In Criteria 2-3-4-5, the assessment elements are organized according to the logic of the risk management process (identification, assessment, mitigation plans, and remediation plans) and evaluate the level of risk exposure for each relevant sustainability issue. Specifically, for each Topic, risks arising from the company's activities impacting Stakeholders that may cause negative impacts to the organization and its Stakeholders are considered (ESRS, GRI, etc.), as well as risks of impacts on the economic-financial aspects of the organization arising from the external context (Ex: environment, local communities, etc.).

<b>RELEVANCE</b>	Contains the assessment elements that allow determining the degree of importance of the Team in the context of the organization and for its stakeholders
<b>IDENTIFICATION</b>	<p><b>Risks arising from the organization's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• ...</li> <li><b>Risks related to the value chain</b></li> <li>• ...</li> </ul>
<b>EVALUATION</b>	<p><b>Risks arising from the organization's activity with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• ...</li> <li><b>Risks related to the value chain</b></li> <li>• ...</li> <li><b>Economic and financial impacts on the organization</b></li> <li>• Estimated costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc...), reputational and business continuity in the short, medium and long-term arising from ... in its own operations and along the value chain (C)</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Of the organization in its own operations</b></p> <ul style="list-style-type: none"> <li>• ...</li> <li><b>Along the value chain</b></li> <li>• ...</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Of the organization in its own operations</b></p> <ul style="list-style-type: none"> <li>• ... (C)</li> </ul>

For each element, it is specified, where possible, whether it influences the assessment of "probability" (P), "consequence" (C) or both (P and C).

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

This section makes explicit the numerical performance indicators (leading and lagging) relevant to the topic. For each indicator, the reporting standard, indicator description, unit of measurement, and type are specified.

ESRS	GRI	Indicator	Unit	Type

**RELATED TOPIC IN THE GIF FRAMEWORK**

This section contains references to other areas of the GIF Framework.



# - GOVERNANCE & MANAGEMENT SYSTEM

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# 1 Governance & Management System

RESPONSIBLE ORGANIZATIONS DEFINE, IMPLEMENT, MONITOR, AND IMPROVE A GOVERNANCE AND MANAGEMENT SYSTEM THAT CONSIDERS ALL SUSTAINABILITY ISSUES (SOCIAL, ECONOMIC, AND ENVIRONMENTAL) THAT ARE AFFECTED OR MAY AFFECT THE ORGANIZATION AND ITS STAKEHOLDERS, WHILE PURSUING, IN A BALANCED WAY, THE ACHIEVEMENT OF FINANCIAL AND ECONOMIC RESULTS AND THE SATISFACTION OF STAKEHOLDERS' NEEDS AND EXPECTATIONS IN THE SHORT, MEDIUM, AND LONG TERM.

## Topic

- 1.1 Governance
- 1.2 Context and Stakeholder engagement
- 1.3 Leadership
- 1.4 Planning
- 1.5 Support
- 1.7 Implementation and Operations
- 1.7 Performance Evaluation

The criterion focuses on how organizations define, implement, monitor, and improve their governance and management system. It considers all sustainability issues and ensures alignment between processes.

Responsible Organizations mitigate "governance risk", that is, the risk of adverse financial effects for the organization due to the impact, present or future, of governance factors on its activities (EU Regulation 2022/2453):

- Ensuring an active role of the governing body in defining and monitoring strategies for sustainability;
- Ensuring an appropriate composition of the Diversity Management Body;
- Clearly establishing rules and procedures for the functioning and accountability of the Governing Body;
- Ensuring transparent procedures for the appointment of directors;
- Determining and implementing appropriate compensation policies and procedures to achieve objectives;
- Guiding the risk management process and establishing effective internal audit processes.

Responsible Organizations define, implement and improve an integrated management system that:

- Identifies and involves stakeholders with an interest in the organization's activities and decisions;
- Determines the needs, requirements, and expectations on material issues of each stakeholder;
- Establishes a policy for Responsible Business Conduct (RBC) in accordance with OECD guidelines;
- Ensures compliance with and exceeds requirements defined by mandatory regulations;
- Identifies, assesses and mitigates the actual and potential impacts, risks and opportunities of their activities on stakeholders and those of the context and Stakeholders on its economic performance;
- Plans actions for sustainability by defining goals, actions, responsibilities and resources;
- Determines appropriate criteria and methods to ensure the effectiveness of process control;
- Ensures the availability of resources (human, financial and knowledge) to support the operation of processes;
- Extends the management of sustainability issues along the value chain and the entire life cycle of products and services;
- Monitors, measures and analyzes the results of processes against defined objectives;
- Defines and implements an approach to Due Diligence, internal audits and management review to monitor the effectiveness of approaches over time against determined objectives;
- Implements actions necessary to achieve objectives and improve approaches and results;
- Maintains accountability within the organization for ESG risks along the value chain;
- Reports and discloses sustainability information in accordance with international standards.

## 1.1 Governance

The governing body of a Responsible Organization defines and implements processes, controls, and procedures to monitor, manage and control sustainability issues and related risks, impacts and opportunities.

### Topic

- 1.1.1 Role of the Governing Body
- 1.1.2 Composition of the Governing Body
- 1.1.3 Functioning of the Governing Body
- 1.1.4 Appointment of the Governing Body
- 1.1.5 Remuneration of directors (and senior management)
- 1.1.6 Internal auditing and ESG risk management



**1.1.1 Role of the Governing Body**

PURPOSE	METRIC
To ensure that the Governing Body effectively guides the setting of strategies and goals for improved performance on all ESG aspects and risks in the short, medium, and long term.	Degree of effectiveness of the Board's approach to defining and monitoring policies and strategies related to ESG impacts, risks, and opportunities and their disclosure to stakeholders.

**DESCRIPTION**

The governing body of Responsible Organizations defines, implements, reviews, and improves an approach for carrying out the management and control role on all sustainability issues and risks of the organization.

The governing body guides the organization in pursuing its sustainable success by defining and communicating:

- The mission, which is the purpose that defines its intentions towards the organization's natural environment, society and stakeholders;
- The organization's values and their consistency with the principles of sustainable development;
- The goals of generating value in the short, medium and long term consistent with its purposes and in accordance with the organizational values, the natural environment, as well as the social and economic context in which it operates;
- The organizational strategy, in accordance with the value generation model, to achieve the purpose by integrating objectives and plans for corporate responsibility and ESG risk minimization;
- Oversight of the organization's performance, ethical behavior, and compliance obligations to ensure that they meet the intentions and expectations of the governing body;
- Its accountability to the organization and how it is informed by those to whom it has delegated responsibilities and functions;
- The way in which shareholders and stakeholders are adequately involved in all sustainability issues and that their expectations are taken into account;

The system of governance that is most functional for the conduct of the company's business and the pursuit of its strategies (including sustainability strategies), taking into account the spaces of autonomy offered by the applicable national law. Where appropriate, it evaluates and promotes appropriate changes, submitting them, when applicable, to the shareholders' meeting.

**APPROACH'S ASSESSMENT POINTS**

PLAN	<ul style="list-style-type: none"> <li>• Promotion of dialogue with stakeholders.</li> <li>• Definition of the roles and responsibilities of the governing body.</li> <li>• Definition of limits on a director's accumulation of positions in other governance bodies.</li> <li>• Definition of the administrative, management, and control bodies (e.g., board committee or similar) or the identity of persons responsible for overseeing impacts, risks, and opportunities within a governance body.</li> <li>• Definition of the role of management in the governance body's processes, controls, and procedures for monitoring, managing, and controlling impacts, risks, and opportunities (e.g., delegation of the role to a specific position or committee at the management level; definition of hierarchical lines for the administration, management, and control bodies; definition of procedures and controls dedicated to managing impacts, risks, and opportunities and how they are integrated with other internal functions).</li> <li>• Definition of how the governing body and senior management monitor the setting of objectives related to relevant impacts, risks and opportunities, as well as progress in achieving them.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• How each body's responsibilities for impacts, risks, and opportunities are reflected in the company's mission, board mandates, and other related policies (ESRS GOV 1-22b).</li> <li>• Role of management in the governance processes, controls, and procedures used to monitor, manage, and control impacts, risks, and opportunities (e.g., delegation to a management-level position or committee and how control over that position or committee is exercised; information on hierarchical lines for boards, management, and control; conduct of controls and procedures dedicated to managing impacts, risks, and opportunities; how they are integrated with other internal functions) (ESRS GOV 1-22c; GRI 2-12).</li> <li>• Monitoring of goal setting related to relevant impacts, risks, and opportunities, and progress by the governing body and senior management (ESRS GOV 1-22d).</li> <li>• Statement by the organization's governing body or senior management on the sustainable development strategy (GRI 2-22).</li> <li>• Role of the governing body in relation to conduct (and ethics) (ESRS 2 GOV 1 5b).</li> </ul>

	<ul style="list-style-type: none"> <li>• Approval of the Responsible Business Conduct policy and commitment statement (GRI 2-23).</li> <li>• Integration of commitments in terms of policy for responsible business conduct through its activities and business relationships (assignment of responsibility for implementing commitments at various levels of the organization; integration of commitments into the organization's strategies, operating policies, and operating procedures; maintenance of commitments with and through entities with which it maintains business relationships; training provided to implement commitments) (GRI 2-24).</li> <li>• Appointment of the person/committee on the governing body responsible for setting sustainability policies and strategies (EV).</li> <li>• Appointment of person/Committee on the Board responsible for oversight of impacts, risks and opportunities (EV).</li> <li>• Board commitment to promote Stakeholder Engagement (EV).</li> <li>• Board approval of the results of the analysis of material issues (EV).</li> <li>• Attendance of organizational representatives at board meetings to present sustainability issues.</li> <li>• Board support for defining and implementing an integrated management system for all sustainability issues and risks.</li> <li>• Board approval of a sustainability plan integrated with the organization's other plans (goals, actions, timelines, responsibilities, costs) and linked to material issues (EV).</li> <li>• Role of the governing body in sustainability reporting (GRI 2-14).</li> <li>• Reporting to the governing body by management and with appropriate frequency on material impacts, risks, and opportunities (ESRS 2 GOV 2 26a).</li> <li>• How the governing body considers impacts, risks, and opportunities in controlling the company's strategy, its decisions on significant transactions, and its risk management process (ESRS 2 GOV 2 26b).</li> <li>• Role of the governing body in examining critical issues (GRI 2-16).</li> <li>• Reporting on the approach to setting and monitoring sustainability policies and strategies, in accordance with international standards.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitoring directors' satisfaction with the completeness and timeliness of information on impacts, risks, and opportunities received by management.</li> <li>• Monitoring directors' engagement on the progress and outcomes of the sustainability plan with respect to goals, timelines, and allocated resources.</li> <li>• List of significant impacts, risks, and opportunities reviewed, discussed, and approved by the board or its internal committees during the reporting period (ESRS 2 GOV 2 26c).</li> <li>• Review of the governing body's approach to the policy and strategy-setting process.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Evidence of improvement in approach.</li> <li>• Review of plans (governance, social, health and safety, environmental, business ethics, economic/financial) as a result of performance against sustainability issues.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		<ul style="list-style-type: none"> <li>• Governing Body meetings where policies and strategies for sustainability are discussed</li> </ul>	Number	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

All Topics in the "Governance and management system" criterion.

### 1.1.2 Composition of the Governing Body

PURPOSE	METRIC
To ensure that the Governing Body has a balanced composition, an appropriate degree of independence, and proper skills and competencies for the expected tasks	Degree of independence, competence, and balance of the composition of the Administrative Body to carry out the expected tasks

#### DESCRIPTION

The Administrative Body of Responsible Organizations defines, implements, reviews, and improves an approach to defining and maintaining an appropriate composition to perform the expected tasks.

The composition and structure of the governing body varies from one organization to another. However, as a collective, the governing body should remain adequately equipped to fulfill its role.

Depending on the organization's size, governing bodies may create committees to help them perform specific functions. These committees may be statutory or voluntary. Either way, they support the governing body with capacity, expertise, independence, diversity, and/or representation with additional stakeholders. If it uses support committees, the governing body formally delegates the responsibilities and authorities necessary to perform the expected functions to these committees.

The governing body acts collectively at all times, carrying out interconnected activities to exercise its authority and fulfill its responsibility. Members of the governing body act in the best interests of the organization.

The governing body comprises executive and non-executive directors, all of whom are professional and have skills appropriate to their tasks.

The number and skills of non-executive directors should ensure that they have significant weight in adopting board resolutions and that management is effectively monitored. Independent directors should be a substantial component of the non-executive directors.

The organization applies diversity criteria, including gender criteria, for the composition of the board of directors in compliance with the overriding objective of ensuring adequate competence and professionalism of its members.

The board has an appropriate composition to ensure the independence and professionalism of its function.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>Definition of the competence map of the members of the governing body.</li> <li>Definition of the roles of chairman and CEO with distinction of roles (or explanation of why the chairman is also CEO) (GRI 2-11).</li> <li>Definition of roles and responsibilities of individual directors on the governing body.</li> <li>Definition of rules to avoid conflict of interest and accumulation of offices.</li> </ul>
DO	<ul style="list-style-type: none"> <li>Adequate composition of the governance body: executive and non-executive directors; independent directors; terms of office of the Board of Directors; number and nature of other significant positions or commitments for each director; diversity; expertise related to Social Responsibility issues; and stakeholder representation.</li> <li>Directors' expertise related to the industry, products and markets in which the organization operates (ESRS 2 Gov 1-21c).</li> <li>Board competencies related to conduct (and ethics) (ESRS 2 GOV 1 5c).</li> <li>Ensuring the independence of the governing body from the Board of Auditors.</li> <li>Delegation of responsibilities for sustainability and related impacts to a Director (GRI 2-13).</li> <li>Identification of the administrative, management, and supervisory bodies (a person or committee) of persons responsible for overseeing impacts, risks, and opportunities (ESRS 2 GOV 1-22a; GRI 2-13).</li> <li>Absence of conflicts of interest between the CEO and other organizations (e.g., cross membership, cross participation with stakeholders, disclosure of related parties) (GRI 2-15).</li> <li>Reporting on the composition of the board of directors against international standards.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>Review of the approach to assessing the effectiveness of the composition of the board of directors (including monitoring of a director's conflicts of interest and accumulation of offices).</li> </ul>
ACT	<ul style="list-style-type: none"> <li>Changes and improvements to the composition of the board of directors.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
GOV 1 – 21a	2-9	Number of executive members	Number	
		Number of non-executive members	Number	
		Total	Number	
GOV 1 – 21b		Employee representatives	Number	

GOV 1 – 21d	2-9	Gender composition and other aspects of diversity	Number	
GOV 1 – 21d	2-9	Male members	%	
		Female members	%	
		Total		
GOV 1 – 21e	2-9	Independent members of the administrative body	%	

**RELATED TOPIC IN THE GIF FRAMEWORK**

All Topics in the “Governance and management system” criterion.

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### 1.1.3 Operation of the Governing Body

PURPOSE	METRIC
<p>Ensure that the functioning of the governing body is based on effective rules, procedures, and division of roles to ensure an efficient flow of information to directors on ESG impacts, risks, and opportunities</p>	<p>The degree of effectiveness of the rules and procedures of operation and separation of roles in the governing body with respect to the need to ensure the efficient flow of information to directors on ESG impacts, risks, and opportunities</p>

#### DESCRIPTION

The governing body of Responsible Organizations defines, implements, reviews, and improves an approach for the functioning of the governing body.

This body defines rules and procedures for its operation, mainly to ensure effective management of board reporting.

The chairman of the board of directors plays a liaison role between the executive and non-executive directors and ensures the effective operation of the board business.

The board of directors ensures adequate internal allocation of its functions and establishes (where appropriate) board committees with investigative, propositional, and advisory functions.

Each director ensures adequate time availability to fulfill the tasks assigned to them diligently.

#### APPROACH'S ASSESSMENT POINTS

<p>PLAN</p>	<ul style="list-style-type: none"> <li>• Definition of rules for the functioning of the governing body (in addition to the statutory rules).</li> <li>• Defining an approach for skill formation on sustainability issues for members of the governing body (ESRS 2 GOV 1 - 20c).</li> <li>• Defining an approach for providing the governing body with information on sustainability issues (ESRS Gov 2 - 24-25).</li> <li>• Defining an approach for establishing internal board committees with specific delegated powers (E.g., strategy committee, compensation committee, nomination committee, risk committee, and internal audit).</li> <li>• Definition of a procedure for reviewing and approving information on material issues (and explanations of the reasons why such approval is delegated to the organizational structure).</li> <li>• Definition of an approach for assigning roles and responsibilities within the governing body.</li> <li>• Definition of how and how often delegated bodies should report to the governing body (ESRS 2 Gov 2 26b).</li> <li>• Definition of the role of the governing body in sustainability reporting (GRI 2-14).</li> </ul>
<p>DO</p>	<ul style="list-style-type: none"> <li>• Assignment of clear roles and responsibilities within the governing body.</li> <li>• Assigning responsibility for ESG aspects and risks to a non-executive director with the necessary expertise, knowledge, and experience to oversee the implementation of the RBC policy and the effectiveness of the accountability and sustainability management system.</li> <li>• Regular performance of functions assigned to intra-board committees.</li> <li>• Disclosure of information regarding the composition and functioning of committees (if any).</li> <li>• Carrying out activities (e.g., outreach and training of directors) to increase the level of collective knowledge, skills, and experience of the board regarding sustainable development (ESRS 2 Gov 1-23a; GRI 2.17).</li> <li>• Assessment of the adequacy of expertise to relevant impacts, risks, and opportunities (ESRS 2 Gov 1-23b).</li> <li>• Performance by the President of the coordinating role to ensure the effective functioning of the governance body.</li> <li>• Reporting to the governance body (and any committees formed within it) on relevant impacts, risks, and opportunities, the implementation of the duty of care, and the results and effectiveness of policies, actions, metrics, and objectives adopted to address them (ESRS 2 Gov 2 26a).</li> <li>• How the governing body takes impacts, risks, and opportunities into account in controlling the firm's strategy, decisions on major transactions, and risk management process (ESRS 2 Gov 2 26b).</li> <li>• Periodic evaluation of the record of significant impacts, risks, and opportunities addressed by the governing body (ESRS 2 Gov 2 26c).</li> <li>• Timely communication of comprehensive information to discuss agenda items and enable directors to make informed decisions.</li> <li>• Supporting the organizational structure in establishing and implementing an integrated management system for social responsibility that covers all sustainability issues, risks, and opportunities.</li> <li>• Participation, where appropriate, of operational managers in Board meetings to provide supplementary</li> </ul>

	information regarding sustainability issues and risks.
<b>CHECK</b>	<ul style="list-style-type: none"> <li>Review of the approach to Board operation (Board review) with a focus on sustainability issues.</li> </ul>
<b>ACT</b>	<ul style="list-style-type: none"> <li>Improved approach to training Board members on sustainability issues.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Number of induction programs for directors x year	Number	Leading
		Number of board members participating in induction programs	Number	Leading
	2-16b	Total and nature of critical issues reported to the governing body during the reporting period	Number	Lagging
	2.17	Collective knowledge of the highest governing body	Number	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

All Topics in the “Governance and management system” criterion.



### 1.1.4 Appointment of the Governing Body

PURPOSE	METRIC
To ensure the implementation of a transparent and appropriate process for the appointment and succession of directors to achieve the optimal composition of the Board of Directors and to review its effectiveness periodically	Degree of effectiveness of the Board of Directors appointment process and periodic review

#### DESCRIPTION

The Governing Body of Responsible Organizations defines, implements, reviews, and improves a competency-based approach to director appointment.

Appointments to the Governing Body should be transparent to stakeholders and consider, among other criteria, the following: competence (relevant knowledge and understanding, skills, and experience); diversity and inclusiveness; independence of thought and action; ability; probity; and commitment.

The administrative body shall ensure, to the extent of its competence, that the process of appointment and succession of directors is transparent and functional to achieve the optimal composition of the administrative body.

The administrative body periodically evaluates the effectiveness of its activities and the contribution made by its components through formalized procedures whose implementation it oversees.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Definition of a procedure for identifying and appointing directors (GRI 2-10).</li> <li>• Definition of criteria for the appointment of directors based on competence.</li> <li>• Stakeholder involvement in defining nomination criteria and processes (where provided and appropriate).</li> <li>• Definition of a procedure for evaluating the board of directors' performance with a focus on monitoring the management of impacts on the economy, environment, and people (GRI 2-18a).</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Implementation of the procedure for the identification and appointment of directors.</li> <li>• Establishment of a Nominations Committee within the board of directors (where appropriate for the composition of the board of directors).</li> <li>• Reporting on the nomination process.</li> <li>• Implementation of a performance evaluation of the board of directors with a focus on monitoring the management of impacts on the economy, environment, and people (GRI 2-18b).</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Planning and conducting a board review on at least an annual basis.</li> <li>• Monitoring the effectiveness of criteria and procedures for nominating directors.</li> <li>• Monitoring and reviewing the effectiveness of the approach to evaluating the performance of the Board of Directors with a focus on monitoring the management of impacts on the economy, environment, and people and actions taken in response to the evaluations, including changes made to the composition of the highest governance body and the organization's practices (GRI 2-18c).</li> <li>• The management of impacts on the economy, the environment, and people.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Improved criteria and procedures for nominating directors.</li> <li>• Improved approach to evaluating the performance of the governing body with a focus on monitoring the management of impacts on the economy, the environment, and people.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
		Conduct of Board Review (at least annually)	Number	Leading
		Nonconformities detected during Board Review	Number	Lagging

#### RELATED TOPIC IN THE GIF FRAMEWORK

All Topics in the "Governance and management system" criterion.

### 1.1.5 Remuneration of directors (and senior management)

PURPOSE	METRIC
To ensure a remuneration policy for directors and managers that is transparent, consistent with ESG objectives, and appropriate for attracting, retaining, and motivating people with the expertise and professionalism needed by the organization	Degree of transparency and appropriateness of the approach to setting remuneration policies for Directors and Top Managers to achieve objectives on ESG impacts, risks, and opportunities and to retain the appropriate professionalism for the purpose

#### DESCRIPTION

The board of directors of Responsible Organizations defines, implements, reviews, and improves the approach to remuneration policies for directors.

The policy for the remuneration of directors, members of the supervisory board and top management is instrumental in pursuing the organization's sustainable success. It considers the need to dispose of, retain, and motivate people with the competence and professionalism required by their role in the company.

The governing body develops the remuneration policy through a transparent procedure.

The administrative body ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, considering the results achieved and other circumstances relevant to its implementation.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>Establishing a process for setting compensation policy.</li> <li>Assigning responsibility for setting remuneration policy to an individual independent of the board of directors (or an internal Nominating and Remuneration Committee) (where appropriate).</li> <li>Establishment of remuneration and incentive policies for board members and top management that specify (for example) fixed and variable pay, bonuses, or incentive payments.</li> <li>Severance pay; revocation clauses; retirement benefits (ESRS 2 Gov3 29a; GRI 2-19a).</li> <li>Integration of sustainability performance into incentive systems for board members (ESRS 2 - Gov3 27-28).</li> <li>Definition of how sustainability-related performance metrics are considered performance benchmarks or whether they are incorporated into compensation policies (ESRS 2 - Gov3 29b-c).</li> <li>Definition of the level within the organization at which the terms of incentive systems are approved and updated (ESRS 2 - Gov 3 29e).</li> <li>Definition of the vesting period of any options or shares granted as a component of remuneration linked to sustainability results.</li> <li>Definition of revocation clauses for the part of variable remuneration linked to social and/or environmental indicators in case of events that occurred after the payout of such variable remuneration.</li> </ul>
DO	<ul style="list-style-type: none"> <li>Link between the organization's risk profile and the remuneration policy for directors and top management.</li> <li>Approval of the remuneration and incentive policy.</li> <li>Carrying out the activities planned for the Compensation Committee (where it exists).</li> <li>Inclusion in the budget forecast of compensation for directors and top management linked to sustainability results.</li> <li>Allocation of compensation and incentives in accordance with the compensation policy.</li> <li>Allocation of the % of variable compensation linked to social and environmental objectives.</li> <li>Communication of the remuneration plan for directors and top management to Stakeholders.</li> <li>Clear definition of indicators linked to short-term and long-term variable remuneration components and transparent communication of these indicators (and, if possible, related targets).</li> <li>Disclosure of total compensation to shareholders before the annual meeting.</li> <li>Reporting of the remuneration policy in accordance with international standards.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>Monitoring the adequacy of the remuneration policy against stakeholder expectations through appropriate tools and with respect to the confidentiality of results.</li> <li>Comparisons of the organization's remuneration policy with that of other organizations.</li> <li>Review of the remuneration policy.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>Improving the approach's effectiveness in setting the compensation policy for directors and senior management.</li> </ul>



**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Units	Type
GOV-3 – 29d		Share of variable compensation that depends on sustainability-related goals and/or impacts	%	
	2–21a	The ratio of the annual total compensation of the person receiving the maximum compensation to the average total yearly compensation of all employees (excluding the above person)	%	
	2–21b	The ratio of the percentage increase in total annual compensation of the person receiving maximum compensation to the average % increase in total annual compensation of all employees (excluding the above person)	%	

**RELATED TOPIC IN THE GIF FRAMEWORK**

All Topics in the “Governance and management system” criterion.

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### 1.1.6 Internal auditing and ESG risk management

**PURPOSE**

To ensure an effective and efficient system of internal control and risk management consisting of a set of rules, procedures, and organizational structures to manage key ESG impacts, risks, and opportunities

**METRIC**

The degree to which the governing body ensures an effective and efficient system of rules, procedures, and structures to identify, treat, measure, and monitor impacts, risks, and opportunities on all ESG aspects

**DESCRIPTION**

Responsible Organizations shall ensure that the governing body defines, implements, reviews, and improves an approach for internal control and risk management related to all sustainability issues to reduce uncertainty's effect on the organization's purpose and the achievement of expected strategic goals and outcomes.

The internal control and risk management system consists of a set of rules, procedures, organizational structures, and activities aimed at the effective and efficient identification, measurement, management, and monitoring of key risks to contribute to the company's sustainable success.

The governing body defines the guidelines of the internal control and risk management system in accordance with the company's strategies and annually assesses its adequacy and effectiveness.

The governing body defines the principles concerning coordination and information flows between the various parties involved in the internal control and risk management system to maximize the system's efficiency, reduce duplication of activities, and ensure the effective performance of the control body's duties.

**APPROACH'S ASSESSMENT POINTS**

<p><b>PLAN</b></p>	<ul style="list-style-type: none"> <li>• Definition of the scope, main features and elements of internal control and risk management processes and systems in relation to sustainability aspects and reporting.</li> <li>• Definition of methodologies and international standards to base the environmental and social risk management framework (e.g., ISO 31000).</li> <li>• Definition of the role of the board of directors in monitoring the management of impacts (GRI 2-12).</li> <li>• Statement on the company's duty of care on sustainability issues. (ESRS 2 Gov 4 - 30-31).</li> </ul>
<p><b>DO</b></p>	<ul style="list-style-type: none"> <li>• Approval of the risk management policy by the governing body.</li> <li>• Determination of the level of risk appetite by the organization.</li> <li>• Approval of risk assessment criteria on all sustainability issues.</li> <li>• Identification of activities, commitments and exposure that help mitigate environmental and social risks.</li> <li>• Implementation of tools for identifying, measuring and managing environmental and social risks with stakeholder involvement.</li> <li>• Identification and assessment of the linkage (transmission channels) between environmental and social risks with credit risk, liquidity and funding risk, market risk, operational risk, and reputational risk in the risk management framework.</li> <li>• Implementation of the internal control and risk management system (frequency, independence, etc.) according to the organization's strategy by the governing body.</li> <li>• Approval of the purchase of software licenses for enterprise risk management (ERM) applications.</li> <li>• Definition of mechanisms for communicating critical issues to the governing body and those for addressing and resolving critical issues.</li> <li>• Periodic assessment and approval of the risk profile on all ESG aspects.</li> <li>• Integration of short-, medium-, and long-term effects of environmental factors and risks into the risk framework.</li> <li>• Description of limits to environmental and social risks (as prudential risk indicators) established and triggering escalation and exclusion in case of violation of these limits.</li> <li>• Allocation of appropriate resources (financial, human, etc.) for risk treatment and mitigation.</li> <li>• Accountability of the approach to risk management and related controls.</li> <li>• Role of the highest governance body in sustainability reporting (GRI 2-14).</li> <li>• Risk management and internal controls over sustainability reporting (ESRS 2 Gov 5 -34-35-36a-d).</li> <li>• Reporting on how and at what points the application of key aspects and steps of the duty of care process is addressed in the sustainability statement in order to provide a picture of the company's actual practices regarding the duty of care (ESRS 2 Gov 4-32).</li> </ul>
<p><b>CHECK</b></p>	<ul style="list-style-type: none"> <li>• Monitoring by the governing body of the approach's effectiveness in managing impacts, risks, and opportunities.</li> <li>• Assessment of key risks identified and their respective mitigation strategies, including related controls.</li> <li>• Assessment of the effectiveness of the internal auditing and risk management approach.</li> </ul>

	<ul style="list-style-type: none"> <li>• Assessment of “capex” and “opex” costs for risk treatment measures and budget approval.</li> <li>• Evaluation of the results and outcomes of implemented risk management tools and the estimated impact of environmental risk on capital and liquidity.</li> <li>• Review of the effectiveness of the board’s approach to managing impacts, risks, and opportunities.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Improvement over time of how the organization integrates the results of risk assessment and internal control activities.</li> <li>• Evidence of plans to improve the approach (where appropriate).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Meetings of the Governing Body at which risk management policy, risk appetite/adversity, and risk management resources were discussed and approved	Number	Leading
		The overall degree of risk exposure on all sustainability issues	Number	Lagging
		Meetings of the Governing Body at which the internal auditing plan was discussed and approved	Number	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

All Topics in the “Governance and management system” criterion.



## 1.2 Context and Stakeholder Engagement.

Responsible Organizations define, implement, and improve an approach to collecting and analyzing information on trends in the external context (economic, social, technological, regulatory, political, etc.), the internal context (capabilities, competencies, etc.), and information on Stakeholder needs and future expectations for use as input in setting sustainability policies, goals, and strategies.

Topic

1.2.1 Understand the Organization and its context

1.2.2 Understanding Stakeholders' needs and expectations

1.2.3 Materiality, scope and perimeter of the management system [CORE]

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### 1.2.1 Understand the Organization and its context

PURPOSE	METRIC
To understand the relevant external and internal aspects of all ESG aspects	Degree of awareness and understanding of the organization's context with respect to all ESG aspects

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve their approach to analyzing the external and internal context.

Understanding the evolving development of the internal and external context is essential to guiding the organization's policy and strategy setting on all aspects of sustainability.

Context analysis is not a description of the "present" but is focused on understanding the expected evolution in the medium to long term of current trends that may have future impact on the organization related to market, value chain (suppliers, customers, partners, etc.), competitors, regulations (International and national), technology, finance, stakeholders., environment and society.

Context analysis requires a systematic approach and process to ensure the acquisition and processing of helpful information (social, economic and environmental) and its relevance to different stakeholders.

Responsible Organizations involve internal Stakeholders (e.g., senior management, regional managers, etc.) to define the internal context analysis and understand sustainability issues relevant to the organization.

The context analysis covers all aspects of sustainability (social, health and safety, environment, and business ethics).

The results of the context analysis are a key input for the stakeholder engagement process, for defining the organization's policies and strategies, and for identifying related risks and opportunities.

#### APPROACH'S ASSESSMENT POINTS

<b>PLAN</b>	<ul style="list-style-type: none"> <li>Defining an approach for collecting meaningful information related to the external context with future projection.</li> <li>Defining an approach for collecting meaningful information related to the internal context with future projection.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>Preparation of an analysis of the expected evolution of the external context (social, cultural, political, legal, regulatory, financial, technological, economic, competition, international, national, regional, or local market) and trends that will impact the organization's goals, relationships, perceptions, and values of external stakeholders.</li> <li>Preparation of an analysis of the expected evolution of the internal environment: governance; organizational structure; roles and responsibilities; policies; goals and strategies; capabilities (capital, time, skills, and technologies); key processes and risks; internal stakeholder perceptions and values, and organizational culture; information systems; decision-making processes; approaches and procedures adopted by the organization; and ability to exert control and influence over the value chain.</li> <li>Understanding of Human Rights issues: conflict zones, political instability, absence of political and civil rights, poverty, extreme health issues, involvement in activities that could significantly affect human rights and local communities, activities that may affect or involve children, human rights risks along value chains, etc.</li> <li>Analysis and description of the groups of products and/or services offered, including changes during the reporting period (new/removed products and/or services) (ESRS SBM 1 40th-i; GRI 2-6) and those expected in the future.</li> <li>Analysis and description of significant customer groups and/or markets, including changes during the reporting period (new/eliminated customer groups and/or markets) (ESRS SBM 1 40th-ii; GRI 2-6) and those expected in the future.</li> <li>Analysis and description of current and projected future employee composition.</li> <li>List of additional relevant ESRS sectors in which the enterprise engages in significant activities, generates intercompany income, or where it is or could be, linked to considerable impacts (ESRS SBM-1- 40c; GRI 2-6).</li> <li>Statement indicating that the company is active in the area of "fossil fuels" (ESRS SBM-1- 40d i; GRI 2.7), chemicals (ESRS SBM-1- 40d ii; GRI 2.7); controversial weapons (ESRS SBM-1- 40d iii; GRI 2.7); tobacco cultivation and production (ESRS SBM-1- 40d iv; GRI 2.7) (where applicable).</li> <li>Description of sustainability-related objectives in terms of significant product and service groups, customer categories, geographic areas, and stakeholder relationships (ESRS SBM-1- 40e; GRI 3-3)</li> </ul>

	<p>current and future (medium- to long-term).</p> <ul style="list-style-type: none"> <li>• Assessment of current significant products and/or services and significant markets and customer groups in relation to the company's sustainability objectives (ESRS SBM-1- 40f).</li> <li>• Analysis and description of elements of the enterprise's strategy related to sustainability issues, including key future challenges, critical solutions, and projects to be implemented (ESRS SBM-1- 40g; GRI 2-22).</li> <li>• List of significant sectors for the enterprise itself (ESRS SBM-1- 41).</li> <li>• Description of current and future business model and value chain (ESRS SBM-1-42; GRI 2-6).</li> <li>• Description of the data used and the method for their collection, processing and protection (ESRS SBM-1-42a).</li> <li>• Products and outcomes in terms of current and future benefits to customers, investors, and other stakeholders (ESRS SBM-1-42b).</li> <li>• Description of the main characteristics of the value chain, upstream and downstream, and the position of the enterprise in the value chain, with a description of the main entrepreneurial actors (such as main suppliers, customers, distribution channels, and end users) and their relationships with the enterprise and its future development.</li> <li>• In the case where the enterprise has multiple value chains, describe the leading value chains (ESRS SBM 1-42c; GRI 2-6).</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitoring the completeness and adequacy of the process of collecting current and future context information.</li> <li>• Preparation of context information in accordance with international standards.</li> <li>• Review of the approach to defining the context analysis.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Improvement plans to increase the approach's effectiveness in understanding the expected context to improve the quality of input for future strategy setting.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
SBM-1– 40a iii	GRI 2-7	Employees by geographic area	Number	
	GRI 2-8	Non-employees	Number	
SBM-1– 40b	GRI 2-6	Total Revenues and Breakdown by Significant ESRS Sectors.	Monetary	Lagging
SBM-1– 40d i		Revenues from coal, oil, gas, and economic activities aligned with fossil gas-related taxonomy	Monetary	Lagging
SBM-1– 40d ii		Revenues from chemicals	Monetary	Lagging
SBM-1– 40d iii		Revenues from controversial weapons	Monetary	Lagging
SBM-1– 40d iv		Revenues from tobacco cultivation and production	Monetary	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

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### 1.2.2 Understanding Stakeholders' needs and expectations

PURPOSE	METRIC
Ongoing involvement of stakeholders at all applicable levels and functions to understand their needs and expectations and to guide decisions on sustainability issues	The degree to which the approach for identifying and engaging stakeholders and understanding their needs and expectations is defined, implemented, and improved

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve an approach to identifying Stakeholders' needs, expectations, and material issues.

Planning and implementing the approach includes identifying and segmenting stakeholders into homogeneous groups (staff, customers, suppliers, banks, investors, local governments and communities, unions, etc.), establishing two-way communication channels (inside-out and outside-in), and systematically engaging stakeholders through consultation and participation activities.

The approach aims to define a method and process for collecting information regarding Stakeholders' needs and expectations and their priorities on material issues (compared with the organization's priorities on the same issues).

The information gathered from stakeholders provides input to the organization for assessing materiality, resolving trade-offs between different issues, and finding a balance.

This process's output is the input for setting policies, goals, and strategies and informing the risk management and assessment process.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Identification and segmentation of Stakeholders into homogeneous groups (employees, customers, suppliers, banks and investors, local communities, unions, etc.) (ESRS SBM2 45a; GRI 3-1a-i) and expected evolutions.</li> <li>• Profiling of each stakeholder group (numerosity, importance, influence, etc.).</li> <li>• Definition of the purpose of stakeholder engagement (ESRS SBM2 45a-iv; GRI 3-1a-ii).</li> <li>• Identification of risks that Stakeholder engagement activities will not lead to the intended purpose.</li> <li>• Planning of stakeholder engagement methods for identifying needs and expectations, ideas, suggestions, needs, expectations and degree of satisfaction on all sustainability issues and criteria for resolving trade-offs in case of conflicting views among internal and external stakeholders.</li> <li>• Definition of goals and performance indicators (KPIs) for stakeholder identification and engagement</li> <li>• Definition of the planning process for stakeholder engagement.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Preparation of stakeholder register (ESRS SBM2 45a; GRI 3-1b) with related needs and expectations and periodic updating of their profiling (in case of internal/external changes).</li> <li>• Establishment of a stakeholder engagement plan including different modes and channels (e.g., questionnaires, meetings, focus groups, phone and video calls, events, and others) (ESRS SBM2 45a-iii; GRI 2-29).</li> <li>• Alignment of the stakeholder engagement plan with stakeholder profiling carried out in order to establish and create a ranking of priority and importance. Analysis of stakeholders' views, interests, and expectations and how they influence the organization's strategy and business model (with a focus on sustainability aspects).</li> <li>• Collection and analysis of information useful in identifying and prioritizing material issues.</li> <li>• Ways in which the governing body is informed about the views and interests of the stakeholders involved regarding the sustainability-related impacts of the company (ESRS SBM2 45d).</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitoring the status of implementation of the Stakeholder Engagement Plan for their needs and expectations (with a focus on sustainability aspects).</li> <li>• Monitoring the extent to which the interests and opinions of key Stakeholders are related to the company's strategy and business model (ESRS SBM2 45b).</li> <li>• Monitoring changes to the organization's strategy and/or business model (ESRS SBM2 45c) to respond to stakeholders' needs and expectations for ESG aspects.</li> <li>• Assessment of results achieved against objectives and the degree to which Stakeholders are satisfied with their involvement and how the company takes the outcome into account (ESRS SBM2 45a-v)</li> <li>• Review of the effectiveness of the approach to Stakeholder engagement.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Planning and implementation of the improvement of the stakeholder engagement approach to identifying their needs and expectations (with a focus on sustainability aspects).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Number of stakeholder groups involved out of the total number of relevant stakeholder groups identified	%	Leading
		Engagement activities implemented (compared to plan) for each Stakeholder group	Number	Leading
		Number of stakeholders contacted each group out of the defined sample	%	Leading
		Number of responding stakeholders out of total stakeholders contacted	%	Lagging
		Stakeholders who provided meaningful information on material issue priorities, their needs, and future expectations	%	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.1 – 1.2.3

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### 1.2.3 Materiality, scope and perimeter of the management system [CORE]

PURPOSE	METRIC
Identify and prioritize material aspects among different stakeholders (internal and external) and define the purpose and boundary of the Social Accountability Management System	Degree of clarity and completeness of the materiality analysis and subsequent definition of the purpose and boundary of the Social Accountability Management System

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve their approach to materiality analysis.

They define the list of material issues by adopting, where possible, standard definitions of the different aspects and risks to facilitate comparison within the organization and with other organizations. They classify sustainability issues into different Topics: governance, social (human rights and labor practices), safety, environment, and business ethics (fair business practices and customer issues).

Responsible Organizations ask stakeholders to rate the importance and impact of each material aspect according to an appropriate scale and compare the perceptions of internal stakeholders (“internal perspective”) with those of external stakeholders (“external perspective”) to identify the material issues most relevant to both.

In addition to prioritizing material issues, Responsible Organizations collect information regarding the risk tolerance thresholds of each stakeholder group to balance different stakeholders' perceptions of each material issue.

The results of the analysis of material issues are the input for defining the scope and boundaries of the social responsibility management system and help guide the definition and implementation of RBC policy, risk management, goal prioritization, internal audits, and management review.

The boundaries of the management system should be systematically reviewed, considering changes in the internal and external environment.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>Defining the approach to determine material issues in its business activities and relationships.</li> <li>Definition of the names of material issues in accordance with standards to facilitate comparison.</li> <li>Definition of criteria for resolving trade-offs between the relevance assigned to individual material issues by different stakeholders.</li> <li>Definition of the perimeter of the sustainability aspects and risk management system.</li> </ul>
DO	<ul style="list-style-type: none"> <li>Evaluation of the results of the context analysis (Ref. Topic 1.2.1).</li> <li>Definition of material issues (including through industry standards) with involvement of Stakeholders.</li> <li>Definition of the relevance of material issues by internal Stakeholders (inside-out perspective).</li> <li>Definition of the relevance of material issues by external Stakeholders (outside-in perspective).</li> <li>Comparison of internal and external relevance of material issues.</li> <li>Assessment of relevant impacts, risks, and opportunities arising from the materiality assessment (ESRS SBM-2 -48a; GRI 3-1; GRI 201-2; GRI 306-1).</li> <li>Assessment of the current and expected effects of its material impacts, risks, and opportunities on the business model, value chain, strategy, and decision-making, and how it plans to respond to those effects (ESRS SBM-2 -48b; GRI 3-3).</li> <li>Assessment of how the company's relevant negative and positive impacts affect (or, in the case of potential impacts, may affect) people or the environment (ESRS SBM-2 -48c-i; GRI 3-3).</li> <li>Assessment of how impacts originate from or are related to the enterprise's strategy and business model (ESRS SBM-2 -48c-ii; GRI 3-3).</li> <li>Assessment of the reasonably expected time horizons of impacts (ESRS SBM-2 -48c-iii; GRI 3-3).</li> <li>Assessment of material impacts arising from the organization's activities or because of its business relationships along the value chain (ESRS SBM-2 -48c-ivi GRI 3-3).</li> <li>Qualitative assessment of the current financial effects of the firm's material risks and opportunities on its financial position, results of operations, and future cash flows (ESRS SBM-2 -48d; GRI 2-27, GRI 201-2).</li> <li>Quantitative assessment of the expected financial effects of the firm's material risks and opportunities on the firm's financial position, financial performance, and cash flows in the short, medium, and long term (ESRS SBM-2 -48e; GRI 201-2).</li> <li>Assessment of the resilience of the firm's strategy and business model with regard to its ability to address relevant impacts and risks and exploit opportunities (ESRS SBM-2 -48f).</li> <li>Assessment of the impacts, risks, and opportunities subject to disclosure requirements under the ESRS (ESRS SBM-2 -48h).</li> <li>Reporting approach to defining material issues.</li> </ul>

<b>CHECK</b>	<ul style="list-style-type: none"> <li>Monitoring of material issues.</li> <li>Review of the list of material issues and the degree of internal and external priority.</li> <li>Review of the scope and scope of the corporate responsibility management system, considering internal and external context changes.</li> </ul>
<b>ACT</b>	<ul style="list-style-type: none"> <li>Periodic updating of material issues.</li> <li>Improved approach for identifying and evaluating material issues.</li> <li>Changes in impacts, risks and opportunities compared to the past (ESRS SBM-2 -48g; GRI 2.2).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
SBM-2 -48d	2-27 201-2	Current financial effects of the enterprise's risks and opportunities on the enterprise's financial position, results of operations and cash flows, as well as material risks and opportunities for which there is a significant risk of major corrections in the next financial year to the carrying amounts of assets and liabilities reported in the relevant financial statements	Monetary	Lagging
SBM-2 -48e	201-2	Expected financial effects of the enterprise's material risks and opportunities on its financial position, results of operations, and cash flows in the short, medium and long-term	Monetary	Lagging
ESRS S1-14	403-8	Own workers covered by the enterprise's health and safety management system according to legal requirements and/or recognized standards or guidelines;	Number and %	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.1 – 1.2.2 – 1.3.2



## 1.3 Leadership

Leaders of Responsible Organizations show a concrete commitment to improving approaches and results on all aspects of sustainability, promote Stakeholder engagement, lead the definition of Responsible Business Conduct (RBC), and assign roles and responsibilities for managing impacts, risks, and opportunities on all ESG aspects.

### Topics

1.3.1 Leadership and commitment [CORE]

1.3.2 Responsible Business Conduct (RBC Policy) [CORE]

1.3.3 Roles, authorities, and responsibilities of the Organization for ESG impacts, risks, and opportunities

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### 1.3.1 Leadership and commitment [CORE]

PURPOSE	METRIC
Exercising effective leadership and commitment to achieving Social Responsibility for Sustainable Development goals	Degree of effectiveness of leaders' commitment to establishing and implementing Social Responsibility and ESG risk minimization policies

#### DESCRIPTION

Responsible Organizations define, implement, and improve leadership for sustainability.

A key condition for achieving adequate results is senior management's commitment to planning and leading the implementation process of a management system that covers all aspects and risks of sustainability.

The commitment must be credible and results-oriented to be achieved over time, and it must be communicated within the organization and to its external stakeholders.

Through their behaviors and attitudes, leaders inspire the commitment of all company personnel and stakeholders to plan, implement, monitor, and improve all approaches and processes that lead to improved results and impact sustainability.

Sustainability leaders promote systematic and continuous Stakeholder engagement concerning all ESG aspects and seek solutions that result in a balanced equilibrium even where there are conflicting expectations.

Sustainability leaders: define appropriate organizational arrangements; promote a culture of sustainability within the organization and its sphere of influence; foster the organization's participation in multi-stakeholder initiatives; lead the process of defining sustainability policies and strategies and their development at different levels of the organization; direct the definition, implementation and improvement of an integrated management system on all sustainability aspects and risks; actively promote risk management and its linkage with management control; support the organizational structure by providing appropriate expertise, resources (human and financial) to guide change processes in the short, medium and long term; direct the definition and implementation of internal control systems; and promote sustainability reporting against internationally recognized standards (e.g., GRI, ESRS, etc.).

Leadership is the key input for guiding and maintaining the organization's processes of change toward improved sustainability performance over time.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>Definition of leaders' commitment to establishing policies and procedures related to direct and indirect involvement of current or potential Stakeholders on strategies to mitigate and reduce activities harmful to people, society, and the environment (EU 2453).</li> <li>Definition of corporate mission, vision, and values with emphasis on sustainability aspects.</li> </ul>
DO	<ul style="list-style-type: none"> <li>Definition of leaders' commitment to establishing policies and procedures related to direct and indirect involvement of current or potential Stakeholders on strategies to mitigate and reduce activities harmful to people, society, and the environment (EU 2453).</li> <li>Definition of corporate mission, vision, and values with emphasis on sustainability aspects.</li> <li>Statement by the governing body or most senior executive on the importance of sustainable development to the organization and its strategy for contributing to it (GRI 2-22).</li> <li>Communication of commitment to implement effective corporate responsibility management in accordance with international guidelines (e.g., OECD) and standards (e.g., ISO 26000).</li> <li>Communication of the company's mission, vision, and values emphasizing sustainability aspects.</li> <li>Statement of intent to develop an integrated management system covering all aspects of sustainability</li> <li>Participation of leaders in stakeholder engagement activities.</li> <li>Promotion of the culture of corporate responsibility and sustainable development to all Stakeholders.</li> <li>Promotion of sustainability reporting in accordance with internationally recognized reference standards (GRI, ESRS-EFRAG, IFRS).</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>Monitoring the results of the approach to guide the organization in all sustainability approaches and outcomes.</li> <li>Monitoring the continuous alignment of stakeholders' needs and expectations with the organization's mission, vision and values.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>Defining and implementing plans to improve the approach to leadership and the process of defining the organization's mission, vision, and values.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.1 – 1.2.2 – 1.2.3



### 1.3.2 Responsible Business Conduct (RBC Policy) [CORE]

PURPOSE	METRIC
Establish a Responsible Business Conduct Policy on all aspects of Social Responsibility in its operations and value chain	Degree of completeness, adequacy and coverage of all ESG aspects of the Responsible Business Conduct policy communicated to stakeholders and periodically reviewed and updated

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve an approach for Responsible Business Conduct (RBC) policy in line with the recommendations of the OECD guidelines but especially with the results of the analysis of material issues and future stakeholder needs and expectations.

The RBC policy represents the organization's commitment to addressing all aspects of sustainability and minimizing exposure to current or potential risks that may have future adverse impacts.

The RBC policy is helpful for the company in defining and communicating its duty of care priorities for responsible business conduct.

It defines how the enterprise will uphold its responsibilities, approach to duty of care and cooperation with stakeholders, and remedial measures. In this regard, RBS's policy outlines remedial measures regarding workers (including its employees, temporary workers, and others who work for the firm), local communities, the environment, and conduct in its business relationships.

RBC's policy must be adapted to different local contexts or activities. For example, a subsidiary of a large multinational corporation operating in a country with specific labor-related risks could tailor its parent company's CBR intervention measures to address context-specific issues.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>Defining an approach for developing a policy for Responsible Business Conduct in accordance with OECD guidelines.</li> <li>Definition of the scope of application of the RBC policy.</li> <li>Definition of responsibilities related to who prepares, approves, and modifies the RBC policy and how these activities are carried out.</li> <li>Definition of how it is communicated and to whom.</li> </ul>
DO	<ul style="list-style-type: none"> <li>Establishment of a Responsible Business Conduct (RBC) Policy that complies with OECD guidelines and includes content; a framework for defining KPIs and measuring targets; allocation of responsibility and authority; and commitment to mitigate exposure to sustainability risks (ESRS MDP-P 65a; GRI 3-3c) appropriate to the purpose and context of the organization, including the nature, scope, and ESG impacts of its activities, products, and services and those along the value chain.</li> <li>Involvement of internal and external stakeholders in developing RBC's policy.</li> <li>Definition of the purpose of the policy and exclusions (ESRS MDP-P 65b; GRI 2-23e).</li> <li>Inclusion, in RBC Policy, of specific policies for social aspects and risks (human rights, labor practices, and local communities); occupational health, safety, and welfare; environmental (pollution and emissions, sustainable resources, greenhouse gas emissions, environmental protection) and fair business practices and prohibition of bribery and extortion, including bribery of foreign public officials; customer and consumer satisfaction (including health).</li> <li>Inclusion in the RBC Policy of the following elements: Promoting the principles of social responsibility and sustainability; commitment to act in accordance with domestic and international legal requirements; complying with international standards in cases where domestic legislation is less stringent than international standards; eliminating hazards and reducing sustainability risks in its operations and value chain; making a meaningful commitment to engage stakeholders and, if any, their representatives; implement responsible sourcing practices along the value chain; meet the expectations of its business partners along the value chain; listen to and handle complaints received by the organization about its operations, regardless of how they are raised; conduct periodic management review; pursue continuous improvement in sustainability performance; cooperate in remediation of negative impacts; and implement appropriate remediation mechanisms.</li> <li>Approval of the RBC Policy by the organization's governing body and allocation of delegation of authority and responsibility for implementing the RBC policy at different levels of the organization (ESRS MDP-P 65c; GRI 2-23c; GRI 2-23 and GRI 2-23a-i).</li> <li>Definition of references, where relevant, to third-party standards or initiatives the company commits to in implementing the policy (ESRS MDP-P 65d; GRI 2-23a-i).</li> <li>Involvement of Stakeholders to consider their needs and expectations in the RBC Policy development</li> </ul>

	<p>process (ESRS MDP-P 65e; GRI guidance at 2-23a).</p> <ul style="list-style-type: none"> <li>• Communication of the RBC Policy to all Stakeholders (including business partners in the value chain) and publication on the website (ESRS MDP-P 65f; GRI 2-23f) along with specific policies.</li> <li>• Raising awareness and training of staff on the RBC Policy.</li> <li>• Extension of the RBC Policy to the value chain.</li> <li>• Integration of the commitments outlined in the RBC Policy into organizational strategies, operational policies, and operating procedures.</li> <li>• Enforcement of policy related to handling disputes with workers or reports to bring to light issues or complaints in RBC issues (e.g., labor practices, corruption, etc.).</li> <li>• Reporting on the process of setting and content of RBC policy in accordance with international standards.</li> </ul>
<b>CHECK</b>	<ul style="list-style-type: none"> <li>• Monitoring the alignment of RBC policy with the relevance of material issues.</li> <li>• Review of the approach for defining RBC policy, verify its effectiveness concerning stakeholder needs and guide the definition of sustainability strategy and plans.</li> </ul>
<b>ACT</b>	<ul style="list-style-type: none"> <li>• Improvement of the approach for defining and managing RBC Policy.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		People in the organization and other Stakeholders involved in RBC's policy-making process	Number	Leading
MDR A 69a		Amount of current financial resources (and explanation of how they are related to the most relevant amounts presented in the budget)	Monetary	Leading
MDR A 69b		Amount of future financial resources allocated for policy implementation	Monetary	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.1 – 1.2.2 – 1.2.3 - 1.8.1



### 1.3.3 Roles, authorities, and responsibilities of the Organization for ESG impacts, risks, and opportunities

PURPOSE	METRIC
Ensure that responsibilities and authorities for relevant roles related to ESG aspects and risks are assigned, documented, and communicated at all levels within the organization and to significant stakeholders	The degree to which roles, responsibilities and authorities related to ESG aspects and risks are defined, documented, communicated and periodically reviewed

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve an approach to defining responsibilities, roles, and authorities for sustainability at different organizational levels.

Senior Management:

- Assign responsibilities to people/groups with delegated authority for sustainability aspects and ESG risks
- Document, in a clear manner, roles and responsibilities; and
- Communicate internally and externally who is responsible

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Defining responsibilities and authorities for managing and controlling sustainability aspects and risks.</li> <li>• Defining the skills needed to implement the sustainability strategy and planning how to adapt existing skills.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Appointment of a person/team responsible for sustainability, implementing and maintaining the integrated management system for sustainability and ESG risks, carrying out performance monitoring, coordinating internal audits, and conducting management reviews on the integrated management system.</li> <li>• Promoting awareness of ESG requirements and stakeholder expectations throughout the Organization.</li> <li>• Conduct awareness-raising and training activities on all ESG aspects for internal stakeholders (directors, managers, staff, etc.).</li> <li>• Conducting awareness-raising activities on all ESG aspects targeting key employees and external partners.</li> <li>• Integrating and implementing a risk management system on all ESG aspects into staff job profiles.</li> <li>• Ensure that reports disseminated on ESG Aspects comply with the law and regulations.</li> <li>• Prepare and submit Sustainability reports to the Board of Directors.</li> <li>• Assess the effectiveness of the management system for corporate responsibility and sustainability.</li> <li>• Promote continuous improvement and innovation of processes, products and services to reduce risks and improve sustainability performance.</li> <li>• Carrying out activities to implement the management system for sustainability and related risks.</li> <li>• Progressive involvement of staff.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitor the adequacy of organizational structure, roles and authorities.</li> <li>• Monitor the adequacy of competencies.</li> <li>• Report on the organizational structure with reference to international standards.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Define and implement plans to improve the organizational structure with respect to corporate responsibility and sustainability development policies and strategies.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
		Job Profiles specifying activities related to the definition and implementation of the integrated management system for sustainability	Number	Leading

#### RELATED TOPIC IN THE GIF FRAMEWORK

1.2.1 – 1.2.2 – 1.2.3 - 1.3.1 – 1.3.2



## 1.4 Sustainability planning

Responsible Organizations define, implement, and improve an approach to sustainability planning by outlining goals and strategies aligned with the results of the context analysis, the system of constraints arising from the regulatory framework, and the integrated management system (identification, assessment, and treatment) for all sustainability issues.

### Topics

- 1.4.1 Compliance obligations for ESG aspects
- 1.4.2 ESG risk management [CORE]
- 1.4.3 Planning for Sustainability

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### 1.4.1 Compliance obligations for ESG aspects

PURPOSE	METRIC
Ensure compliance with legal and other requirements applicable to ESG aspects and risks in operations and value chain	Degree of effectiveness of the approach to identify, collect, analyze, and make available information on regulatory requirements related to ESG aspects and risks to be met in the organization and value chain

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve an approach for managing compliance obligations on all ESG aspects and risks to requirements contained in externally sourced documents.

Documents include, for example, requirements contained in international, national, and regional mandatory regulations, international (e.g., ISO/IEC) and national (UNI, CEI) voluntary standards, and sustainability reporting standards

Responsible Organizations have an approach to:

- Monitor new and emerging international and national regulations
- Identify relevant external source documents
- Collect external source documents
- Analyze external source documents and verify the parts applicable to the organization's processes
- Make applicable external source documents available to those involved in their application
- Raise awareness and train personnel involved in the application of the documents
- Systematically archive and keep up-to-date external source documents

Organizations identify and assign responsibility for process management and define resources related to processes and activities that may compromise compliance with requirements defined by mandatory regulations on ESG aspects. Analyzing the implications of compliance obligations on ESG aspects forms the basis for implementing an effective sustainability management system.

Responsible Organizations implement approaches and achieve results that are more effective than simply complying with the requirements of applicable mandatory regulations (e.g., regulations, laws) (local, national, and international), with standards or other specifications where this improves results to stakeholders.

Responsible Organizations shall communicate to all relevant internal and external stakeholders any significant changes or information related to compliance with the regulatory framework, standards or other requirements.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Distribution, archiving and updating of documents containing mandatory or voluntary regulations.</li> <li>• Definition of responsibilities and authorities for managing obligations of compliance with mandatory and/or voluntary requirements.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Identification of applicable standards and other legal requirements about all ESG aspects and collection of these documents.</li> <li>• Analysis and determination of how compliance obligations apply to the organization's integrated management system and what needs to be communicated.</li> <li>• Consideration of legal requirements to establish, implement, maintain, and continuously improve the integrated management system for social responsibility and sustainability.</li> <li>• Maintenance, archiving and updating of documented information on compliance obligations.</li> <li>• Identification of responsibilities and definition of resources related to processes and activities that may jeopardize compliance with the requirements defined by mandatory ESG regulations.</li> <li>• Implementation of awareness-raising and training initiatives for people who have to apply compliance obligations to mandatory or voluntary regulations relating to all sustainability aspects.</li> <li>• Communication with significant stakeholders about information relevant to the organization's compliance obligations and other requirements (including fines and non-financial penalties for non-compliance).</li> <li>• Reporting on the approach to compliance with legal requirements against international standards.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitoring of the status of maintenance of applicable regulatory documents within the organization.</li> <li>• Monitoring of the status of adequate knowledge of applicable legislation.</li> <li>• Reviewing the approach for identifying, assessing, distributing, storing, and updating documents containing mandatory or voluntary regulations.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Improved approach to managing mandatory requirements contained in external and internal documents.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
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		Internal documents containing operating instructions for implementing the mandatory requirements to which the organization is subject	Number	Leading
		Training courses provided to staff to explain compliance obligations to which the organization is subject	Number	Leading
	2-27a	Significant instances of non-compliance with laws and regulations during the period and breakdown of this total by: i. Cases in which it had to pay fines; ii. Cases in which it incurred non-pecuniary penalties.	Number	Lagging
	2-27b	Penalties for cases of non-compliance with laws and regulations paid during the period and breakdown of this total by: i. Sanctions for cases of non-compliance with laws and regulations that occurred during the current reporting period; ii. Penalties for cases of non-compliance with laws and regulations that occurred in previous reporting periods.	Number and monetary	Lagging

#### RELATED TOPIC IN THE GIF FRAMEWORK

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**1.4.2 ESG Risk Management [CORE]**

PURPOSE	METRIC
Define and implement an effective integrated and systematic risk management process aligned with the results of materiality analysis on all ESG aspects extended to the value chain	Degree of effectiveness, integration and alignment with materiality analysis of risk management approach that covers, in a systematic way, all aspects of Social Responsibility and extends to the value chain

**DESCRIPTION**

Responsible Organizations define, implement, review, and improve an integrated approach to managing impacts, risks, and opportunities related to all aspects of sustainability.

The governing body and senior management ensure that risk management is integrated into all processes and levels of the organization by approving the risk management policy, ensuring the allocation of necessary resources, and assigning authority, responsibility, and reporting to the appropriate levels within the organization.

Risk management in an organization is a dynamic and iterative process tailored to its needs and culture that becomes an integral part of organizational purpose, governance, leadership and commitment, strategy, goals, and operations.

The sustainability risk management system must ensure alignment with the results of context analysis and stakeholder engagement, reflect material issues relevant to the organization, and adopt the same process for identifying, analyzing, assessing, and treating all sustainability-related issues and risks.

Responsible Organizations assess risks and opportunities that arise from the conduct of their activities and impact on stakeholders and those related to the impact exerted by stakeholders (including the environment) on the organization according to the principles and logic of "dual materiality."

They continuously monitor and adapt the risk management system to address external and internal changes and constantly plan actions to improve its adequacy, effectiveness, and level of integration.

**APPROACH'S ASSESSMENT POINTS**

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Definition of risk management policy.</li> <li>• Assignment of responsibilities for the risk management system.</li> <li>• Analysis of the needs of personnel, workplaces, and situations in the vicinity of the organization that constitute hazard areas.</li> <li>• Definition of methodologies for identifying, analyzing and evaluating impacts, risks and opportunities (ESRS 2 IRO 1 53-a).</li> <li>• Conducting a process analysis to identify, assess, and monitor the organization's actual and potential impacts on people and the environment and prioritizing them (ESRS 2 IRO 1 53-b).</li> <li>• Identifying and focusing on specific activities, business relationships, geographies, or other factors that pose a risk of adverse impacts (ESRS 2 IRO 1 53-b-i).</li> <li>• Identification of impacts caused by the organization's activities or as a result of its business relationships (ESRS 2 IRO 1 53-b-ii) along the value chain.</li> <li>• Definition of an approach for stakeholder involvement, communication, and consultation in identifying impacts, risks, and opportunities (ESRS 2 IRO 1 53-b-iii; GRI 3-1-b).</li> <li>• Definition of risk factors and criteria (nature and type of causes, elements contributing to the estimation of probability and consequence, determination of risk level, definition of acceptability thresholds).</li> <li>• Definition of criteria for prioritizing negative impacts based on their severity and relative likelihood (see ESRS 1, Section 3.4, Impact Significance) and, where appropriate, positive impacts based on their magnitude, extent, and likelihood, determines relevant sustainability issues, including qualitative or quantitative thresholds and other criteria used (ESRS 1, Section 3.4 Impact Significance) (ESRS 2 IRO 1 53-b-iv).</li> <li>• Definition of an approach for identifying, assessing, and monitoring sustainability-related risks and opportunities that have or could have financial impacts and prioritizing them (ESRS 2 IRO 1 53-c).</li> <li>• Definition of the decision-making process (for ESG aspects) and related internal control procedures (ESRS 2 IRO 1 53-d).</li> <li>• Definition of how the process of identifying, assessing, and addressing impacts and risks is integrated into the enterprise's overall risk management process and is used to determine the overall risk profile and risk management processes (ESRS 2 IRO 1 53-e).</li> <li>• Definition of how the process of identifying, assessing, and managing opportunities is integrated into the enterprise's overall management process, if applicable (ESRS 2 IRO 1 53-f).</li> <li>• Definition of inputs used (e.g., data sources, the scope of transactions considered, and details used in assumptions) (ESRS 2 IRO 1 53-g).</li> <li>• Alignment of risk criteria with the organization's values, objectives, and resources.</li> <li>• Integration of the risk management system with the results of the analysis of material issues.</li> </ul>
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<b>DO</b>	<ul style="list-style-type: none"> <li>• Analysis of processes and activities and their potential causes of risk (work procedures and methods, infrastructure, equipment and machinery, physical conditions, materials and substances, skill level, working conditions, etc.) of the organization and along the value chain.</li> <li>• Analysis of past data and events (trends) on individual risks.</li> <li>• Identification and assessment of impacts, risks and opportunities with a single methodology applied to all types of risks.</li> <li>• Analysis of each risk by defining and identifying processes, events, sources, probability and consequence factors, and impacts on Stakeholders.</li> <li>• Identification of risk treatment actions according to the hierarchy (eliminate, replace activity, engineering controls, administrative controls and protective devices).</li> <li>• Risk treatment planning: reasons for the choice of action, expected benefits, assignment of responsibilities, the definition of leading and lagging KPIs, the definition of timeframe for resolution, allocation of financial resources (capex and opex), documentation of residual risk.</li> <li>• Implementation of reporting and complaint mechanisms on the organization's behavior accessible to Stakeholders.</li> <li>• Risk profile definition and periodic presentation to the governing body for approval.</li> <li>• Reporting on the approach for risk identification, analysis, assessment and treatment, and its implementation in accordance with international standards.</li> </ul>
<b>CHECK</b>	<ul style="list-style-type: none"> <li>• Periodic monitoring of the results of the risk management system against its purpose, implementation, plans, indicators and expected behavior.</li> <li>• Monitoring the implementation of risk treatment actions and the effectiveness of mitigation actions of probability and consequence of an event.</li> <li>• Monitoring and reviewing the effectiveness of the approach for identifying, analyzing, assessing, and treating impacts, risks, and opportunities and its adequacy in pursuing the organization's objectives.</li> </ul>
<b>ACT</b>	<ul style="list-style-type: none"> <li>• Analysis and lessons learned from the occurrence of events (including near misses), changes, and errors.</li> <li>• Analysis of changes in the internal and external environment impacting the risk management system.</li> <li>• Change in risk management approach and frequency of review of materiality assessment (ESRS 2 IRO 1 53-h).</li> <li>• Identification of new emerging risks and updating the risk register.</li> <li>• Plans for changes in the organization, operations, processes and activities with possible impact on risks, and related impacts and opportunities.</li> <li>• Plans to improve the approach for managing impacts, risks, and opportunities.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Risks identified by area/function/unit of the organization x period	Number	Leading
		Risk mitigation actions implemented according to plan, on time and on budget	Number	Leading
		Events that occurred that caused adverse impacts on the organization and its stakeholders	Number	Lagging
		Costs incurred to remedy the consequences of an event that occurred that caused adverse impacts on the organization and its stakeholders	Monetary	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.1.1 - 1.1.6

### 1.4.3 Planning for Sustainability

PURPOSE	METRIC
Define a sustainability plan with appropriate goals and plans to meet Stakeholder needs and expectations that covers all material aspects and sets proper targets to improve performance and minimize ESG and transition risks	Degree of effectiveness of the approach for planning for performance improvement on all sustainability issues consistent with policy and the results of material issue analysis and risk assessment and its integration with other strategic plans

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve an approach for sustainability planning.

Inputs to the planning process for social and environmental sustainability include the results of context analysis and stakeholder engagement; the organization's mission and vision and RBC's policy in the medium to long term; and the results of risk analysis interpreted against the Risk Appetite Framework (RAF) model.

Management of ESG aspects is an integral part of the organization's strategic planning and process development. It also considers the value chain and the entire product life cycle perspective.

According to principles and logic defined by the organization, the planning process should involve internal and external stakeholders.

The process's output is a sustainability plan that defines the actions, objectives, timelines for implementation, responsible parties, and resources allocated for each aspect of sustainability.

The objectives stated in the sustainability plan must be:

- Focused on key outcomes (lagging indicators), including perception indicators and expected economic and financial results
- Based on a clear rationale
- Linked to indicators that relate to the implementation of the approaches (leading indicators)
- Defined according to SMART logic (Specific, Measurable, Accountable, Achievable and Time-bound)
- Declined in the short, medium and long term
- Comparable with the results of other organizations

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Definition of an approach for sustainability planning integrated with the processes of context analysis, stakeholder engagement, and Responsible Business Conduct policy.</li> <li>• Definition of metrics to measure the organization's performance and effectiveness in relation to a relevant impact, risk, or opportunity (ESRS MDR M 75; GRI 3.3.e-2).</li> <li>• Definition of the methodologies and significant assumptions underlying the metrics, including the limitations of the methodologies used (MDR M - 77 a); the names and description of the metrics (MDR M - 77 c); and the currency used consistent with that used in the presentation of the financial statements (MDR M - 77 d) to measure the burdens incurred or to be incurred by the organization.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Use of information from the results of context analysis (external and internal), material issues, and risk assessment as inputs for setting sustainability goals and plans.</li> <li>• Definition of a sustainability plan containing a list of the main actions implemented in the reporting year and planned for the future, expected results, and, if applicable, how their implementation contributes to the achievement of policy goals and objectives (ESRS MDR A - 68a; GRI 3.3).</li> <li>• Definition of the scope of the main actions planned and implemented (i.e., coverage in terms of activities, upstream and/or downstream value chain, geographic areas, and, where applicable, stakeholder groups involved) (ESRS MDR A 68b).</li> <li>• Definition of the time horizons within which the company intends to complete each action in the sustainability plan (ESRS MDR A 68c).</li> <li>• Major actions implemented (and results achieved) to remedy the harm done to those affected by actual significant impacts, as well as to cooperate or contribute to that end (ESRS MDR A 68d).</li> <li>• Collecting data on performance indicators related to the implementation of actions (leading indicators) and their expected results (lagging indicators) as well as their correlations and targets consistent with the CBR policy and with SMART (Specific, Measurable, Achievable, Relevant, Time-bound) characteristics that exceed the minimum requirements for legislative compliance.</li> <li>• Verification of the alignment of short-, medium-, and long-term sustainability goals with the material needs and issues of Stakeholders and with the strategic objectives of the organization.</li> <li>• Integration, by the Governance Body, of the short, medium and long-term effects of environmental factors and risks of the organizational structure within both business lines and internal control functions (EU 2453).</li> <li>• Establishment of objectives, targets and limits to assess and address short-, medium- and long-term</li> </ul>

	<p>social risk and evaluate performance against these objectives, targets and limits, including information in business strategy design and processes (EU 2453).</p> <ul style="list-style-type: none"> <li>• Declination of sustainability goals for each function, organizational unit, and department.</li> <li>• Definition of actions to adapt their strategy and business model to the transition to a sustainable economy and limit global warming to 1.5 °C.</li> <li>• Assignment of implementation and monitoring responsibilities for each action included in the plan.</li> <li>• Allocation of adequate resources (financial and human) to implement the plan.</li> <li>• Analysis and assessment of the risk of not implementing the sustainability plan and thus jeopardizing the achievement of the set goals (transitional risk).</li> <li>• Analysis and evaluation of the impacts of each action on business results and Stakeholder satisfaction.</li> <li>• Documentation of the sustainability plan.</li> <li>• Approval of the sustainability plan by the governance body.</li> <li>• Communication of the sustainability plan and goals among the various levels and functions of the Organization.</li> <li>• Communication of metrics to assess performance and effectiveness in relation to a relevant impact, risk or opportunity (ESRS MDR M 76; GRI 3.3).</li> <li>• Reporting on measurable, outcome-oriented, time-bound goals on relevant sustainability issues that the organization has established to assess progress. For each objective, the organization discloses full disclosure (ESRS MDR M 80 a through j, GRI, etc.).</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Quantitative and qualitative monitoring regarding the progress of actions or action plans reported in previous periods (ESRS MDR A 68e).</li> <li>• Monitoring the effectiveness of actions aimed at addressing relevant impacts, risks, and opportunities, including metrics used for this purpose (MDR M - 79 a).</li> <li>• Monitoring the effectiveness of planned actions with respect to measurable outcome-oriented objectives within the organization's established timeframe regarding people, the environment, and relevant impacts, risks, and opportunities (MDR M - 79 b).</li> <li>• Monitoring progress toward achieving objectives over time (MDR M - 79 c).</li> <li>• Evaluating the effectiveness of actions to address relevant impacts, risks and opportunities and measuring progress toward achieving the objectives stated in policies where the organization has not set measurable timetable-bound, results-oriented objectives (MDR M - 79 d).</li> <li>• Stakeholder involvement in the goal-setting process for each relevant sustainability issue ((MDR M - 79 e).</li> <li>• Monitoring of the effectiveness of the goal-setting approach.</li> <li>• Review of the approach to goal setting and action plans.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Improved approach to setting goals and plans.</li> <li>• Review of actions and goals (if necessary).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Degree to which the sustainability plan covers all aspects and risks of sustainability	%	Leading
MDR A 69a		Amount of current financial resources (and explanation of how they are related to the most relevant amounts presented in the budget)	Monetary	Leading
MDR A 69b		Amount of future financial resources (allocated for policy implementation)	Monetary	Leading
		Planned and implemented actions that have achieved (and exceeded) the set goals within the given time and resource constraints	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.3.1 – 1.3.2 – 1.3.3 - 1.4.1 – 1.4.2

## 1.5 Support

The Organization determines and ensures the availability of resources (human and skills, knowledge, infrastructure and facilities, technology and equipment, and finances) necessary to establish, implement, review, and improve the social responsibility management system and the level of exposure to ESG risks.

### Topics

- 1.5.1 People
- 1.5.2 Infrastructure
- 1.5.3 Communication [CORE]
- 1.5.4 Documented information

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## 1.5.1 People

PURPOSE	METRIC
Ensure that the knowledge, skills, and abilities of people whose job functions and/or positions may influence ESG aspects and the Management System are adequate to create value for the organization and improve its performance over time	Degree of implementation of an approach for developing people skills to improve the organization's social responsibility performance and employability in accordance with current and future ESG goals and strategies

### DESCRIPTION

Responsible Organizations shall define, implement, review, and improve their approach to human resource management.

This approach considers the extent and nature of the impacts resulting from its employment practices. It includes the contextual information that guides the calculation of quantitative metrics related to the composition of the workforce (employees and non-employees).

Responsible Organizations' approach to human resource management is based on the following pillars:

- Defining the map of competencies required to perform a given role.
- Assessing people's competencies against the map defined for each role, minimizing the risk of subjectivity and discrimination.
- Identification of training gaps concerning current and planned future skills.
- Planning and implementation of awareness-raising and training activities on all aspects of sustainability to fill training gaps also with respect to expected developments in the organization.
- Definition of people monitoring systems linked to competency development.
- Definition of incentive systems based on skills development linked to sustainability results.

Responsible Organizations plan and implement awareness-raising and training initiatives, targeting people from other organizations operating along the value chain (e.g., suppliers, subcontractors, etc.) and considering material issues and specific risks.

Plans, activities and results of information and training activities are documented and communicated to stakeholders.

### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Definition of roles and tasks that carry out sustainability-related activities.</li> <li>• Definition of the competency map for each role that influences or can influence sustainability outcomes.</li> <li>• Definition of methodology for initial assessment of competencies against those defined by the map and identify training needs.</li> <li>• Definition of significant staff-related KPIs to monitor the implementation of skills and human resource development activities (leading indicators).</li> <li>• Definition of appropriate KPIs to measure the impact of human resource development activities on improving the organization's key performance (Lagging indicators).</li> <li>• Definition of personnel incentive systems and plans related to the improvement of the company's competencies and performance on all ESG aspects.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Determination of existing competency gaps between the person assigned to perform a particular role and the competencies required for that role.</li> <li>• Planning and implementation of staff awareness and training programs on all significant aspects of sustainability (social, environmental, health and safety, and ethics) based on identified competency gaps on an ongoing basis and without discrimination.</li> <li>• Documentation and maintenance of records of awareness and training activities, including data on mandatory training (Ex: Human Rights, Health and Safety, Environment and Business Ethics).</li> <li>• Reporting of human resource information in accordance with international standards.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Periodic verification of the competency map and its adequacy to follow the strategic development of the organization.</li> <li>• Monitoring of indicators related to the conduct of training activities and the degree of staff satisfaction.</li> <li>• Monitoring the effectiveness of training activities and their impact on improving the key performance of processes in which people are involved.</li> <li>• Periodic review of activities carried out in the area of human resource development.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Improved approach to human resource management as a result of the review or changes in the organization's internal and/or external environment.</li> </ul>

## INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
ESRS S1-6 50 a e b	2-7	a. Employees and a breakdown by gender and region; b. Total employees by gender and region; i. Permanent employees and a breakdown by gender and geographic area; ii. Fixed-term and a breakdown by gender and geographic area; iii. Non-guaranteed hours and breakdown by gender and geographic area; iv. Full-time and a breakdown by gender and geographic area; v. Part-time and a breakdown by gender and geographic area.	Number and %	
ESRS S1-6 50c		Employees who left the enterprise during the period	Number	Lagging
ESRS S1-7 55a	2-8	Non-employee workers in the enterprise's own workforce, i.e., people who have contracts with the enterprise for the supply of labour ("self-employed") or workers made available by enterprises primarily engaged in "recruitment, selection, and supply activities"	Number	Lagging
ESRS S1.9 66a		Gender distribution at the senior management level	Number and %	Lagging
ESRS S1.9 66b		Distribution of employees by age group (<30; 30-50; >50 years)	Number and %	Lagging
ESRS S1.13 83a		Employees who participated in periodic performance and career development reviews and gender distribution	Number	Leading
ESRS S1.13 83b	404-1	Hours of training per employee and by gender (average number)	Number	Leading
	404-3	Employees by gender and by employee categories that were subject to periodic evaluation of their performance and professional development during the reporting period	%	Leading
	2-8	Workers who are not employees and whose jobs are controlled by the organization	Number	Leading
	401-1	a) New employees hired by age, gender and region; b) Employee turnover by age, gender, and region.	Number and %	Leading
	401-2	Standard benefits for full-time employees that are not available to temporary or part-time employees, broken down by significant place of business	Number	Lagging
ESRS S1-15 93	401-3	a) Employees who were eligible for parental leave, by gender; b) Employees who took parental leave, by gender; c) Employees who returned to work in the period at the end of parental leave, by gender; d) Employees who returned to work at the end of parental leave and were still employed by the organization 12 months after returning to work, by gender.	Number and %	Lagging
	403-8	a) Employees and workers who are not employees but whose work and/or place of work is controlled by the organization covered by this system; b) Employees and workers who are not employees but whose work and/or place of work is controlled by the organization covered by such a system and audited internally; c) Employees and workers who are not employees but whose work and/or workplace is controlled by the organization covered by such a system and audited or certified by an external third party.	Number and %	Lagging

## RELATED TOPIC IN THE GIF FRAMEWORK

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## 1.5.2 Infrastructure

PURPOSE	METRIC
Manage, maintain, and innovate the infrastructure, facilities, technology, and equipment needed to reduce impacts and risks on all relevant aspects of Social Responsibility	Degree of effectiveness of management, maintenance and innovation of infrastructure, facilities, technology and equipment necessary to reduce impacts and risks on all relevant aspects of Social Responsibility

### DESCRIPTION

Responsible Organizations define, implement, review and improve an approach to managing infrastructure (property, machinery, information systems, etc.) and reducing all related sustainability risks.

Infrastructure includes property, equipment, facilities, hardware, software, and communications infrastructure and transportation facilities.

Responsible Organizations plan the strategy for the acquisition, use, and decommissioning of infrastructure by considering criteria related to all aspects of sustainability along the life cycle; identify and assess impacts, risks, and opportunities related to infrastructure; assign appropriate responsibilities; and define clear processes for the acquisition and use of infrastructure; define and implement plans related to infrastructure use that include all aspects related to social, health and safety, and environmental impacts and risks; define appropriate key performance indicators related to infrastructure use that take into account all aspects of sustainability; define preventive maintenance plans to prevent unexpected impacts on all aspects of sustainability and productivity; and evaluate opportunities for infrastructure improvements to reduce their impacts and risks continuously.

The organization achieves, where appropriate, a sustainability rating for design, construction, and operation based on international schemes, including Leed and Breeam for buildings and Envision for infrastructure.

### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>Analysis of infrastructure needs taking into account ESG aspects.</li> <li>Definition of ESG criteria for the evaluation and purchase of infrastructure and equipment.</li> <li>Defining preventive maintenance plans for each type of infrastructure and equipment.</li> <li>Considering sustainability aspects when assigning responsibilities for each type of infrastructure.</li> <li>Defining infrastructure and equipment design criteria in accordance with internationally recognized sustainability protocols.</li> <li>Defining plans for investment in new infrastructure in compliance with the DNSH (Do Not Significant Harms) principle.</li> </ul>
DO	<ul style="list-style-type: none"> <li>Identification of risks on all aspects of sustainability for each type of infrastructure.</li> <li>Implementation of training plans on infrastructure use with a focus on ESG risks.</li> <li>Implementation of infrastructure and buildings and achievement of sustainability ratings.</li> <li>Implementation of maintenance plans.</li> <li>Implementation of plans for calibration of measurement tools.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>Data collection on ESG aspects of each type of infrastructure considering all aspects of sustainability.</li> <li>Achievement of sustainability building certifications against recognized schemes (e.g., LEED, BREEAM, Envision).</li> <li>Reporting of ESG results related to the provision of infrastructure and equipment against international standards.</li> <li>Review of equipment management and maintenance approach.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>Planning and improvement actions in maintenance processes</li> <li>Planning and improvement actions in infrastructure management.</li> <li>...</li> </ul>

### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
		Certification of infrastructure sustainability against internationally recognized standards and schemes	Numero	Lagging

### RELATED TOPIC IN THE GIF FRAMEWORK

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### 1.5.3 Communication [CORE]

PURPOSE	METRIC
Define internal and external communications relevant to the Social Responsibility Management System including the Sustainability Report in accordance with internationally recognized reporting standards	Degree of effectiveness of the internal and external communication system on all aspects of social responsibility. Degree of compliance of Sustainability Reporting with standards and reliability of its certification

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve an approach for internal and external communications with a focus on ESG aspects.

Communication is essential to develop an organizational context consistent with the company's mission and values and to engage people by providing them, at all levels and functions, with information on all aspects of sustainability.

Activating communication channels is essential for the exchange of knowledge and collaboration on all sustainability aspects and risks.

Responsible Organizations prepare a plan that defines who communicates, what they communicate, to whom they communicate, who is responsible for communication flows, when they communicate and how they communicate (channels and means).

Internal communications occur through appropriate channels (e.g., intranet, digital newsletters, print and video communications) and facilitate the ability to receive complaints, reports and suggestions. The approach considers all aspects of diversity (e.g., gender, language, culture, literacy, disability).

Organizations communicate outwardly information related to:

- The sustainability management system.
- The RBC (Responsible Business Conduct) policy.
- Participation in statements endorsed by the company (for example: adherence to manifestos and public statements of commitment to sustainability promoted collectively as part of multi-stakeholder or association initiatives).
- Commitment to stakeholder engagement.
- Events with negative impacts related to ESG aspects in operations and along the value chain.
- The systems for reporting complaints, suggestions and alerts.
- The recording and retention of communications.

Responsible Organizations prepare and communicate sustainability disclosures annually with reference to international reporting standards.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Establishment of a procedure for internal and external communication on sustainability aspects and risks.</li> <li>• Definition of sustainability reporting requirements with which the organization decides to comply (ESRS 2 IRO 2 54; GRI 1 - 3 or 4).</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Preparation of an internal and external communication plan that specifies who communicates what, to whom, how, when, and how often.</li> <li>• Preparation, monitoring and dissemination of communications within the organization or to the outside world (e.g., text and images to be posted on the WEB site).</li> <li>• Preparation and dissemination of releases addressed to the media.</li> <li>• Preparation of communications that meet the disclosure requirements the organization has met in preparing the sustainability statement (ESRS 2 IRO 2 56; GRI 1 - 3 and 4).</li> <li>• Omission of the disclosure requirements of ESRS E1 Climate change, where the organization concludes that climate change is not material, and detailed explanation of the conclusions of its assessment of materiality with respect to climate change (see ESRS 2 IRO-2 ESRS disclosure requirements covered in the company's sustainability statement), including a forward-looking analysis of the conditions that might in the future lead the company to conclude that climate change is material. (ESRS 2 IRO 2-57).</li> <li>• Omission with explanation in the case where the organization concludes that an issue other than climate change is not material and therefore omits disclosure requirements (ESRS 2 IRO 2-58).</li> <li>• Omission with explanation in the case where the organization cannot comply with a disclosure or requirement of a sustainability disclosure. In such a case, the organization must: i) specify which disclosure or requirement it cannot comply with; ii) provide one of the permitted reasons for omission and mandatory explanation (GRI 1 3-Requirement 6).</li> </ul>

CHECK	<ul style="list-style-type: none"> <li>Monitoring the effectiveness of the internal communication management process approach.</li> <li>Monitoring the approach of the external communication management process.</li> <li>Assessment of sustainability reporting compliance by recognized independent third-party entities.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>Defining and implementing plans to improve the approach to internal/external communication.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Degree of satisfaction of staff and interested Stakeholders with the effectiveness of the communication system implemented by the organization	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

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### 1.5.4 Documented Information

PURPOSE	METRIC
Document and maintain up-to-date information necessary for the effectiveness of the Social Responsibility management system	Degree of effectiveness of the approach for preparing and updating documents and records to support the Social Accountability management system

#### DESCRIPTION

Responsible Organizations define, maintain and update documented information on their integrated management system for accountability and sustainability.

Documented information includes:

- Procedures and work instructions: descriptions of process approaches, including but not limited to, scopes, activities, responsibilities, performance indicators;
- Internal and external source documents (e.g., technical rules and standards);
- Forms and data collection sheets.

Responsible Organizations define:

- The type of documents;
- The document identification system;
- The processes of preparation, approval and issuance and their responsibilities;
- The methods of document review;
- The ways in which documents are distributed to interested parties;
- The protection and security processes (for sensitive documents).

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Definition of a procedure for managing documented information.</li> <li>• Definition of the manner and privileges of access to documented information.</li> <li>• Definition of arrangements for the management of externally sourced information.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Preparation of a list of documented information (for all ESG aspects).</li> <li>• Identification of documents and their description (title, author, date of issue, etc.).</li> <li>• Distribution of documented information to stakeholders inside or outside the organization.</li> <li>• Protection of documents to prevent misuse and loss of confidentiality and integrity.</li> <li>• Archiving and protection of documents.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitoring the proper management of documented information.</li> <li>• Review of documents collected, archived and to be deleted.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Improved approach to updating documented information.</li> <li>• Controlled management of changes in documented information.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
		Degree of staff satisfaction with access to documented information	Number	Lagging

#### RELATED TOPIC IN THE GIF FRAMEWORK

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## 1.6 Implementation and Operations

Responsible Organizations define, implement, and improve an approach to planning operational activities and controlling the processes defined in the sustainability plan to meet the needs and expectations of all Stakeholders related to all sustainability issues.

Topics

1.6.1 Operational Activities [CORE]

1.6.2 Responsible Sourcing [CORE]

1.6.3 Traceability and Transparency

1.6.4 Contingency and Remediation Plans [CORE]

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The image shows a large, light gray watermark-style logo. The text 'GET IT' is on the top line and 'FAIR' is on the bottom line. To the right of the text is a large, stylized circular graphic element composed of several rectangular blocks, resembling a stylized 'G' or a similar symbol.

### 1.6.1 Operational Activities [CORE]

PURPOSE	METRIC
Defining, implementing, controlling, and maintaining the processes necessary to meet the requirements of the Social Responsibility management system, implement the actions defined in the sustainability plan, and achieve the established ESG objectives	Degree of implementation and improvement of effective operational control systems to prevent and/or mitigate current and potential risks internally and in the value chain

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve an approach to process planning by establishing requirements that support the pursuit of strategic objectives while considering all sustainability issues and risks. Control of operational activities is critical to ensure the effective implementation of an accountability and sustainability management system and the achievement of desired and expected results. Control plans must be adequate to ensure the achievement of sustainability goals and mitigate risks that may compromise results on all aspects of sustainability. Plans are supported by the necessary resources (human, financial, etc.) and assignment of responsibilities. Responsible Organizations shall maintain and retain documented information to the extent necessary to ensure that operational processes have been executed as planned and to demonstrate that products and processes have exceeded sustainability requirements. Responsible Organizations track planned and unintended process changes and review their impacts, taking action to mitigate any adverse effects as necessary.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Definition of a process control system that considers, in an integrated manner, all aspects and risks of sustainability by specifying the types of controls, their frequency, required control equipment (where necessary), and responsibilities.</li> <li>• Determination of resources needed to comply with process, product, and service requirements concerning all sustainability aspects and risks.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Implementation of control of processes, products and services in accordance with defined sustainability requirements.</li> <li>• Implementation of control over the organization's sustainability performance data.</li> <li>• Implementation of changes to processes, products and services necessary to mitigate risks on ESG aspects.</li> <li>• Preparation, maintenance and confirmation that operational controls have been performed in accordance with defined procedures and plans.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitoring the effectiveness of the system of operational controls on processes.</li> <li>• Testing the implementation of operational controls over processes changed over time.</li> <li>• Reviewing the effectiveness of the system of internal controls over processes and the consequences of unintended changes, taking actions to mitigate adverse impacts and seize opportunities as necessary.</li> <li>• Review of the approach for establishing the plan of control over operational activities.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Planning and implementation of necessary process changes based on the results of process control activities to mitigate adverse impacts through new products/services, new processes, new ways of organizing work, and new working conditions.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type

#### RELATED TOPIC IN THE GIF FRAMEWORK

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### 1.6.2 Responsible Sourcing [CORE]

PURPOSE	METRIC
Develop upstream and downstream value chain management policies and approaches to minimize actual or potential negative impacts on people and the environment on the organization and its stakeholders	Degree to which the value chain management approach is effective in minimizing current or potential risks of adverse impacts on people and the environment in the organization and its stakeholders

#### DESCRIPTION

This topic defines the elements for implementing and evaluating a responsible value chain management approach on all aspects of sustainability in accordance with ISO 20400 "Guideline for Sustainable Sourcing."

Responsible value chain management is a key strategy for organizations wishing to contribute to the achievement of the United Nations Sustainable Development Goals by integrating sustainability into policies and management practices with suppliers, distributors, and other business partners.

In Europe, the CSDD requires companies active in the internal market to contribute to the economic and social transition to sustainability by identifying and, where necessary, prioritizing, preventing, mitigating, halting, minimizing, and remediating actual or potential negative impacts on human rights and the environment related to the activities of the organizations themselves as well as the activities of their subsidiaries and business partners in the business chains in which the companies participate, and by ensuring that those affected by non-compliance have access to justice and redress.

Duty of Diligence (Due Diligence) for responsible value chains enables an organization to create more value, improve productivity, reduce risks of actual or potential events that may occur along the value chain and cause adverse impacts on the organization and its Stakeholders, communicate more effectively among buyers, suppliers, and all stakeholders, and encourage innovation.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>Integration of sustainability elements into a sustainable supply chain development strategy.</li> <li>Mapping of the value chain (main processes, entity type, complexity, number of levels, key players, external influencers) and identification and assessment of sustainability risks along the value chain.</li> <li>Definition of responsible purchasing policy considering suppliers' relevance to Stakeholders and the results of context analysis and material issues.</li> <li>Identification of minimum legal requirements for the purchase of goods and services.</li> <li>Analysis and segmentation of suppliers taking into account sustainability factors that may impact the organization's results and analysis of opportunities to establish business relationships with partners taking into account sustainability aspects in a Life Cycle Thinking logic.</li> <li>Definition of a supplier Code of Conduct.</li> <li>Definition of responsibilities of people involved in choosing suppliers and business partners along the value chain.</li> <li>Definition of responsible sourcing criteria (mandatory, recommended, and rewarded) giving preference to suppliers possessing ESG risk assessment issued by third-party bodies accredited against international standards (e.g., ISO/IEC 17029).</li> <li>Definition of procedures for sustainability assessment of suppliers with the support of platforms.</li> <li>Definition of ESG aspects in the clauses of general terms of purchase contracts.</li> <li>Definition of pricing mechanisms that include incentives and penalties linked to ESG performance.</li> <li>Definition of rules for supplier and sub-supplier management.</li> <li>Definition of standard payment terms (in days per supplier category) of invoices to suppliers, particularly when it comes to late payments to small and medium-sized enterprises (ESRS G1-6 31).</li> <li>Definition of sanctions on suppliers (Ex: suspension of orders, termination of the relationship, etc.).</li> <li>Definition of KPIs to evaluate the implementation of the approach (leading) and its effectiveness (lagging)</li> <li>Definition of mechanisms for receiving suggestions, complaints and reports from suppliers.</li> <li>Definition of remedial actions toward suppliers.</li> </ul>
DO	<ul style="list-style-type: none"> <li>Involvement of suppliers in assessing social and environmental risks, impacts and opportunities.</li> <li>Planning and implementation of supplier awareness and training initiatives on ESG issues.</li> <li>Assessing supplier capability and prequalifying suppliers by applying ESG requirements and criteria through <b>Due Diligence</b> and second-party (where appropriate, accredited third-party) audits on all social and environmental aspects.</li> <li>Implementation of ESG risk treatment and mitigation measures along supply chains.</li> <li>Collaboration with multistakeholder associations or initiatives (on a regional, sectoral, etc. basis) to incentivize improvements in social and environmental aspects.</li> <li>Implementation of procurement contracts with clauses that introduce rewards and penalties (e.g., supply</li> </ul>

	<p>suspension, contract termination) linked to performance on all sustainability aspects.</p> <ul style="list-style-type: none"> <li>• Transparent management of tenders and negotiations with suppliers and business partners, and award criteria based on sustainability aspects.</li> <li>• Implementation of joint supplier-customer initiatives and supplier support.</li> <li>• Implementation of grievance and reporting mechanisms and procedures.</li> <li>• Supplier relationship reporting with reference to international standards.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitoring the degree of implementation of the supplier qualification plan.</li> <li>• Monitoring the level of exposure to ESG risks along the supply chain.</li> <li>• Verification of the alignment of KPIs (process and performance) with the supplier management plan and ESG objectives.</li> <li>• Analysis of total procurement costs using life cycle costing (LCC) methodology.</li> <li>• Timely management of problems in supplier relationships (e.g., complaints) and implementation of remediation plans.</li> <li>• Review of approach (review of qualification criteria, system of controls, etc.).</li> <li>• Review of the effectiveness of contractual standards.</li> <li>• Data collection and monitoring of indicators provided in reporting standards.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Update of the supplier register.</li> <li>• Planning and implementation of changes to the approach.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
G1-6 33a		The average time taken by the enterprise to pay an invoice from the date the contractual or legal payment deadline begins to be calculated	Number of days	Lagging
G1-6 33b		Percentage of payments that meet standard payment terms	%	Lagging
G1-6 33c		Legal proceedings currently pending due to late payments	Number	Lagging
	204-1	Proportion of spending made to local suppliers	%	Lagging
	308-1	New suppliers that have been selected using environmental criteria	%	Leading
	308-2b	Suppliers that have been selected using environmental criteria	Number	Leading
	308-2d	Suppliers identified as having significant adverse environmental impacts,	%	Leading
	308-2e	potential and actual, with whom improvements have been agreed upon as a result of the assessment	%	Leading
	414-1	Suppliers identified as having significant actual and potential adverse environmental impacts, with whom relationships were terminated as a result of the assessment, and the reason why	%	Leading
	414-2b	New suppliers that were selected using social criteria	Number	Leading
	414-2d	Suppliers that were selected using social criteria	%	Leading
	414-2e	Suppliers identified as having significant actual and potential negative social impacts, with whom improvements were agreed upon as a result of the assessment	%	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

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### 1.6.3 Traceability and Transparency

PURPOSE	METRIC
Ensure an adequate traceability and transparency system that enables the identification of product batches, their relation to batches of raw materials, components and parts, their processing and assembly up to delivery records	Degree of implementation of an effective traceability and transparency system to identify each product batch and its relationship to raw materials, components and parts, their processing and delivery records

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve an approach for product traceability and transparency to enable identification of product batches and their manufacturers.

Traceability records shall be maintained for a defined period to enable the management of potentially hazardous products, the eventual handling of a complaint, and the product withdrawal from the market.

Records must comply with legal and regulatory requirements as well as customer requirements.

Procedures for managing traceability information define how to link and record the flow of information regarding materials and products from incoming product batches to outgoing product coding.

The product traceability and transparency system is critical to:

- Ensure compliance with customer specifications;
- Determine the origin of the product;
- Facilitate product recall/recall;
- Identify responsible suppliers;
- Facilitate verification of specific product information;
- Disclose product sustainability information to relevant stakeholders;
- Meet any applicable local, regional, national or international regulations.

The traceability and transparency system must enable, including with the support of innovative technologies (e.g., blockchain), the collection and aggregation of data on specific indicators to develop aggregate sustainability indices and allow the customer or end user the ability to know the sustainability characteristics of a product and all suppliers along the supply chain.

#### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Establishment of procedures documenting the flow of materials and related information, storage and verification, including at least product description, lot definition, and identification according to internationally recognized standards (UN-UNECE standards for traceability and transparency), documentation of material and information flow.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Assignment of responsibilities and tasks to personnel responsible for managing traceability and transparency.</li> <li>• Implementation of an approach for matching the physical product (and its characteristics) with information reported in a code in the management system in accordance with applicable standards (e.g., UN-UNECE standards).</li> <li>• Implementation of a training plan for staff on the traceability and transparency system.</li> <li>• Implementation of solutions that enable the customer/consumer to access sustainability information along the value chain.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Regularly monitor the effectiveness of the traceability and transparency system.</li> <li>• Review the traceability system at appropriate intervals or whenever changes are made to objectives and/or products or processes, following:                             <ul style="list-style-type: none"> <li>➢ traceability test results and audit findings</li> <li>➢ changes to the product or processes</li> <li>➢ traceability-related information provided by other organizations in the value chain</li> <li>➢ traceability-related corrective actions</li> <li>➢ customer feedback, including complaints</li> <li>➢ changes in regulations and standards affecting traceability</li> </ul> </li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Definition of improvement plans (where necessary) for the traceability and transparency management system.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type

RELATED TOPIC IN THE GIF FRAMEWORK

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### 1.6.4 Contingency and Remediation Plans [CORE]

PURPOSE	METRIC
Minimizing the consequences of adverse impacts by establishing and communicating contingency and remediation plans for each material ESG aspect	Degree of effectiveness of contingency and remedial plans to minimize the consequences of events with negative impacts related to each material ESG aspect

#### DESCRIPTION

Responsible Organizations define, implement, review, and improve an approach for managing emergency and remedial plans for all events related to different sustainability aspects.

Responsible Organizations apply international standards and conventions for emergency management (e.g., in the health and safety area, they apply ILO Convention No. C121 on benefits for occupational accidents and diseases).

Regardless of the effectiveness of the management system and its results, Responsible Organizations consider the possibility of events causing adverse impacts on stakeholders and prepare for such eventualities by establishing procedures and systems to reduce the consequences of adverse impacts on significant stakeholders.

Special attention is to be paid to the business continuity management system (in accordance with the requirements of ISO 22301).

Awareness-raising and training activities for employees and other stakeholders are key to reducing the consequences of events resulting from the organization's activities that adversely impact Stakeholders.

Responsible Organizations also define remedial plans understood as a predefined sequence of actions to be implemented when events occur that require a multiplicity of remedial actions. They consider the needs of Stakeholders and their involvement in the preparation and execution of emergency and remedial plans.

#### APPROACH'S ASSESSMENT POINTS

<ul style="list-style-type: none"> <li>PLAN</li> </ul>	<ul style="list-style-type: none"> <li>Defining contingency and remediation plans to mitigate the impacts of events that have contributed to adverse impacts related to each aspect of sustainability.</li> <li>Establishing processes for staff to spontaneously remove themselves from hazardous situations in which they are exposed to accidents and health damage risks.</li> <li>Defining remedial plans to mitigate significant adverse impacts on its workforce and those along the supply chain (ESRS 1-4 38a; GRI 403-7).</li> <li>Definition of additional action plans or initiatives with the primary objective of positively impacting its workforce and those along the value chain (ESRS 1-4 38c).</li> <li>Definition of plans for monitoring and evaluating the effectiveness of remedial plans (ESRS 1-4 38d).</li> </ul>
DO	<ul style="list-style-type: none"> <li>Implementation of emergency plans.</li> <li>Planning and conducting outreach and training to stakeholders (staff, subcontractors, visitors, government authorities, and, where appropriate, local communities) about the organization's emergency plans.</li> <li>Conducting periodic testing of emergency plans (mock drills) for effectiveness and staff awareness.</li> <li>Maintain documented information on emergency and remedial plans.</li> <li>Report on the approach to establishing and implementing emergency plans in accordance with internationally recognized reporting standards.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>Conducting periodic tests to verify the effectiveness of emergency plans.</li> <li>Evaluating the effectiveness of emergency plans when emergencies occur.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>Periodically review emergency plans and ensure their continuous updating.</li> <li>Review the effectiveness of remedial plans.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
		Rehearsals and simulations of emergency and remedial plans	Number	Leading

#### RELATED TOPIC IN THE GIF FRAMEWORK

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## 1.7 Performance Evaluation

Responsible organizations define what should be monitored and measured, establish methods for monitoring, measurement, analysis, and evaluation to ensure accurate results, determine the timing for monitoring and measurement activities, and decide when the performance monitoring and measurement results should be analyzed and evaluated.

Topics

1.7.1 Monitoring, measurement, analysis and evaluation [CORE]

1.7.2 Internal Audit and Due Diligence [CORE]

1.7.3 Management review

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**1.7.1 Monitoring, measurement, analysis and evaluation [CORE]**

PURPOSE	METRIC
Monitor, measure, analyze, and evaluate performance on all aspects of Social Responsibility and ESG risks	Degree of completeness, accuracy and reliability of the approach for monitoring, measuring, analyzing and evaluating performance on all aspects of Social Responsibility and ESG risks

**DESCRIPTION**

Responsible Organizations define, implement, review, and improve an approach for monitoring, measuring, analyzing, and evaluating performance on all aspects of sustainability.

They determine:

- What needs to be monitored through appropriate activity-related (leading) and outcome-related (lagging) indicators and the setting of proper targets and benchmarks consistent with the results of material issue analyses;
- The methods for monitoring, measurement, analysis and evaluation needed to ensure valid results by referring, to the extent possible, to international sustainability reporting standards;
- When monitoring and measurement should be carried out;
- When the results of monitoring and measurement should be analyzed;
- How to intervene in cases where analysis and evaluation indicate the need to do so.

Responsible Organizations periodically assess the performance and effectiveness of their sustainability management system and the changing level of exposure to risks related to their operations and along the value chain.

Responsible Organizations shall maintain appropriate documented information as evidence of achievements and any actions taken.

**APPROACH'S ASSESSMENT POINTS**

PLAN	<ul style="list-style-type: none"> <li>• Definition of processes for monitoring activities and actions taken (GRI 3.3 e-i).</li> <li>• Definition of indicators used to assess implementation progress against a target (GRI 3.3 e-ii).</li> <li>• Definition of metrics used to assess the effectiveness of results in relation to a relevant impact, risk, or opportunity (MDR-M 75; GRI 3.3e).</li> <li>• Definition, for each metric, of the significant methodologies and assumptions, including the limitations of the methods used; validation by an external body (and specification of which one); clear and precise meaningful names and descriptions; and, where the unit of measurement indicates a currency, the currency the one used in collecting the information and disclosing it (MDR-M 77).</li> <li>• Definition of key performance indicators distinguishing between leading and lagging indicators paying attention to consistency with material issues and their correlations.</li> <li>• Definition of the way of surveying the degree of satisfaction of Stakeholders (customers, staff, suppliers, etc.) regarding the relevant ESG aspects.</li> <li>• Definition of the frequency of monitoring data collection on the sustainability aspects of processes and products/services and the relief of the degree of satisfaction.</li> <li>• Definition of the involvement of third parties in evaluating results related to the effectiveness of processes, products/services, and the level of exposure to sustainability risks along the value chain.</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Implementation of the data and information collection plan.</li> <li>• Verification of the effectiveness of monitoring actions against the implementation and outcome targets set (GRI 3.3 e-iii).</li> <li>• Implementation of the monitoring plan along the value chain for all aspects of sustainability.</li> <li>• Recording and storing data and information collected and analysis conducted on them.</li> <li>• Reporting performance indicators on all aspects of sustainability in accordance with internationally recognized standards and communicating sustainability information to Stakeholders in accordance with the defined communication plan.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitoring the effectiveness of the internal control systems for collecting and processing data related to the various indicators and their ability to achieve the predetermined objectives.</li> <li>• Verification of compliance with applicable mandatory requirements related to all aspects of sustainability to processes and products/services.</li> <li>• Assessment (Monitoring, measurement and analysis) of identified significant indirect economic impacts, including positive and negative impacts (GRI 203-2a).</li> <li>• Assessment of the extent of indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols and regulatory programs. (GRI 203-2b).</li> </ul>

	<ul style="list-style-type: none"> <li>• Verification of the effectiveness of systems for tracking "perception" indicators (e.g., customer satisfaction, staff satisfaction, etc.).</li> <li>• Assessment of sustainability impacts on economic and financial aspects.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Improved approach to data measurement and monitoring.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
S1-14b		Occupational fatalities	Number	Lagging
S1-14c	403-9	Occupational accidents	Number	Lagging
S1-14d	403-10	Occupational diseases	Number	Lagging
S1-14e		Days lost due to work-related injuries and deaths due to work-related injuries, work-related illnesses, and fatalities as a result of illnesses	Number	Lagging
S1-17 103b		Complaints submitted through the channels set up for the enterprise's workers to raise concerns (including grievance mechanisms) and, where appropriate, at national contact points for OECD multinational enterprises	Number	Lagging
S1-17 104a		Serious human rights incidents related to the enterprise's workforce during the reporting period, including how many of them constitute instances of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. If no such incidents have occurred, the enterprise shall declare this	Number	Lagging
S1-17 104b		Fines, penalties, and damages for the incidents referred to in (a) above, together with a reconciliation of the monetary amounts shown with the most relevant amount in the financial statements	Monetary	Lagging
		Degree of staff satisfaction	Number	Lagging
		Degree of customer satisfaction	Number	Lagging
		Degree of satisfaction of local communities	Number	Lagging
		Degree of satisfaction of suppliers and business partners	Number	Lagging

#### RELATED TOPIC IN THE GIF FRAMEWORK

1.7.2 – 1.7.3



### 1.7.2 Internal Audit and Due Diligence [CORE]

<b>PURPOSE</b>	<b>METRIC</b>
Periodically evaluate the compliance of the management system with the requirements set by the Organization and its performance against planned objectives	Effectiveness of approach to programming, and conducting internal audits and due diligence

#### DESCRIPTION

Responsible Organizations shall define, implement, review, and improve an approach for planning and conducting internal audits and due diligence on all aspects of sustainability.

They plan and implement a cycle of internal audit and Due Diligence at regular intervals appropriate to the size, nature, context and severity of the risk of adverse impacts on different stakeholders with the aim of:

- Assess the effectiveness of the implementation and maintenance of the integrated management system on all aspects of sustainability (social, health and safety, environmental and business ethics);
- Assess the compliance of the sustainability management system with the requirements established by the organization;
- Indicate which action to restore compliance or direct improvement actions should be taken.

Internal audits are conducted by people with appropriate competence, independence and impartiality.

Plans, results and resulting actions are adequately documented and regularly reviewed.

The results of internal audits and due diligence conducted internally and/or on suppliers and business partners along the value chain are used as input for the annual management review and preparing the sustainability plan for the next year.

#### APPROACH'S ASSESSMENT POINTS

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Definition of a procedure for conducting internal audits.</li> <li>• Definition of the competencies of the person(s) performing internal auditing activities.</li> <li>• Definition of code of ethics for internal auditors to ensure independence and impartiality.</li> <li>• Definition of supporting tools for conducting internal audits (e.g., check-lists).</li> <li>• Defining how internal audit reports are to be kept.</li> <li>• Defining a plan for internal audits (scope, criteria, frequency, methods, responsibilities, audit planning and reporting requirements), taking into consideration the status and importance of the processes to be audited, the risk of negative impacts in one or more ESG aspects associated with the processes, changes affecting the organization as well as the results of previous audits.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Maintaining and developing the skills of personnel assigned to conduct internal audit activities.</li> <li>• Assignment to conduct internal audits in accordance with the principles of competence, independence and impartiality of the evaluator.</li> <li>• Conducting internal audits and due diligence (including on business partners) on all aspects of sustainability (social, health and safety, environmental, and business ethics) and preparing the internal audit report with the support of evidence.</li> <li>• Performing root cause analysis of problems detected during internal audits for elimination.</li> <li>• Establishing a resolution plan for NCs detected during internal audits.</li> <li>• Periodically presenting the overall results of internal audit activities to the relevant department and the representative of the board of directors with responsibility for internal auditing and risk management.</li> </ul>
<b>CHECK</b>	<ul style="list-style-type: none"> <li>• Monitoring the conduct of internal audits against the defined internal audit plan.</li> <li>• Monitoring the effectiveness of internal audits against objectives.</li> <li>• Monitoring the implementation of improvement actions identified in previous internal audits.</li> </ul>
<b>ACT</b>	<ul style="list-style-type: none"> <li>• Improved approach to conducting internal audits and internal and/or external due diligence on all aspects of sustainability (social, health and safety, environmental, and business ethics).</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
		Internal audits planned	Numero	Leading
		Internal audits performed in the planned time and manner	%	Leading
		Nonconformities detected during the conduct of internal audits	Numero	Lagging
		Degree of implementation of planned corrective actions following internal audits	%	Leading
		Corrective actions that improved key performance on all ESG aspects		

#### RELATED TOPIC IN THE GIF FRAMEWORK

1.7.1 – 1.7.3

### 1.7.3 Management Review

**PURPOSE**

Review the effectiveness of the management system and the performance achieved on all material aspects and risks to identify opportunities for improvement

**METRIC**

Degree of effectiveness of management review to evaluate the implementation of the management system for Social Accountability and performance achieved against planned goals and strategies

**DESCRIPTION**

Responsible Organizations define, implement, review and improve an approach for integrated management review that covers all aspects and risks of sustainability.

Management review is carried out at defined intervals and with the involvement of the top management of the organization.

The objectives of the management review are:

- Verify the adequacy and effectiveness of the management system with respect to the defined objectives and the needs of Stakeholders;
- Identify opportunities for risk mitigation and continuous improvement of ESG results;
- Define changes in processes and physical, human and financial resources;
- Make necessary decisions if the defined sustainability goals have not been met;
- Suggest possible changes to RBC's policy, objectives, and sustainability management system.

A management review, based on the analysis of facts and performance indicators against the objectives, is the key input for the start of the next sustainability planning cycle.

**APPROACH'S ASSESSMENT POINTS**

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Defining an approach for integrated management review for all aspects of sustainability by defining the intervals of its execution, responsibilities and reporting methods.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Conduct of management review in accordance with the predetermined frequency.</li> <li>• Consideration, as inputs to the review, of the results of internal audits, due diligence, and assessments of compliance with regulatory obligations; communications received from external stakeholders; the organization's performance on all aspects of sustainability; the extent to which the goals set out in the sustainability plan have been achieved; the status of implementation of improvement actions; the effectiveness of follow-up actions resulting from previous management reviews; the changing context, including the context of the organization; changes in the organization's activities, products, and services; the results of the assessment of significant ESG aspects and risks and opportunities that need to be addressed by planned or new developments; changes in compliance obligations; the views of stakeholders (with a focus on material issues); advances in science and technology; lessons learned from emergency situations; adequacy of resources; recommendations for improvement.</li> <li>• Planning and implementation of management review in accordance with the defined approach</li> <li>• Formulation of judgment on the results of management review activities.</li> <li>• Use of the results of the management review to support the formulation of plans and the setting of new goals on all aspects of sustainability.</li> </ul>
<b>CHECK</b>	<ul style="list-style-type: none"> <li>• Monitoring the effectiveness of the management review approach.</li> <li>• Maintaining management review records for as long as deemed necessary.</li> </ul>
<b>ACT</b>	<ul style="list-style-type: none"> <li>• Continuous improvement of the integrated management approach to management review.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Completeness of management review on all aspects of sustainability	%	Leading
		Effectiveness of the outputs of the integrated management review with respect to use to guide the definition of improvement actions in the future		

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.7.1 – 1.7.2

## 1.8 Improvement

Responsible Organizations determine and select opportunities for improvement and for the continuous reduction of the level of risk exposure with the aim of meeting Stakeholders' needs and expectations and increasing their level of satisfaction.

### Topics

1.8.1 Nonconformities and corrective action

1.8.2 Continuous Improvement

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A large, light gray graphic featuring the text 'GET IT' on the top line and 'FAIR' on the bottom line. To the right of the text is a large, stylized circular graphic composed of several thick, curved segments, resembling a partial ring or a stylized letter 'G'.

### 1.8.1 Non-conformities and corrective action

<b>PURPOSE</b> Manage nonconformities and events that occurred that may have a negative impact by reacting promptly and removing the causes that generated them in order to avoid their recurrence	<b>METRIC</b> Degree of implementation and improvement of the approach to managing nonconformities (corrections) and corrective actions on all material aspects of social responsibility and ESG
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#### DESCRIPTION

Responsible Organizations define, implement, review and improve an approach for resolving nonconformities and planning and implementing corrective actions.

In the case of incidents and process nonconformities they:

- Record information about the event with negative impact
- Act promptly to limit the effects of the event that occurred
- Conduct a root cause analysis activity with appropriate methodologies and involving stakeholders
- They define corrective actions to remove the causes of the event and prevent it from happening again
- They test the corrective actions and analyze the results
- They implement the corrective actions by changing the processes and their inputs and outputs.

The methodology for managing corrections and corrective actions is unique for all aspects of sustainability.

#### APPROACH'S ASSESSMENT POINTS

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Defining an approach for handling noncompliance incidents and complaints.</li> <li>• Defining an approach to investigate occupational incidents, identify hazards, and assess risks related to incidents to determine corrective actions through a hierarchy of controls and improvements to be made in the management system for sustainability (GRI 402-2d).</li> <li>• Defining an approach for planning and implementing corrective actions.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Managing nonconformities, incidents and complaints by taking appropriate corrections and corrective actions.</li> <li>• Implementation of plans to manage the consequences of nonconformities, incidents and complaints.</li> <li>• Review, analysis and evaluation of nonconformities and incidents.</li> <li>• Analysis of the causes of non-conformities, incidents and complaints with the involvement of Stakeholders.</li> <li>• Review of the effectiveness of any corrective action taken.</li> <li>• Updating, where necessary, the register of impacts, risks and opportunities.</li> <li>• Planning and implementation of changes to the integrated management system for sustainability.</li> <li>• Communication of documented information to relevant Stakeholders (Ex: workers, customers, local community) and their representatives.</li> <li>• Retention of documented information as evidence of the nature of nonconformities and any subsequent action taken and the results of any corrective action.</li> </ul>
<b>CHECK</b>	<ul style="list-style-type: none"> <li>• Monitoring the effectiveness of the approach for handling non-conformities, incidents and complaints.</li> <li>• Reviewing the effectiveness of the approach for managing non-conformities, incidents and complaints.</li> </ul>
<b>ACT</b>	<ul style="list-style-type: none"> <li>• Changing the approach to the process of handling nonconformities, incidents and complaints.</li> </ul>

#### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
		Whether the organization has implemented an occupational health and safety management system based on legal and/or standard requirements (ISO 45001): <ol style="list-style-type: none"> <li>i. Number and percentage of all employees and nonemployee workers but whose work and/or workplace is controlled by the organization covered by such a system;</li> <li>ii. Number and percentage of all employees and non-employee workers but whose work and/or workplace is controlled by the organization covered by such a system and audited internally;</li> <li>iii. Number and percentage of all employees and non-employee workers but whose work and/or workplace is controlled by the organization covered by such system and audited or certified by an external third party.</li> </ol>	Number and %	Leading
	403-9	<ol style="list-style-type: none"> <li>i. Deaths as a result of work-related injuries;</li> <li>ii. Work injuries with serious consequences (excluding deaths);</li> </ol>	Number and %	Lagging

		iii. Recordable occupational injuries; iv. Main types of occupational injuries; v. Number of hours worked.		
	403-10	i. Deaths due to occupational disease; ii. Recordable cases of occupational disease; iii. Main types of occupational diseases.	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.7.1 – 1.7.2 – 1.7.3 – 1.8.2

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## 1.8.2 Continuous Improvement

PURPOSE	METRIC
Continuously improve the management system and performance on all ESG aspects and risks to meet stakeholders' needs and exceed their expectations	Degree of effectiveness of the management system performance improvement process on all ESG aspects and risks

### DESCRIPTION

Responsible Organizations shall define, implement, review and improve an approach for continuous improvement of the sustainability management system, results, and risk mitigation in all aspects of sustainability.

The approach shall include:

- The improvement of sustainability characteristics of products and services;
- The prevention or reduction of undesirable impacts on all aspects of sustainability;
- The improvement of the performance and effectiveness of the sustainability management system.

Improvement can be induced by:

- The desire and opportunity to increase its competitiveness;
- The evolution of legal requirements;
- Growing Stakeholder demand for increasingly accurate, credible and reliable sustainability information;
- The opportunities arising from technological innovations, new markets to be reached, and new products/services.

### APPROACH'S ASSESSMENT POINTS

PLAN	<ul style="list-style-type: none"> <li>• Defining an approach to improvement for reducing all sustainability risks with the goal of maintaining and increasing competitiveness; meeting more stringent legal requirements; meeting increasing Stakeholder attention to ESG aspects; introducing new high-performance technologies; improving the effectiveness of the risk management system.</li> <li>• Defining an approach for planning improvement actions (e.g., corrections, corrective actions, continuous improvement, radical improvements, innovation, reorganization, etc.).</li> </ul>
DO	<ul style="list-style-type: none"> <li>• Promotion of a culture of continuous improvement that supports the ongoing mitigation of the level of risk exposure related to all aspects of sustainability.</li> <li>• Planning of improvement actions.</li> <li>• Implementation of planned continuous improvement actions with active involvement of Stakeholders.</li> <li>• Reporting and dissemination of significant improvement results to all Stakeholders.</li> </ul>
CHECK	<ul style="list-style-type: none"> <li>• Monitoring the effectiveness of the continuous improvement approach.</li> <li>• Periodic review of the continuous improvement approach.</li> </ul>
ACT	<ul style="list-style-type: none"> <li>• Modification and improvement of the approach for continuous improvement based on the results of monitoring and review.</li> </ul>

### INDICATORS AND REFERENCES TO REPORTING STANDARDS

ESRS	GRI	Indicator	Unit	Type
		Number of improvement actions planned and implemented in a period	Number	Lagging
		Improvement actions successfully completed on time and within planned budget	Number	Lagging
		Improvement in performance against targets determined by improvement actions	%	Lagging

### RELATED TOPIC IN THE GIF FRAMEWORK

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## 2 - SOCIAL

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## 2 Social

RESPONSIBLE ORGANIZATIONS MINIMIZE SOCIAL RISKS, I.E., THE RISKS OF LOSSES RESULTING FROM THE NEGATIVE FINANCIAL EFFECTS DUE TO THE PRESENT OR FUTURE IMPACT OF SOCIAL FACTORS IN THEIR ACTIVITIES AND ALONG THE VALUE CHAIN.

IN ACCORDANCE WITH THE RESULTS OF THE MATERIAL ISSUES ANALYSIS, RESPONSIBLE ORGANIZATIONS IDENTIFY, ASSESS, DEFINE, AND IMPLEMENT MITIGATION AND REMEDIATION PLANS FOR EACH SOCIAL ISSUE.

Areas

2.1 Human Rights

2.2 Labor practices

2.3 Local communities

The criterion focuses on the relevant impacts, risks and opportunities on social aspects for the workforce and workers in the value chain, including:

- a) How the enterprise affects its workforce and workers along the value chain in terms of relevant positive and negative, actual and potential social impacts
- b) Actions taken to prevent, mitigate or remedy the actual or potential adverse impacts and to address risks and opportunities and the results achieved;
- c) The nature, type and extent of the enterprise's relevant risks and opportunities related to the impacts and dependencies in terms of its workforce and value chain and how the enterprise manages them; and
- d) The financial effects on the enterprise in the short, medium and long term caused by the relevant risks and opportunities arising from its impacts and dependencies in terms of its workforce and along the value chain.

Responsible Organizations:

- Involve and listen to stakeholders and gather information on material social issues;
- Establish a social policy in line with the results of the context and material issues analysis that defines the processes and mechanisms to verify compliance with the United Nations Guiding Principles, the ILO Declaration on Fundamental Principles of Work, and the OECD Guidelines;
- Declare respect for human rights, including labor rights, in their operations and along the value chain;
- They appoint a person/committee responsible for managing social risks;
- Involve staff and other stakeholders in the process of identifying and assessing risks of events related to social aspects that may impact workers in their operations and along the value chain;
- Define and implement risk mitigation actions by allocating appropriate resources and assigning clear responsibilities (ESRS S1-4 36);
- They define leading and lagging indicators (direct and/or perception outcomes) to monitor the effectiveness of approaches (ESRS S1-4 38d);
- They implement approaches to measure staff satisfaction with each aspect and social risk;
- Plan and implement activities to raise awareness and train staff and all stakeholders on human rights issues and risks specific to particular activities;
- They communicate information on human rights and practices to be followed by workers and others;
- Define and implement responsible sourcing strategies by identifying, evaluating, selecting, and monitoring suppliers based on social risks and impacts;
- Periodically implement Due Diligence activities in their operations and at suppliers to prevent events that may have social impacts on workers;
- Define and implement mechanisms for reporting violations of human rights and labor practices in their own operations and along the value chain;
- Analyze causes of accidents and incidents with worker involvement by implementing timely corrections and corrective actions;
- Determine measures to remedy and/or enable remediation of human rights impacts;
- Establish and implement appropriate mechanisms for reporting, handling and resolving complaints, appeals and litigation (ESRS S1-4 38 a/b/c),
- Report results in accordance with internationally recognized standards (e.g., GRI, ESRS, ...).



## 2.1 Human Rights

Responsible Organizations respect Human Rights and recognize their importance and universality in their sphere of influence and along the value chain. They regard Human Rights as essential to the rule of law and concepts of social justice and equity and as the foundation of society's most critical institutions.

### Topics

- 2.1.1 Avoiding complicity
- 2.1.2 Child Labor [CORE]
- 2.1.3 Discrimination and Equal Opportunity [CORE]
- 2.1.4 Forced Labor [CORE]
- 2.1.5 Civil and Political Rights

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### 2.1.1 Avoiding complicity

PURPOSE	METRIC
Estimate the level of exposure to the risk of complicity by assisting or being silent in the commission of unlawful acts that Organizations know or should know about	Level of exposure to complicity risk within the organization and at parties with whom it has relationships along the value chain

#### DESCRIPTION

This theme focuses on the exposure to the risk of any form of complicity of an organization in a human rights violation attributable to a third party.

There are three types of complicity:

- **direct:** The company is aware that it is providing goods or services that will be used to carry out the abuse or it knowingly assists in a human rights violation.
- **beneficent:** the company benefits from human rights violations even though it did not assist or cause them.
- **silent:** the company is silent or inactive in the face of systematic or ongoing human rights abuses (failure to report human rights violations witnessed to the appropriate authorities).

Responsible Organizations publicly condemn Human Rights violations, involve workers and unions in identifying risks of complicity in such violations, implement treatment policies and actions, and conduct awareness-raising and training (employees, contractors, etc.) on complicity issues.

Responsible Organizations exceed minimum legal requirements and meet international standards where higher requirements are proven to achieve significantly better protection and establish appropriate key outcome and perception indicators.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Analysis of local processes and context to identify activities exposed to risks of complicity in human rights violations in their operations along the value chain.</li> <li>• Determination of materiality of complicity and reporting of results.</li> <li>• Prohibition of all forms of complicity in the violation of human rights and statement of public condemnation of the violation of Human Rights and any type of complicity (direct, beneficial, or silent) addressed by the RBC Policy and in the Social Responsibility Policy (ESRS 1.1 20).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Analysis of complaints, studies, and research conducted by authoritative organizations on the risk of complicity.</li> <li>• Identification of the person/committee responsible for managing risks related to complicity in the violation of Human Rights and possessing the necessary expertise for its control and implementation of mitigation plans.</li> <li>• Stakeholder involvement in identifying complicity risks (ESRS S1-2 26) (P).</li> <li>• Presence of the risk of complicity in the violation of human rights in the risk register (P).</li> <li>• Collection of information on the risk of complicity in human rights violations from NGOs, Unions, etc. (P).</li> <li>• Identification of stakeholder categories, including at-risk or vulnerable groups, to which the organization pays special attention (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Evaluation of past data and results related to the organization's complicity in human rights violations (P).</li> <li>• Detection of risk of complicity in employee satisfaction surveys (P).</li> <li>• Estimating the level of risk exposure (likelihood x consequence) of complicity in human rights violation in its operations and along the value chain, taking into account the context in which organizations operate.</li> <li>• Stakeholder impact assessment (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Assessment of risks of complicity in human rights violations by suppliers and business partners (P).</li> <li>• Economic and financial impacts on the organization.</li> <li>• Estimated costs (e.g., fines, penalties, reparations), financial losses (e.g., turnover, customers, etc.), reputational and business continuity in the short, medium, and long-term resulting from complicity in human rights violations in its operations and along the value chain (C).</li> </ul>
MITIGATION PLANS AND	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Definition of time-bound and measurable objectives on expected results of reducing negative</li> </ul>

<p><b>ACTIONS</b></p>	<p>impacts and/or enhancing positive impacts and/or managing relevant risks and opportunities on own workforce related to complicity risk (ESRS S1-5 44).</p> <ul style="list-style-type: none"> <li>• Establishment of procedures for personnel (including safety officers) and possible violations; management of violations by workers; remediation and protection plans (P).</li> <li>• Stakeholder involvement in identifying the risk of complicity in the violation of Human Rights (P).</li> <li>• Inclusion of complicity risk in the organization's risk register (P).</li> <li>• Inclusion of risk of complicity in human rights violations in awareness and training programs targeting staff and partners along the value chain (P).</li> <li>• Establishment of communication channels with the company's staff and business partners along the value chain that encourage reporting complicity situations.</li> <li>• Defining and implementing plans to prevent and mitigate complicity risk by allocating appropriate resources (human and financial) (ESRS S1-4 40).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Inclusion of the risk of complicity in the violation of human rights in supplier evaluation and selection criteria.</li> <li>• Inclusion of the prohibition of complicity in Supplier Codes of Conduct and general terms of contract.</li> <li>• Developing relationships with partners along the value chain to counter complicity.</li> <li>• Monitoring the level of exposure to complicity risks along the value chain.</li> <li>• Defining penalties for those who violate the prohibition against complicity in human rights violations.</li> <li>• Reporting on approaches and results for dealing with complicity risk in human rights violations.</li> <li>• Inclusion of specific risks in cases handled by whistleblowing tools.</li> </ul>
<p><b>REMEDICATION PLANS</b></p>	<ul style="list-style-type: none"> <li>• Establishment of timely and appropriate investigation and remedy mechanisms in case of complicity in human rights violation by involving relevant parties.</li> <li>• Definition of sanctions for those who fail to report or are complicit in human rights violations.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	410-1	Security personnel who have been trained in human rights practices or procedures	%	Leading
	414-1	New suppliers who have been selected using social criteria	%	Leading
	414-2	Negative social impacts in the supply chain and actions taken	Number and %	Lagging
		Degree of staff satisfaction with complicity risk management	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

**2.1.2 Child Labor [CORE]**

PURPOSE Avoid Child Labor within the Organization or along the value chain	METRIC Degree of exposure to child labor and/or youth labor risks with workers exposed to hazardous work in their own operations and value chain
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**DESCRIPTION**

This topic defines the elements that contribute to assessing child labor risk with reference to ILO Convention No.C138 (minimum age) and Recommendation No.146 accompanying Convention No.138.

ILO Convention No.138 (C138) defines the minimum working age by distinguishing between developed and developing countries and the types of work (light, regular, hazardous); light work for minors; the prohibition of any youth work during school hours; and the limit of time devoted to school, work, and transportation (10 hours per day).

Under no circumstances may youth workers exceed 8 hours of work per day.

All hazardous work involving heavy lifting, use of heavy machinery, night shifts, exposure to toxic chemicals, weapons manufacture, contact with products of violence/pornography, and working at night hours are prohibited for minors.

Responsible Organizations exceed the minimum child labor requirements of applicable laws, regulations, standards, and other specifications where there is evidence that such higher requirements provide significantly better protection.

Responsible Organizations determine the level of child labor materiality and identify, analyze, assess, and mitigate all child labor risks in the organization and along the supply chain.

**RISK ASSESSMENT ELEMENTS**

<b>RELEVANCE</b>	<ul style="list-style-type: none"> <li>Analysis of local processes and context to identify activities exposed to current or potential child labor risks in its operations along the value chain.</li> <li>Determining the materiality of child labor and reporting the results.</li> <li>Prohibition of the use of child labor addressed by the RBC Policy (ESRS S1-1 20 and 22).</li> </ul>
<b>IDENTIFICATION</b>	<p><b>Risks arising from the organization's activities with impacts on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement of workers in identifying child labor risks and impacts (ESRS S1-2 26) (P).</li> <li>Child labor in activities included in risk register (P).</li> <li>Identification of person/committee responsible for risks related to child labor (P).</li> <li>Collection of information on child labor risk factors from NGOs (P).</li> <li>Studies and research on child labor in the organization's context (P).</li> <li>Analysis of the causes of child and youth labor risk (P).</li> <li>Identification of vulnerable social groups and exposure to child labor risk (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of geographic areas or other factors (types of operations, industries, etc.) that pose an increased risk of child labor (P).</li> <li>Identification of exposure to child labor risk along the value chain (P).</li> </ul>
<b>EVALUATION</b>	<p><b>Risks arising from the organization's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical data on incidents of child labor that occurred in the organization (including data and complaints from NGOs, Unions, etc.) (P).</li> <li>Number of sources of child labor risk in processes (e.g., suppliers, contractors, etc.) (P)</li> <li>Detection of child labor risk in employee satisfaction surveys (P).</li> </ul> <p>Assessment of the consequences (severity, extent, reversibility) of current and potential child labor employment (C).</p> <ul style="list-style-type: none"> <li>Assessment of the effectiveness of systems to mitigate the likelihood and consequence of child labor (P and C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Estimation of the level of exposure to child labor risk along the value chain (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational, and business continuity in the short, medium, and long-term resulting from violations of the prohibition of child labor in its operations and along the value chain (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Setting goals for reducing negative impacts and/or enhancing positive impacts and/or managing relevant risks and opportunities on own workforce related to child labor (ESRS S1-5</li> </ul>

	<p>44).</p> <ul style="list-style-type: none"> <li>• Implementation of personnel procedures and controls to eliminate or reduce risks related to child and youth labor (e.g., personnel selection procedures) (ESRS S1-4 40) (P).</li> <li>• Raising awareness and training on child labor issues (e.g., definitions of child labor, definitions of hazardous work, national and international standards and laws, reporting methodologies, established procedures and criteria) (P).</li> <li>• Ensuring that people involved in identifying, minimizing, and managing child labor risks possess the necessary skills (P).</li> <li>• Implementation of monitoring and internal audit plans (P).</li> <li>• Establishment and adoption of systems for reporting instances, complaints, and grievances (including anonymous ones) for child and youth labor risks (also accessible from the outside) (C).</li> <li>• Allocation of adequate capital financial resources and operating expenditures for child labor risk mitigation plans in the short, medium, and long term (P).</li> <li>• Stakeholder involvement in defining solutions for eliminating or mitigating child and youth labor risks (P).</li> <li>• Partnership with customers, peer enterprises, and/or NGOs to reduce child labor risks (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Inclusion of child and youth labor prohibition in supplier Codes of Conduct (P).</li> <li>• Inclusion of contract clauses providing for penalties and sanctions in case of child labor up to contract termination in the qualification criteria of a supplier or business partner (P).</li> <li>• Conducting periodic Due Diligence (second or third party) to verify the risk of child labor along the value chain and the operation of complaint and violation reporting mechanisms (P).</li> <li>• Establishment of procedures and programs to reduce the child labor risk of other organizations under its control or sphere of influence.</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <p>Establishment of appropriate procedures and measures to remedy or cooperate with workers to remedy adverse impacts on workers in cases of child labor (C).</p> <ul style="list-style-type: none"> <li>• Establishment of procedures and mechanisms for reporting and whistleblowing as well as for handling child labor appeals and appeals (C).</li> <li>• Provision of support (including financial) to enable a child removed from the workplace to access services (e.g., reintegration into education programs).</li> <li>• Defining and enforcing penalties for those who fail to report or violate child and youth labor prohibitions as defined by the organization.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	408-1	Activities and suppliers that present a significant risk of child labor	Number	Leading
	414-1	Number of suppliers qualified using social criteria	Number	Leading
S1-17 100a		Incidents/complaints related to child labor in its workforce	Number	Lagging
S1-17 104b		Fines and penalties or compensation for child labor during the period	Monetary	Lagging
		Degree of staff satisfaction with child labor risk management	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 2.1.3 Discrimination and Equal Opportunity [CORE]

PURPOSE	METRIC
Refuse discrimination against vulnerable people and/or groups and promote effective equality of opportunity and treatment within itself and in the value chain	Level of exposure to risks related to discriminatory practices and extent of actions taken (review, remediation, prevention) to reduce these risks

#### DESCRIPTION

This theme focuses on identifying, assessing, and addressing risks of discrimination referring to race, color, sex, age, nationality or national origin, ethnic or social origin, caste, birth, religion, marital status, sexual orientation, disability, health status (such as HIV/AIDS), union membership, political affiliation, or other political opinion in the organization's activities and along its value chain.

Responsible Organizations mitigate risks of potential or actual discriminatory behavior, including, among others: equal opportunity, actions and offenses against physical safety, crimes against the person, racism and xenophobia, discrimination against people and groups suffering from objective disadvantages, interference with the exercise of personnel rights to observe practices or meet specific needs, threatening, abusive, exploitative, or sexually coercive behavior, including gestures, language, and physical contact, in the workplace and all of its properties, any form of physical, verbal, digital abuse (harassment), restriction of verbal and/or physical freedom, unequal treatment in compensation, including nonmonetary compensation such as benefit and welfare plans for employees with different types of employment contracts (e.g., in the form of: life insurance, health care, disability coverage, family leave, pensions, stock ownership, training and skill development, other benefits).

Responsible Organizations apply ILO Conventions No. C100 ('equal pay'), No. C103 (maternity protection), No. C111 (discrimination in employment and occupation), No. C118 (equal treatment in social security), N°C159 (vocational rehabilitation and employment of persons with disabilities).

Responsible Organizations involve workers and unions and create awareness about equal opportunity, harassment, and violence, as well as the mechanisms available to file complaints inside and outside the workplace. They promote and implement equal opportunity and treatment in hiring, compensation, training, promotion, termination, or retirement activities and prohibit and punish all abuse and misconduct.

Responsible Organizations establish appropriate key performance indicators (KPIs) concerning discrimination and equal opportunity and collect and disseminate information in accordance with international standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process and context analysis to identify activities exposed to current or potential discrimination risks in its operations along the value chain.</li> <li>Determining the materiality of discrimination and reporting the results.</li> <li>Prohibition of discrimination of all kinds (including harassment) explicitly addressed by RBC Policy and in social policy (ESRS S1.1 20 and 24 b and c).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Stakeholder involvement in identifying discrimination risks (ESRS S1-2 26) (P).</li> <li>Discrimination risks in its activities identified in the risk register (P).</li> <li>Identification of person/committee responsible for managing discrimination risks (P).</li> <li>Identification of discrimination risks in studies and research conducted by authoritative organizations (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Discrimination risks in the value chain identified in the risk register (P).</li> <li>Identification of stakeholder categories, including at-risk or vulnerable groups, exposed to discrimination risks (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical data on incidents of discrimination (P).</li> <li>Number of activities exposed to discrimination (P).</li> <li>Number of sources of discrimination risk (e.g., suppliers, contractors, etc.) (P).</li> <li>Detection of discrimination risk in employee satisfaction surveys (C).</li> <li>Assessment of current and potential consequences (severity, extent, reversibility) of discrimination (C).</li> <li>Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of discrimination (P and C).</li> <li>Reporting on discrimination risk in its operations and along the value chain in accordance with sustainability reporting standards.</li> </ul>

	<p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Assessment of discrimination risks from suppliers and business partners (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimated costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational and business continuity in the short, medium, and long term related to discrimination in its operations and along the value chain (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Establishment of results-oriented objectives to measure the reduction of negative impacts and/or enhancement of positive impacts and/or management of relevant risks and opportunities on own workforce related to discrimination risks (ESRS S1-5 44) (P).</li> <li>Establishment of plans, procedures, and monitoring to mitigate the risk of discrimination (ESRS S1-4 40) with the involvement of Stakeholders (P).</li> <li>Inclusion of discrimination in awareness-raising and training initiatives for company staff and other organizations along the supply chain (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Inclusion of prohibition of discrimination in Supplier Codes of Conduct and supplier or business partner qualification criteria (P).</li> <li>Contract clauses providing for contract termination in case of discrimination (C).</li> <li>Conducting periodic Due Diligence (second or third party) to verify the risk of discrimination along the value chain (P).</li> <li>Verification of the operation of grievance and abuse reporting mechanisms (P).</li> <li>Awareness-raising activities on the risk of discrimination along the value chain (P).</li> <li>Definition and enforcement of sanctions for violators of the prohibition of discrimination (C).</li> <li>Reporting on approaches and results for dealing with discrimination risk (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of appropriate procedures and measures to remedy or cooperate with workers to remedy negative impacts on workers in cases of discrimination (C).</li> <li>Implementation of procedures to handle complaints and appeals and evaluate their effectiveness (ESRS S1-3 d/e), including whistleblowing mechanisms to remedy cases of discrimination (C).</li> <li>Support plans (including financial) to remedy discrimination in its activities and value chain (C).</li> <li>Enforcement of sanctions for those who violate the prohibition of discrimination within the organization.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
S1-12 79-80		Persons with disabilities present among its employees, subject to legal restrictions on data collection and gender breakdown	%	Lagging
S1-17 103a		Incidents of discrimination, including harassment, reported during the period	Number	Lagging
S1-17 103b		Complaints submitted through the channels set up for grievance mechanisms and/or at the OECD national contact points	Number	Lagging
S1-17 103c		Fines, penalties, and damages resulting from incidents and complaints, together with reconciliation of monetary amounts	Monetary	Lagging
	401-1	Recruitment of new employees and employee turnover	Number	Leading
	401-2	Benefits for full-time employees that are not available to temporary or part-time employees	Number	Leading
	401-3	Parental leave	Number	Lagging
	405-1	Diversity in governance bodies and among employees	%	Lagging
	405-2	Ratio of basic wage and salary for women compared to men	%	Lagging
	406-1	Incidents of discrimination and corrective measures taken	Number	Lagging
	414-1	New suppliers that have been selected using social criteria	%	Leading
	414-2	Negative social impacts in the supply chain and actions taken	Number and %	Lagging
		Degree of staff satisfaction with discrimination risks	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

**2.1.4 Forced Labour [CORE]**

<p><b>PURPOSE</b></p> <p>Avoiding all forms of forced or compulsory labor in its activities and value chain</p>	<p><b>METRIC</b></p> <p>Degree of exposure to risks of accidents related to forced or compulsory labor in one's activities and value chain</p>
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**DESCRIPTION**

Responsible Organizations prohibit all forms of forced or compulsory labor including, but not limited to: prison labor, restriction to leave the workplace, withholding and retention of original documents, payment of deposits, withholding of part of the salary or benefits or property of personnel, freedom to leave the work premises after completing the standard work day, restrictions on contract termination, forced overtime, physical violence, human trafficking, threats to workers and their families, imprisonment, the forms of forced labor orchestrated by the state, compulsory residence of workers in the factory or on the production site, mandatory overtime.

Responsible Organizations act in compliance with ILO Conventions No. C29 (forced labor) and No. C105 (abolition of forced or compulsory labor) and consider forced labor when engaging stakeholders and assessing material issues. They align their policies and goals with existing initiatives implemented by the government and civil society organizations to counter forced labor. They involve workers and unions and collaborate with governments, stakeholders, international organizations, and credible institutions working on the ground to identify the highest-risk activities and procurement areas.

Responsible Organizations identify forms of forced labor in contracts, including employment and retention practices, use of sub-contractors, use of private recruitment or placement agencies, state-proposed forced labor, credit arrangements, worker debt schemes, upstream wage deductions, working hours beyond legal limits, and absence of written contracts.

Responsible Organizations include "Forced Labor" in procurement policies, establish appropriate key performance indicators (KPIs) and disclose information in accordance with international standards.

**RISK ASSESSMENT ELEMENTS**

<p><b>RELEVANCE</b></p>	<ul style="list-style-type: none"> <li>• Process and context analysis to identify activities exposed to current or potential forced labor risks in its operations along the value chain.</li> <li>• Determination of forced labor materiality and communication of results to Stakeholders.</li> <li>• Prohibition of the use of forced labor defined in the RBC Policy (ESRS S1-1 22).</li> </ul>
<p><b>IDENTIFICATION</b></p>	<p><b>Risks arising from the organization's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement of workers in identifying risks of forced labor in different forms (P).</li> <li>• Forced labor risks in its activities identified in the risk register (P).</li> <li>• Assignment of responsibilities for managing forced labor risks (P).</li> <li>• Identification of forced labor risk factors in the external context analyzed in studies and research conducted by governments, international organizations, and institutions (P).</li> <li>• Identification of forms of forced labor in labor contracts (P).</li> <li>• Identification of sectors (sectors with predominantly female, informal, foreign labor force) at risk of forced labor (P).</li> <li>• Identification of goods or services produced or provided with the use of forced labor and vulnerable Stakeholder categories (e.g., Indigenous, illiterate, particular religious or ethnic groups, female workers, minors, presence of debt, war or post-war zones) (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to the risk of forced labor (P).</li> <li>• Identification of geographic areas (countries that have not ratified ILO core conventions or have vocational labor programs for ethnic or religious minorities, prison labor programs, etc.) exposed to the risk of forced labor (P).</li> </ul>
<p><b>EVALUATION</b></p>	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Analysis of historical and contextual data on incidents of forced labor in the organization (P).</li> <li>• Number of activities, products, or services exposed to the presence of forced labor (P).</li> <li>• Number of sources of risk (e.g., contractors, subcontractors, recruitment agencies, etc.) (P).</li> <li>• Assessment of the effectiveness of systems to prevent and manage forced labor events (P and C).</li> <li>• Assessment of the current or potential consequence (severity, extent, reversibility) of forced labor events in its operations (C).</li> <li>• Assessment of mitigation of likelihood and consequence of forced labor risk (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p>



	<ul style="list-style-type: none"> <li>Assessment of risks related to forced labor events from suppliers and business partners.</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational and business continuity in the short, medium, and long term in case there is a violation of the ban on forced labor in its operations and along the value chain (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Setting goals to reduce negative impacts and/or enhance relevant positive impacts on its workforce related to Forced Labor (ESRS S1-5 44).</li> <li>Stakeholder and stakeholder involvement in defining solutions for eliminating or mitigating risks related to Forced Labor (ESRS S1-2 26) (P).</li> <li>Implementation of procedures and controls, monitoring, and internal audits conducted by competent persons to eliminate or reduce the risk of Forced Labor (ESRS S1-4 40) (P).</li> <li>Awareness and training on international standards regarding forced labor and the risks of unauthorized subcontracting of management and staff involved in recruitment (P).</li> <li>Allocation of adequate capital financial resources and operating expenditures to implement plans to mitigate risks related to Forced Labor in the short, medium, and long term (P).</li> <li>Collaboration with suppliers, trade associations, and/or NGOs on forced labor issues (P).</li> <li>Alignment of strategies with existing initiatives implemented by international, federal/local, and civil society organizations to counter forced labor (P).</li> <li>Presence of clear contracts about workers' rights and responsibilities in their language (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Forced labor prohibitions included in Supplier Codes of Conduct and general terms of contract (P).</li> <li>Inclusion of a ban on forced labor in a supplier's or business partner's qualification criteria and contractual clauses providing penalties for forced labor (P).</li> <li>Conducting periodic Due Diligence (second or third party) to verify the risk of Forced Labor along the value chain (P).</li> <li>Stakeholder engagement initiatives in higher-risk areas or countries (P).</li> <li>Assessments of recruitment agencies used by suppliers, or "choke points," such as commodity traders, operating along the upstream supply chain in high-risk areas (P).</li> <li>Adoption of binding, time-defined, and measurable goals with suppliers or other trading partners to credibly obtain and verify information at source (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of appropriate procedures and measures to remedy or cooperate with workers to remedy adverse impacts on workers in cases of forced labor (C).</li> <li>Procedures for handling employee complaints and appeals for forced labor and evaluation of their effectiveness (ESRS S1-3 d/e) (C), including whistleblowing mechanisms.</li> <li>Support plans (including financial) to remedy violations of various forms of forced labor in its operations and value chain (C).</li> <li>Definition and enforcement of sanctions for violators of the ban on forced labor (C).</li> <li>Timely reporting of human rights violations they become aware of (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	409-1	Activities and suppliers that present a significant risk of incidents of forced or compulsory labor	Number	Leading
	414-1	New suppliers that have been selected using social criteria	%	Leading
	414-2	Negative social impacts in the supply chain and actions taken	Number and %	Lagging
S1-17 100a		Incidents/complaints related to forced labor of its workforce	Number	Lagging
S1-17 104b		Fines and penalties or compensation for forced labor during the period	Monetary	Lagging
		Degree of staff satisfaction with forced labor risk management	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 2.1.5 Civil and Political Rights

PURPOSE	METRIC
Ensure civil and individual rights within the organization and along the value chain	Degree of exposure to risks related to the restriction of civil and political rights of workers within the organization and value chain

#### DESCRIPTION

Responsible Organizations identify, assess, and mitigate risks of violations of people's civil and political rights, including but not limited to: right to life with dignity; right to safety; right to property; right to liberty and integrity of the person; freedom of opinion and expression; freedom of assembly and association; freedom of religion; freedom from arbitrary interference with family and right to privacy; freedom to seek, receive and impart information; right to due process before any internal disciplinary measures are taken; right to proportionate disciplinary measures without corporal punishment or inhuman or degrading treatment; right to access public services; right to participate in elections; right to work in a safe and secure environment).

Responsible Organizations consider civil and political rights aspects when engaging Stakeholders, assess material issues, and align policies, objectives, risk management, and controls accordingly. They prohibit and punish abuse, raise staff awareness of civil and political rights issues, and work with labor unions and civil society organizations to establish appropriate remedy mechanisms.

They also include respect for and protection of civil and political rights in procurement practices and contractual obligations established with suppliers and business partners.

Responsible Organizations promote the protection of civil and political rights in the countries in which they operate, establish appropriate key performance indicators (KPIs), and disclose information in accordance with international standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process and context analysis to identify activities exposed to current or potential civil rights violation risks in its operations along the value chain.</li> <li>Determination of civil rights materiality and communication of results to Stakeholders.</li> <li>Prohibition of civil rights violations addressed by RBC Policy.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement of workers to identify risks of violating civil and political rights (ESRS S1-2 26) (P).</li> <li>Risk of civil and political rights violation included in risk register (P).</li> <li>Assignment of responsibilities to manage the risk of violating civil and political rights (P).</li> <li>Identification of factors leading to the risk of civil and political rights violations in studies and research conducted by governments, international organizations, and credible institutions (P).</li> <li>Identification of sectors or geographical areas at risk of civil and political rights violations.</li> <li>Identification of goods/services suspected of being provided violating civil and political rights (P).</li> <li>Identification of stakeholder categories, including at-risk or vulnerable groups, exposed to the risk of civil rights violations (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Violation of civil and political rights in the value chain entered in the risk register (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Historical data related to civil or political rights violations in the organization and its context (including data in complaints from NGOs, Unions, etc.) (P).</li> <li>Number of activities, products, or services exposed to civil and political rights violations (P).</li> <li>Number of sources of risk (e.g., suppliers, contractors, recruitment agencies, etc.) (P).</li> <li>Assessment of current or potential consequences (severity, extent, reversibility) of civil and political rights violations in its activities (C).</li> <li>Assessment of mitigating actions of likelihood and consequence of the risk of civil and political rights violations in its activities (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Assessment of civil and political rights violation risks of suppliers and business partners (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimated costs (e.g., fines, penalties, reparations), financial losses (e.g., turnover, customers, etc.), reputational and business continuity in the short, medium, and long-term resulting from the violation of workers' civil and political rights in its activities and along the value chain (C).</li> </ul>
MITIGATION PLANS AND	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Setting goals to reduce negative impacts and/or enhance positive impacts on its workforce</li> </ul>

<p><b>ACTIONS</b></p>	<p>related to civil and political rights violations (ESRS S1-5 44).</p> <ul style="list-style-type: none"> <li>• Establishment and implementation of procedures, monitoring, and internal audits conducted by competent persons to mitigate risks of civil and political rights violations (ESRS S1-4 40) (P).</li> <li>• Involvement of stakeholders and stakeholders in defining solutions to eliminate or mitigate risks related to violating civil and political rights.</li> <li>• Awareness-raising and training on specific risks of violations of Civil and Political Rights, as defined by the ILO Recommendations, at all levels of the organization and along the value chain (P).</li> <li>• Collaboration with customers, trade associations, and NGOs to expose and counter civil and political rights violations (P).</li> <li>• Alignment of strategies with initiatives of international, national/local, and civil society organizations to counter the violation of Civil and Political Rights (P).</li> <li>• Establishment of programs against attitudes of bullying, bossing, and other types of violations (P).</li> <li>• Reliability of the security system for protecting workers' data (P).</li> <li>• Allocation of adequate capital financial resources and operating expenses for plans to mitigate risks related to violation of Civil and Political Rights in the short, medium, and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Inclusion of legal and voluntary prohibitions related to violation of Civil and Political Rights in Supplier Codes of Conduct and general terms of contract (P).</li> <li>• Inclusion of Civil and Political Rights in supplier or business partner qualification criteria and contractual clauses providing penalties and sanctions (P).</li> <li>• Conducting periodic Due Diligence (second or third party) to verify the risk of Civil and Political Rights violations along the value chain (P).</li> <li>• Verification of complaint and violation reporting mechanisms and corrective actions (P).</li> <li>• Collaborative initiatives to create awareness of the risk of violation of Civil and Political Rights (e.g., awareness and training; prevention; etc.) (P).</li> <li>• Establishment of procedures and programs to reduce the risk of Civil and Political Rights violations in other organizations under one's control or sphere of influence (P).</li> <li>• Implementation of monitoring of employee data breaches (P).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establishment of appropriate procedures and measures to remediate or cooperate with employees to remedy adverse impacts on them when civil and political rights violations occur (C).</li> <li>• Procedures for handling employee complaints and appeals of civil and political rights violations and evaluation of their effectiveness (ESRS S1-3 d/e), including whistleblowing mechanisms (C).</li> <li>• Support plans (including financial) to mitigate the effects of civil and political rights violations in its operations and value chain.</li> <li>• Definition and enforcement of sanctions for those who violate civil and political rights.</li> <li>• Prompt reporting of Civil and Political Rights violations that come to its attention.</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	407-1	Activities and suppliers at which the right to freedom of association and collective bargaining may be at risk	Narrative	Leading
	414-1	New suppliers that have been selected using social criteria	%	Leading
	414-2	Negative social impacts in the supply chain and actions taken	Number and %	Lagging
		Degree of staff satisfaction with civil rights risk management	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

## 2.2 Labor Practices

Responsible Organizations respect labor practices and do not treat workers as a factor of production, subject to the same market forces that apply to goods.

Topics

2.2.1 Employment and Labor Relations

2.2.2 Working hours [CORE]

2.2.3 Wages and salaries [CORE]

2.2.4 Social dialogue [CORE]

2.2.5 Welfare and work-life balance [CORE]

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### 2.2.1 Employment and Labour Relations

PURPOSE	METRIC
Ensure social protection rights (transparency in labor relations, accident and sickness insurance, pension, dismissal, etc.) internally and along the value chain	Degree of exposure to risks of violations of legal responsibilities to employees and labor rights in the organization or value chain and measures taken to reduce these risks

#### DESCRIPTION

This theme assesses the level of exposure to risks associated with employment relationships including, but not limited to, the presence of numerous casual, contingent, or temporary contracts; insufficient permanent workforce; exceptional circumstances becoming regular or long-term; permanent workforce lacking job skills appropriate to the task; and false apprenticeships.

Risks include: clarity on hiring terms; career development mechanisms; disciplinary and grievance procedures; transfer and dismissal terms; training and skill development; compliance with legal obligations and contractual agreements on social security; retirement plans; and protection of employee data privacy.

Responsible Organizations apply the Universal Declaration of Human Rights (UDHR) and ILO Conventions No. C122 on employment policy, No. 150 on labor administration, No. 158 on dismissal, and No. C183 on maternity protection.

Responsible Organizations consider labor relations in Stakeholder engagement, assess material issues, and align their policies, objectives, risk management, and controls accordingly. They also involve workers and their representatives, conduct awareness and training initiatives, and establish complaint and remedy mechanisms. They include "labor relations" in their procurement policies and practices and in the due diligence conducted on suppliers.

Responsible Organizations establish appropriate key performance indicators (KPIs) regarding labor relations (e.g., People Satisfaction Index, etc.), collect data and trends, and report the results.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process and context analysis to identify activities exposed to risks related to current or potential labor relations in its operations along the value chain.</li> <li>Determination of the materiality of proper labor relations.</li> <li>Respect for workers' rights in the RBC Policy.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the organization's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Assignment of responsibilities for managing risks related to labor relations (P).</li> <li>Involvement of workers to identify risks related to conditions of employment (ESRS S1-2 26) (P).</li> <li>Identification of risks of violating workers' rights in the risk register (P).</li> <li>Identification of risk factors of violation of employment rights, also considering studies and research conducted by governments, international organizations, and institutions (P).</li> <li>Identification of stakeholder categories, including at-risk or vulnerable groups (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners at risk of employment rights violations (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical data on violation of employment rights (P).</li> <li>Number of activities exposed to employment rights violations (P).</li> <li>Number of sources of risk (e.g., suppliers, contractors, recruitment agencies, etc.) (P).</li> <li>Assessment of the consequence (severity, extent, reversibility) of current and potential worker rights violation events (C).</li> <li>Assessment of the effectiveness of actions to mitigate the likelihood and consequence of worker rights violation events (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Assessment of labor rights violation risks along the value chain (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimated costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational, and business continuity in the short, medium, and long term caused by violations of labor rights and conditions of employment in its operations and along the value chain (C).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Stakeholder involvement in establishing plans to mitigate risks related to violating Workers' Rights (ESRS S1-4 40) (P).</li> <li>Setting goals to reduce negative impacts and/or enhance positive impacts on own workforce related to violation of conditions of employment (ESRS S1-5 44) (P).</li> </ul>

	<ul style="list-style-type: none"> <li>• Workforce planning to avoid excessive use of casual or temporary labor, except where the nature of the work is short-term or seasonal (P).</li> <li>• Reasonable advance notice to mitigate the effects of activity changes (e.g., shift changes) (P).</li> <li>• Awareness raising and training on the risks of violating workers' rights (P).</li> <li>• Collaboration with other organizations, businesses, and associations focused on workers' rights (P).</li> <li>• Alignment with initiatives implemented by international, federal/local, and civil society organizations to counter worker rights violations (P).</li> <li>• Enforcement of collective labor agreements and supplementing them with voluntary requirements.</li> <li>• Respect for national or religious traditions and customs (P).</li> <li>• Establishment of transparent and non-discriminatory contracts and conditions of employment for employees and apprentices, casual, contingent, or temporary workers (P).</li> <li>• Granting equivalent benefits for full-time, part-time, or temporary employees (P).</li> <li>• Monitoring and internal audit plans conducted by competent persons to reduce the risk of violating workers' rights (P).</li> <li>• Allocation of adequate capital financial resources and operating expenditures to implement plans to mitigate risks related to violation of workers' rights in the future (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Inclusion of prohibitions against violation of Workers' rights in Supplier Codes of Conduct and general terms of contract, consistent with principles defined by ILO documents (P).</li> <li>• Inclusion of respect for Workers' rights in the qualification criteria of a supplier or business partner (P).</li> <li>• Definition of contract clauses that provide for penalties and sanctions in case of violation (C).</li> <li>• Conducting periodic Due Diligence (second or third party) to verify the risk of violating workers' rights along the value chain (P).</li> <li>• Awareness-raising initiatives to suppliers and partners regarding workers' rights (P).</li> <li>• Establishment of procedures and programs to reduce the risk of violation of workers' rights in other organizations under its control or sphere of influence (P).</li> <li>• Use of recognized subcontractors and labor brokers in good standing (P).</li> <li>• Measures to ensure home-based workers receive the same treatment as other workers (P).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establishment of appropriate procedures and measures to remediate or cooperate with employees to remedy adverse impacts on them in case of violation of workers' rights (C).</li> <li>• Procedures for handling complaints and employee appeals of worker rights violations and evaluation of their effectiveness (ESRS S1-3 d/e), including whistleblowing mechanisms (C).</li> <li>• Support plans (including financial) to reduce the consequences of worker rights violations in its operations and value chain (C).</li> <li>• Definition and enforcement of sanctions for those who violate workers' rights (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
ESRS1-8 60a	2-30	Total employees covered by collective agreements	%	Lagging
ESRS1-8 60b		Employees covered by national collective agreements for each country where the organization has at least 50 employees, representing 10% of the total number of employees	%	Lagging
ESRS1-8 60c		Employees covered by national collective agreements per region where the organization is based in Extra EU countries	%	Lagging
	201-3	Obligations regarding defined benefit and other pension plans	Value and %	Lagging
	402-1	Minimum notice periods regarding operational changes	Number of weeks	Leading
	414-1	New suppliers selected using social criteria	%	Leading
	414-2	Negative social impacts in the supply chain and actions taken	Number and %	Lagging
		Degree of staff satisfaction with the management of labor relations	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

2.2.2 Working hours [CORE]

PURPOSE	METRIC
Ensure compliance with working time regulations and international labor standards in its own operations and value chain	Degree of exposure to risks of violations of working time regulations and international labor standards in its own operations and value chain

**DESCRIPTION**

Issues concerning working time include breaks, rest, and defined vacations; work week; voluntary overtime; personal illness and annual leave; arrangements and restrictions about vacations; maternity or paternity leave; lactation breaks; calculation of absences; regulation of working time of protected categories; calculation of rest day; respect for national or religious traditions.

Responsible Organizations apply ILO Conventions No. 1, n°C14 on weekly rest in the industry, No. C175 on part-time work, n°C171 on night work. They consider working time issues when involving stakeholders, conduct materiality analysis and align their policies, objectives, risk management and controls accordingly. They share working time policies by involving workers and trade unions, establishing transparent grievance and redress mechanisms, and adopting timely and independent investigations of grievances.

Working time aspects are included in their procurement policies and practices.

Responsible Organizations establish appropriate key outcome indicators (KPIs) regarding labor relations (such as the People Satisfaction Index, etc.), collect data and trends, and report their results.

**RISK ASSESSMENT ELEMENTS**

<b>RELEVANCE</b>	<ul style="list-style-type: none"> <li>Process and context analysis to identify activities exposed to risks of actual or potential work schedule violations in its operations along the value chain.</li> <li>Determining the materiality of working hours and reporting the results.</li> <li>Addressing Working Hours aspects in RBC, Social and/or specific policies.</li> </ul>
<b>IDENTIFICATION</b>	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement of workers to identify risks related to working hours (ESRS S1-2 26) (P).</li> <li>Risks related to violation of working time regulations entered in the risk register (P).</li> <li>Assignment of responsibilities for managing risks related to working hours (P).</li> <li>Identification of working time-related risk areas and factors through studies and research conducted by governments, international organizations, and credible institutions (P).</li> <li>Identification of business sectors or geographic areas exposed to the risk of violating international working time standards and guidelines (P).</li> <li>Identification of activities carried out by business partners in violation of working hours and stakeholder categories, including at-risk or vulnerable groups (P).</li> </ul>
<b>EVALUATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical data on violation of Working Hours (complaints from NGOs, Unions, etc.) (P).</li> <li>Number of activities, products, or services exposed to Working Time Violation (P).</li> <li>Number of risk sources in processes (e.g., suppliers, contractors, subcontractors, recruitment agencies, etc.) (P).</li> <li>Assessment of current and potential consequences (severity, extent, reversibility) of violations of working time rules (C).</li> <li>Assessment of the effectiveness of measures to mitigate the likelihood and consequence of working time violations (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Assessment of the risks of working time violations by suppliers and business partners (P).</li> <li>Economic and financial impacts on the organization.</li> <li>Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational and business continuity in the short, medium, and long term caused by working time violations in its operations and along the value chain (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Stakeholder and stakeholder involvement in defining solutions for eliminating or mitigating risks related to Working Time Violation (ESRS S1-4 44).</li> <li>Defining goals for reducing negative impacts and/or enhancing positive impacts on own workforce related to Working Time Violation (ESRS S1-5 44).</li> <li>Establishment and implementation of procedures, monitoring, and internal audit to mitigate</li> </ul>

	<p>the risks of working time violations (ESRS S1-4 40) (P).</p> <ul style="list-style-type: none"> <li>• Sensitization and training staff on specific risks of working time violation at all levels of the organization and along the value chain (P).</li> <li>• Alignment of risk mitigation strategies with initiatives promoted by international, national/local organizations and civil society to counter Working Time Violations.</li> <li>• Allocation of adequate capital financial resources and operational expenditures to implement the risk mitigation plans related to working time violation in the short, medium, and long term (P).</li> <li>• Limitation of overtime, extended or split shifts, night or weekend work, appropriate scheduling of implementation time, and rotation of work shifts (P).</li> <li>• Communication of scheduling of schedule changes with adequate notice (C).</li> <li>• Expansion of eligibility for family leave periods and flexible working time arrangements (P).</li> <li>• Measures that can help workers with work-life balance (P).</li> <li>• Consideration of affected workers' interests, safety, and welfare and all inherent hazards in requiring overtime work (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Inclusion of working time violation prohibitions in Supplier Codes of Conduct and general terms of contract and any penalties and sanctions applied (P).</li> <li>• Compliance with working hours included in qualification criteria for suppliers and business partners (P).</li> <li>• Conducting periodic Due Diligence (second or third party) to verify the risk of Working Hours violation along the value chain, level of awareness, presence of complaint and violation reporting mechanisms, and corrective actions (P).</li> <li>• Implementation of collaborative initiatives to create awareness of the risk of working time violation (e.g., awareness and training, prevention initiatives, etc.).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establishment of appropriate procedures and measures to remediate or cooperate with employees to remedy negative impacts on them in the event of working time violations (C).</li> <li>• Procedures for handling employee complaints, appeals, and appeals of working time violations and evaluation of their effectiveness (ESRS S1-3 d/e), including whistleblowing mechanisms (C).</li> <li>• Support plans (including financial) to remedy working time violations' effects in its operations and value chain (C).</li> <li>• Definition and enforcement of sanctions for those who violate working time aspects along the value chain (C).</li> <li>• Timely reporting of Working Time violations of which they become aware (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	414-1	New suppliers that have been selected using social criteria	%	Leading
	414-2	Negative social impacts in the supply chain and actions taken	Number and %	Lagging
		Degree of staff satisfaction with the management of working hours	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2



### 2.2.3 Wages and salaries [CORE]

PURPOSE	METRIC
Ensure compliance with international wage and salary standards and guidelines to support decent living standards in its business and value chain	Degree of exposure to risks of violating national and international rules and standards related to wages and salaries in the organization and along its value chain

#### DESCRIPTION

Aspects considered in this theme include fair pay; direct payment of wages; overtime compensation; sufficient and subsistence wages; compensation per piece; traceable payments; late payment of wages; disciplinary restrictions and deductions; social protection; and completeness and correctness of information on remuneration and pay.

Responsible Organizations analyze risk by considering vulnerable groups such as migrants, informal workers, and workers with low levels of education.

They align policies, objectives, risk management, and controls based on the results of the materiality analysis, involve workers and unions, provide information related to pay structure, and include "pay" in procurement policies and practices.

In addition, they ensure decent wages beyond the legally defined minimums and implement the provisions of ILO Conventions No. C95 on Wage Protection, No. 100 on Equal Remuneration, No. C131 - on Minimum Wage Fixing, No. C132 on Paid Leave, and No. C99 on Minimum Wage Fixing Methods.

Responsible Organizations set appropriate performance indicators (KPIs) for pay and wage issues, collect data, and report results in accordance with international standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process and context analysis to identify activities exposed to current or potential risks of wage violations in its operations along the value chain.</li> <li>Determination of the materiality of compensation and wages.</li> <li>Compliance with wage and salary regulations addressed by RBC Policy.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement of workers or their representatives to identify risks related to compensation (ESRS S1-2 26) (P).</li> <li>Risks related to violating payroll regulations included in the risk register (P).</li> <li>Assignment of responsibilities for managing payroll-related risks (P).</li> <li>Identification of areas and risk factors related to wages and salaries through complaints, studies, and research conducted by governments, international organizations, and credible institutions (P).</li> <li>Identification of business sectors and geographic areas at risk for wages and salaries (P).</li> <li>Identification of vulnerable stakeholders (e.g., migrants, informal workers, young workers, and illiterate or low-educated workers) (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners carrying out activities at risk of violating wage and salary aspects (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical and contextual data on aspects related to wages and salaries (P).</li> <li>Number of activities, products, or services exposed to the risk of aspects related to Wages and Salaries (P).</li> <li>Number of sources of risk in processes (e.g., contractors, recruitment agencies, etc.) (P).</li> <li>Assessment of the consequence (severity, extent, reversibility) of violations related to wages and salaries (C).</li> <li>Assessment of the effectiveness of measures to mitigate the likelihood and consequence of wage and salary-related violations (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Assessment of the exposure of suppliers and business partners to risks related to aspects of wages and salaries (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational in the short, medium, and long term related to wages and salaries in its operations and along the value chain (C).</li> </ul>
MITIGATION	<b>Related to the organization's operations</b>

<p><b>PLANS AND ACTIONS</b></p>	<ul style="list-style-type: none"> <li>Stakeholder involvement in defining solutions for eliminating or mitigating compensation and wage risks (P).</li> <li>Setting goals for reducing negative impacts and/or enhancing positive impacts on its workforce related to compensation and payroll violations (ESRS S1-5 44) (P).</li> <li>Implementation of procedures, monitoring, and internal audit to mitigate risks related to working hours (ESRS S1-4 40) (P).</li> <li>Alignment of strategies with initiatives from international, national/local, and civil society organizations to counter wage-related risks (P).</li> <li>Awareness-raising and training on specific compensation and wage risks, as defined by ILO Recommendations, at all levels of the organization and along the value chain (P).</li> <li>Allocation of adequate capital financial resources and operating expenditures to implement plans to mitigate pay-related risks in the short, medium, and long term (P).</li> <li>Partnership with associations and/or NGOs on compensation issues (P).</li> <li>Verification of compliance with national laws and regulations or collective agreements (P).</li> <li>Salary system controls to ensure fairness of compensation for equal roles, quantity and quality of work (P).</li> <li>Payment of overtime in accordance with legal provisions or collective agreements (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Inclusion of prohibiting violating compensation and wage standards in Supplier Codes of Conduct (P).</li> <li>Inclusion of wage protection in qualification criteria for suppliers or business partners (P).</li> <li>Contract clauses providing for penalties and sanctions for violating regulations related to remuneration and wages up to and including termination of the contract (C).</li> <li>Conducting periodic Due Diligence (second or third party) to verify wage-related risks along the value chain (C).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of appropriate procedures and measures to remediate or cooperate with employees to remedy adverse impacts on them in the event of compensation and wage violations (C).</li> <li>Procedures for handling employee complaints, appeals, and appeals of agreed-upon compensation and wage violations and evaluation of their effectiveness (ESRS S1-3 d/e) reporting and whistleblowing mechanisms (C).</li> <li>Support plans (including financial) to mitigate the effects of pay violations in its own operations and value chain (C).</li> <li>Enforcement of penalties for those who violate aspects related to compensation and wages (C).</li> <li>Timely reporting of payroll and remuneration violations they become aware of (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
ESRS S1-16 69		Employees earning an adequate wage in line with applicable benchmarks.	%	Leading
ESRS S1-16 97a	202-1	The ratio of standard base wages by gender to the local minimum wage	%	Lagging
ESRS S1-16 97b	2-21	The ratio of the annual total remuneration of the person earning the highest wage to the median yearly total remuneration of all employees (excluding the person with the highest wage)	%	Leading
	405-2	The ratio of basic wages to wages of women compared to men	%	Lagging
	414-1	New suppliers that were selected using social criteria	%	Leading
	414-2	Negative social impacts in the supply chain and actions taken	Number and %	Lagging
		Degree of staff satisfaction with wage and salary management	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

**2.2.4 Social dialogue [CORE]**

PURPOSE	METRIC
Ensure social dialogue in its operations and value chain	Degree of exposure to risks of social dialogue violation in its own operations and value chain

**DESCRIPTION**

Risks related to social dialogue include, among others, such issues as: denial of the right to collective bargaining; strike bans; threats to collective bargaining; intimidation of workers; discrimination of union members; non-recognition of workers' representatives; operational changes without prior information of workers; employer interference; organized employer opposition and hostility to unions; deduction of union dues and other fees; rights of union minorities and their members; use of short-term and other forms of casual contracts and informal work to reduce worker representation.

Responsible Organizations consider social dialogue in identifying material issues and aligning policies, goals, risk management, and controls with them. They establish an open dialogue with worker representatives, recognize the freedom of collective bargaining, conduct outreach programs, and minimize short-term contracts and other forms of casual contracting and informal labor.

Responsible Organizations mitigate the level of exposure to risks related to social dialogue with workers defined in ILO Conventions n°C87 (freedom of trade union) n°C94 (labor clauses and public contracts), n°C98 (right to organize and collective bargaining), n°C135 (workers' representatives) and n°C154 (collective bargaining).

They include "Social Dialogue" issues in procurement policies and practices and set appropriate outcome indicators (KPIs), collect data and trends, and disseminate information in accordance with international standards.

**RISK ASSESSMENT ELEMENTS**

RELEVANCE	<ul style="list-style-type: none"> <li>• Process and context analysis to identify activities exposed to current or potential risks of lack of social dialogue in its operations along the value chain.</li> <li>• Determining the materiality of social dialogue and reporting the results.</li> <li>• Commitment to foster social dialogue addressed by RBC and Social policies and implementation of consequent actions to avoid any risk.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the organization's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement of workers to identify risks related to social dialogue (ESRS S1-2 26) (P).</li> <li>• Risks related to social dialogue included in the risk register (P).</li> <li>• Assignment of responsibilities for managing risks related to social dialogue and collective bargaining (P).</li> <li>• Identification of risk areas and factors in studies and research conducted by governments, international organizations, and institutions on risks related to social dialogue and collective bargaining (P).</li> <li>• Ensuring the necessary skills of people involved in identifying, minimizing, and managing risks related to social dialogue and collective bargaining (P).</li> <li>• Identification of sectors or geographic areas at risk for violation of social dialogue (P).</li> <li>• Identification of goods or services produced by suppliers that violate social dialogue (P).</li> <li>• Identification of stakeholder categories, including at-risk or vulnerable groups (e.g., women, migrants, people with disabilities) (ESRS S1-2 28).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to risks of social dialogue and collective bargaining aspects (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Analysis of historical data on social dialogue and collective bargaining violation events that occurred in the organization (P).</li> <li>• Number of activities exposed to social dialogue and collective bargaining risk (P).</li> <li>• Number of sources of risk (e.g., suppliers, contractors, recruitment agencies, etc.) (P).</li> <li>• Assessment of current and potential consequences (severity, extent, reversibility) due to non-compliance with social dialogue and collective bargaining (C).</li> <li>• Assessment of the effectiveness of measures to mitigate the likelihood and consequence of risks related to social dialogue and collective bargaining (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Assessment of risks related to social dialogue by suppliers and business partners.</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>• Estimated costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational and business continuity in the short, medium, and long term</li> </ul>

	related to social dialogue and collective bargaining in its operations and along the value chain (C).
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization’s operations</b></p> <ul style="list-style-type: none"> <li>Stakeholder and stakeholder involvement in defining solutions for eliminating or mitigating risks related to social dialogue and collective bargaining.</li> <li>Setting time-bound and results-oriented goals concerning reducing negative impacts and/or enhancing positive impacts and/or managing relevant risks and opportunities in its workforce related to social dialogue (ESRS S1-5 44).</li> <li>Implementation of controls, monitoring plans, and internal audits conducted by competent persons to reduce risks related to social dialogue and collective bargaining (ESRS S1-4 40) (P).</li> <li>Awareness raising and training on specific risks related to social dialogue and collective bargaining (as defined by ILO Recommendations) at all levels of the organization (P).</li> <li>Partnerships with clients, peer companies, trade associations, and/or NGOs on social dialogue and collective bargaining issues.</li> <li>Alignment of strategies with initiatives implemented by international, national/local organizations to counter risks related to social dialogue and collective bargaining.</li> <li>Compliance with national laws and regulations.</li> <li>Ensuring that workers' representatives have the necessary means to effectively carry out their work, including access to workplaces and facilities and workers' representatives.</li> <li>Allocation of adequate capital financial resources and operating expenditures to implement plans to mitigate risks related to social dialogue and collective bargaining in the short, medium, and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Inclusion of social dialogue compliance in Supplier Codes of Conduct and supplier/business partner qualification criteria (P).</li> <li>Contract clauses providing penalties and sanctions for violation of regulations related to social dialogue and collective bargaining up to and including termination of the contract (C).</li> <li>Conducting periodic Due Diligence (second or third party) to verify risks related to social dialogue and collective bargaining along the value chain (P).</li> <li>Implementing collaborations and raising awareness along the value chain on risks related to social dialogue and collective bargaining (P).</li> <li>Establishing procedures and programs to reduce risks related to social dialogue and collective bargaining in other organizations under one’s control or sphere of influence (P).</li> </ul>
<b>REMEDATION PLANS</b>	<p><b>Related to the organization’s operations</b></p> <ul style="list-style-type: none"> <li>Establishment of appropriate procedures and measures to remedy or cooperate with employees to remedy negative impacts on them of social dialogue violations (C).</li> <li>Procedures for handling employee complaints, appeals, and appeals of social dialogue violations and effectiveness monitoring (ESRS S1-3 d/e), including whistleblowing mechanisms (C).</li> <li>Support plans (including financial) to terminate or mitigate social dialogue and collective bargaining disputes in its operations and value chain (P).</li> <li>Enforcement of sanctions for violators of social dialogue and collective bargaining (C).</li> <li>Prompt reporting of violations related to social dialogue and collective bargaining (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
ESRS S1-1 63		Employees covered by employee representatives, shown at country level for each EU country where the company has a significant level of employment.	%	Leading
	414-1	New suppliers that have been selected using social criteria	%	Leading
	414-2	Negative social impacts in the supply chain and actions taken	Number and %	Lagging
		Degree of employee satisfaction with the management of social dialogue.	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

**2.2.5 Welfare and work-life balance [CORE]**

PURPOSE	METRIC
Harmonize workers' work and private lives and provide for welfare practices	Degree of implementation of welfare and work-life balance policies that generate a positive impact on the relationship between the Organization and workers in its operations and value chain

**DESCRIPTION**

Responsible Organizations establish an approach to employee welfare to improve the working atmosphere and climate, ultimately reducing turnover and enhancing brand image.

Corporate welfare includes contributions to workers and their families for education and care, contributions for loans, contributions for health care and supplementary pensions, fringe benefits, social activities, etc.

Work-life balance initiatives include, but are not limited to flexible hours; maternity and paternity support; smart or home working; sabbaticals; workers' income supports; worker sports and wellness; medical services; worker training and education; public transportation; loans; supplementary pensions, etc.

Responsible Organizations consider the well-being and work-life balance among the material issues by aligning policies, goals, risk management, and controls accordingly. They establish an open and systematic dialogue with employee representatives to define welfare and work-life balance initiatives and implement indicators to verify their appreciation and effects.

**RISK ASSESSMENT ELEMENTS**

<b>RELEVANCE</b>	<ul style="list-style-type: none"> <li>• Process and context analysis to identify current or potential opportunities for welfare and work-life balance in its operations along the value chain.</li> <li>• Determination of the materiality of welfare and work-life balance.</li> <li>• Commitment to improving welfare and work-life balance in RBC Policy.</li> </ul>
<b>IDENTIFICATION</b>	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Stakeholder and stakeholder involvement in defining solutions for eliminating or mitigating welfare and work-life balance risks (P).</li> <li>• Identification of risks of staff dissatisfaction with welfare and work-life balance situations in the risk register (P).</li> <li>• Assignment of responsibilities for managing aspects related to welfare and work-life balance (P).</li> <li>• Identification of risk areas and factors through studies and research conducted by credible governments and institutions on welfare and work-life balance aspects (P).</li> <li>• Identification of categories of stakeholders, including at-risk or vulnerable groups, to whom the organization pays special attention to welfare and work-life balance aspects (P).</li> <li>• Identification of other factors that lead to increased risk of welfare and work-life balance aspects (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of sectors, geographic areas, suppliers, and business relationships at risk for a lack of consideration of welfare and work-life balance aspects.</li> </ul>
<b>EVALUATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Analysis of historical and contextual data on welfare and work-life balance (including data from NGOs, trade unions, authoritative international organizations, etc.).</li> <li>• Number of activities for which aspects of non-implementation of welfare and work-life balance measures are relevant (P).</li> <li>• Number of sources of risk in processes (e.g., suppliers, contractors, subcontractors, recruitment agencies, etc.) (P).</li> <li>• Assessment of current and potential consequences (severity, extent, reversibility) of risks related to lack of welfare and work-life balance measures (C).</li> <li>• Assessment of the effectiveness of measures to mitigate the likelihood and consequence of risks related to missed welfare and work-life balance measures (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Assessment of welfare and work-life balance risks by suppliers and business partners.</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>• Communication of risk level and results related to welfare and work-life balance aspects to the governing body.</li> <li>• Assessment of the impact (e.g., business continuity, reputational exposure, legal exposure, loss of employees, etc.) in the short, medium, and long-term resulting from welfare and work-life balance aspects caused by the organization or by suppliers and business relationships (C).</li> </ul>

	<ul style="list-style-type: none"> <li>Estimated costs (e.g., fines, penalties, sanctions, or compensation) and economic-financial damages (e.g., loss of turnover, etc.) of the organization in the short, medium, and long term from aspects related to the failure to introduce measures to improve welfare and work-life balance in its operations and along the value chain (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Stakeholder and stakeholder involvement in defining solutions for eliminating or mitigating welfare and work-life balance risks (P).</li> <li>Establishment of public worker protection plans or benefits offered by the organization against loss of income due to significant life events (illness, unemployment, occupational injury, acquired disability, parental leave, and retirement) (ESRS S1-4 40) (P).</li> <li>Alignment of strategies with initiatives of international, national/local organizations and civil society to counter welfare and work-life balance risks (P).</li> <li>Awareness-raising and training activities on welfare and work-life balance issues (P).</li> <li>Partnerships with clients, peer companies, trade associations and/or NGOs on welfare and work-life balance issues (P).</li> <li>Compliance with national legislative provisions related to welfare and work-life balance (P).</li> <li>Implementation of monitoring and internal audit plans on the effectiveness of welfare and work-life balance programs (P).</li> <li>Monitoring of welfare and work-life balance programs (P).</li> <li>Allocation of adequate capital financial resources and operating expenses to define and implement welfare and work-life balance plans in the short, medium, and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Inclusion of welfare and work-life balance promotion in Supplier Codes of Conduct (P).</li> <li>Inclusion of welfare and work-life balance promotion in supplier/business partner qualification criteria (P).</li> <li>General terms of contract and contract clauses that provide penalties and sanctions for violation of regulations related to welfare and work-life balance (C).</li> <li>Conducting periodic Due Diligence (second or third party) to verify welfare and work-life balance risks along the value chain (C).</li> <li>Extension of welfare awareness initiatives to suppliers and business partners (C).</li> <li>Establishment of procedures to reduce risks related to welfare and work-life balance aspects in other organizations under its control or sphere of influence (C).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of appropriate procedures and measures to remediate, cooperate, or collaborate with workers to remedy the negative impacts they suffered in the event of lack of welfare and work-life balance measures (C).</li> <li>Procedures for handling employee complaints and appeals and monitoring the effectiveness (ESRS S1-3 d/e) of welfare and work-life balance plans, including whistleblowing mechanisms (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
ESRS 1-11 74a		Employees covered by social protection, through public programs or benefits offered by the enterprise, against loss of income due to one of the major life events	%	Leading
	403-6	Promotion of employee health		Leading
	414-1	New suppliers that have been selected using social criteria	%	Leading
	414-2	Negative social impacts in the supply chain and actions taken	Number and %	Lagging
		Degree of staff satisfaction with welfare management and work-life balance	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

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## 2.3 Local Communities

Responsible Organizations develop and maintain effective relationships with the community (locally, nationally or internationally) and community stakeholders to generate mutual value and reduce the risks of conflicts of interest.

### Topics

2.3.1 Relationships with the local community

2.3.2 Social and financial value to the communit

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### 2.3.1 Relationships with the local community

PURPOSE	METRIC
Establish productive relationships and dialogue to build mutual value, minimizing misalignment that could generate risks for the Organization	Degree of exposure to risks due to divergent interests between the Organization and the local community in its operations and value chain

#### DESCRIPTION

This theme contains the elements for assessing the level of risk exposure and impacts of the organization's activities and its value chain in dealing with local communities.

Responsible Organizations incorporate the expectations of local communities into projects of mutual interest and mutual benefit.

Elements to consider in identifying, assessing and mitigating risks include, among others, economic, social and cultural rights of the community (right to education, adequate water and sanitation, adequate food, clothing, adequate housing, medical care; an acceptable standard of health, a living condition appropriate to physical and mental health and personal and family well-being, the practice of a religion and culture); community well-being and health; land-related impacts; public spaces; impacts on Human Rights defenders; rights of Indigenous communities (free, prior and informed consent; self-determination; cultural rights); vulnerable groups; environmental and other disaster assistance and support; support for charities and community groups; ESG education of local communities; research and networking; impacts on real estate and housing (availability, prices, etc.); impacts on crime and livability of an area.

Responsible Organizations define appropriate key performance indicators (KPIs) related to Local Community Relations and report results according to international standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Process analysis to identify activities exposed to risks that impact current or potential local communities in its operations along the value chain.</li> <li>• Determination of the materiality of impacts on local communities and communication of the results.</li> <li>• Commitment to reduce impacts on local communities addressed by RBC Policy and social policy and implementation of consequent actions to avoid risks.</li> </ul>
IDENTIFICATION	<p><b>Risks caused by the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement of local communities in identifying risks and impacts caused by the organization's activities (P).</li> <li>• Identification of risks and impacts on the local community in the risk register (P).</li> <li>• Assignment of responsibilities for risk management in dealing with the local community (P).</li> <li>• Identification of risk factors of events impacting local communities in studies and research conducted by governments, international organizations, institutions, and associations (P).</li> <li>• Identification of sectors and geographical areas exposed to risks of negative impacts on local communities.</li> <li>• Identification of categories of stakeholders from local communities, including at-risk or vulnerable groups, to which the organization pays special attention (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers/business partners exposed to risks to local communities (P).</li> </ul>
EVALUATION	<p><b>Risks caused by the company's activities with impacts on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Analysis of historical data on impacts caused by the organization's activities on local communities (including data from NGOs, Trade Unions, authoritative international organizations, etc.) (P).</li> <li>• Number of activities or processes that may impact the local community (P).</li> <li>• Number of sources of risk in processes (e.g., suppliers, contractors, subcontractors, recruitment agencies, etc.) that may impact local communities (P).</li> <li>• Assessment of current and potential consequences (severity, extent, reversibility) of risks and impacts on local communities (C).</li> <li>• Assessment of the effectiveness of measures to mitigate the likelihood and consequence of risks of impacts on local communities (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Assessment of risks of impacts on local communities caused by suppliers and business partners (P).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Involvement of stakeholders in defining solutions for mitigating risks related to local communities (P).</li> </ul>



	<ul style="list-style-type: none"> <li>• Programs and projects to invest in infrastructure and services for local communities.</li> <li>• Implementation of procedures and controls to reduce risks related to local communities (ESRS S1-4 40) (P).</li> <li>• Awareness and training of staff on risks of impacts on local communities (P).</li> <li>• Allocation of appropriate capital financial resources and operating expenses for local community-related risk mitigation plans in the short, medium, and long term (P).</li> <li>• Partnerships with clients, trade associations, and/or NGOs on issues related to local communities.</li> <li>• Local community committees and consultation processes that include vulnerable groups.</li> <li>• Alignment of strategies with initiatives implemented by international, national/local organizations and civil society to counter risks related to local communities (P).</li> <li>• Reasonable advance notice to local communities and community representatives of changes in operations that could have a major impact on them so that the effects can be examined to mitigate adverse impacts (P).</li> <li>• Cultural and natural heritage protection and preservation initiatives and programs (P).</li> <li>• Public dissemination of impact assessment results on local communities (P).</li> <li>• Recognition of and respect for community characteristics (cultures, religions, traditions, and history).</li> <li>• Contribution to expanding education programs and skill development (P).</li> <li>• Contribution to promoting and protecting culture and arts and health services (P).</li> <li>• Contribution to strengthening community institutions, its collective groups and forums, cultural, social and environmental programs, and local networks involving multiple institutions (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Inclusion of respect for local communities in Codes of Conduct and supplier/business partner qualification criteria (P).</li> <li>• General contract terms and contract clauses that provide penalties and sanctions for violating requirements related to local communities up to and including contract termination (C).</li> <li>• Conducting periodic Due Diligence (second or third party) to verify risks related to local communities along the value chain, level of awareness, presence of complaint and violation reporting mechanisms, and corrective actions (P).</li> <li>• Implementation of collaborative initiatives to create awareness of risks related to local communities (P).</li> <li>• Establishment of programs to reduce risks related to local communities in other organizations in its sphere of influence and involvement of stakeholders in higher risk areas (P).</li> <li>• Support (technical guidance) to suppliers on alignment with local communities (P).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Definition of appropriate measures to remedy adverse impacts on local communities by involving stakeholders.</li> <li>• Procedures for handling complaints, appeals, and appeals from local communities (ESRS S1-3 d/e), including whistleblowing mechanisms (C).</li> <li>• Support plans (including financial) to cease, prevent, or mitigate risks related to local communities in its operations and value chain.</li> <li>• Definition and enforcement of sanctions for those violating local communities' rights (C).</li> <li>• Timely reporting of local community rights violations that come to its attention (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	202-2	Percentage of senior management hired by drawing from the community	%	Lagging
	203-1	Investment in infrastructure and services incurred	Value	Lagging
	204-1	Proportion of spending made to local providers	%	Lagging
	411-1	Incidents of violations of Indigenous peoples' rights	Number	Lagging
	413-1	Operations with local community involvement, impact assessments, and development programs	%	Leading
	413-2	Operations with significant actual and potential impacts on local communities	Number	Leading
		Degree of satisfaction of local communities	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

**2.3.2 Social and financial value to the community**

PURPOSE	METRIC
Generate value for the community through financial and non-financial contributions and projects	Degree of exposure to risks due to low contribution to local community needs

**DESCRIPTION**

Responsible Organizations support economic prosperity and sustainable development for the local community through financial and non-financial contributions, provide economic solutions for vulnerable groups, facilitate inclusion, and promote diversity.

Elements to be considered in identifying, assessing, and mitigating risks include, among others, impacts on residential or other social settlements located in a geographic area close to an organization's offices or within its area of impact; group of people who have certain characteristics in common and are affected by the organization; economic effects on the local community and local economies; operations with significant current and potential negative impacts on local communities; business attractiveness; livability, well-being, and wealth for the community; and inclusiveness.

Responsible Organizations define appropriate key performance indicators (KPIs) regarding incidents and near misses, collect data and trends, and report results in accordance with international standards.

**RISK ASSESSMENT ELEMENTS**

RELEVANCE	<ul style="list-style-type: none"> <li>• Process analysis to identify activities exposed to current or potential social and financial value creation risks and opportunities in operations along the value chain.</li> <li>• Determination of the materiality of social value.</li> <li>• Commitment to improving social and financial value to the community addressed by RBC Policy.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impacts on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Identification of risk areas and factors through studies and research conducted by governments, international organizations, and credible institutions about impacts on local communities (P).</li> <li>• Identification of sectors, geographic areas, suppliers, and business relationships at risk of negative impacts on local communities' economic and financial aspects.</li> <li>• Identification of categories of stakeholders from local communities, including at-risk or vulnerable groups, to which the organization pays special attention.</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of opportunities for social value creation along the value chain.</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical and background data on economic and financial aspects related to local communities (P).</li> <li>• Number of activities that generate economic and financial impacts for local communities (P).</li> <li>• Number of sources of risk (e.g., suppliers, contractors, recruitment agencies, etc.) (P).</li> <li>• Assessment of consequences (severity, extent, reversibility) of economic and financial impacts on local communities (C).</li> <li>• Assessment of the effectiveness of measures to mitigate the likelihood and consequence of associated risks of economic and financial impacts to local communities (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Assessment of risks related to economic and financial aspects to local communities from suppliers and business relationships.</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involving local communities and stakeholders in defining solutions for eliminating or mitigating risks related to economic and financial aspects (P).</li> <li>• Making social investments aimed at local economic development and wealth creation (P).</li> <li>• Recognizing and showing consideration for the characteristics of local communities (e.g., culture, religion, traditions, history) and interacting with them (P).</li> <li>• Planning and implementing training and skill development activities (P).</li> <li>• Promoting and protecting local culture and arts (P).</li> <li>• Recognizing and showing due consideration for the rights of local communities when making decisions that impact them and maximizing opportunities (P).</li> <li>• Partnering with clients, peer businesses, trade associations, and/or NGOs on issues related to economic and financial aspects for local communities (P).</li> </ul>

	<ul style="list-style-type: none"> <li>• Recruiting employees and managers from the local community and creating jobs through business expansion and technological development (P).</li> <li>• Promoting and financing medical and health services for local communities (P).</li> <li>• Ensuring the necessary skills of people involved in identifying and minimizing risks related to economic and financial aspects for local communities (P).</li> <li>• Contributing to strengthening local community institutions, their groups, cultural, social and environmental programs, and local networks by involving various institutions (P).</li> <li>• Defining and implementing social audit plans (P).</li> <li>• Establishment and adoption of systems for reporting grievances and complaints (including anonymous ones) for aspects related to social value creation (C).</li> <li>• Reasonable advance notice to local communities of changes in operations that could impact their economic and financial aspects (P).</li> <li>• Allocation of adequate capital financial resources and operating expenses for plans to mitigate risks related to economic and financial aspects for local communities in the short, medium, and long term (P).</li> <li>• Alignment of strategies with existing initiatives promoted by international, national/local, and civil society organizations to generate positive economic and financial impacts for local communities (P).</li> </ul> <p><b>In the value chain</b></p> <ul style="list-style-type: none"> <li>• Inclusion of economic and financial growth of local communities in Supplier Codes of Conduct and general terms of contract (P).</li> <li>• Inclusion of the organization's defined parameters related to local communities' economic and financial growth in the qualification criteria of a supplier or business partner (P).</li> <li>• Attention to aspects related to local communities' economic and financial growth and the use of subcontractors and employment agencies (P).</li> <li>• Contract clauses that provide penalties and sanctions for violating requirements related to local communities' economic and financial growth (C).</li> <li>• Conducting periodic Due Diligence (second or third party) to verify risks related to the economic and financial growth of local communities along the value chain, presence of grievance and violation reporting mechanisms, and corrective actions (P).</li> <li>• Initiatives to create awareness of economic and financial growth of local communities (e.g., awareness and training, etc.) in collaboration with them and other partners (P).</li> <li>• Establishment of procedures and programs for economic and financial growth of local communities in other organizations under its control or sphere of influence (P).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<ul style="list-style-type: none"> <li>• Establishment of appropriate procedures and measures if situations of lack of created social value of the organization emerge (C).</li> <li>• Procedures for dealing with complaints and appeals and ensuring means of recourse to local communities, including whistleblowing mechanisms (C).</li> <li>• Support plans (including financial) to cease, prevent, or mitigate risks related to economic and financial impacts on local communities in its operations and value chain (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	203-2	Significant indirect economic impacts	Value	Lagging
	413-1	Operations with local community involvement, impact assessments, and development programs	%	Leading
	413-2	Operations with significant actual and potential impacts on local communities	Number	Leading
		Degree of satisfaction of local communities with the creation of social value	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 3 Health and Safety

RESPONSIBLE ORGANIZATIONS MINIMIZE THE LEVEL OF EXPOSURE TO WORKERS' HEALTH AND SAFETY RISKS THAT MAY CAUSE LOSSES RESULTING FROM THE NEGATIVE FINANCIAL EFFECTS DUE TO THE CURRENT OR FUTURE IMPACT OF ACCIDENTS AND ILLNESSES ON PERSONNEL IN ITS OPERATIONS AND ALONG THE VALUE CHAIN.

IN ACCORDANCE WITH THE RESULTS OF THE MATERIAL ISSUES ANALYSIS, RESPONSIBLE ORGANIZATIONS IDENTIFY, ASSESS, DEFINE, AND IMPLEMENT MITIGATION AND REMEDIATION PLANS FOR EACH ASPECT OF WORKER HEALTH AND SAFETY.

#### Topics

3.1 Health and safety

3.2 Worker well-being

The criterion focuses on the relevant health and safety impacts, risks and opportunities for the workforce proper and along the value chain.

Responsible Organizations:

- Define, implement, and improve a management system for worker health and safety;
- Listen to stakeholders and gather information on perceptions related to material issues;
- They define a health and safety policy in line with the results of context analysis and material issues;
- Appoint a person/committee responsible for managing health and safety risks and appropriate people to manage specific risks;
- They define appropriate leading and lagging indicators (direct and/or perception results);
- Involve staff and other stakeholders in the process of identifying hazards and assessing the likelihood and consequence of events that may impact health and safety in their operations and along the value chain;
- Mitigate hazards according to the hierarchy of controls: elimination, substitution, engineering controls, administrative controls, work procedures, and PPE;
- Define and implement appropriate risk mitigation actions by allocating adequate resources, defining implementation timeframes, and assigning clear responsibilities;
- Provide staff with appropriate PPE (Personal Protective Equipment) and ensure that it is worn by staff;
- They communicate information about safety requirements and practices that workers and others must follow;
- Plan and implement appropriate awareness and training activities for staff and all stakeholders on general health and safety issues and specific risks for certain activities;
- They plan and implement periodic inspection and monitoring activities in their operations and due diligence at suppliers to prevent incidents that may impact health and safety;
- Plan and implement preventive maintenance activities on tools, equipment, and facilities;
- Request and obtain Material Data Sheets (MDS) from suppliers to assess hazards inherent in purchased products;
- They define, test, and implement contingency and remediation plans to reduce the consequences of events that generate adverse impacts on workers;
- Analyze the causes of accidents and incidents and implement timely corrections and corrective actions with worker involvement;
- They report results in accordance with internationally recognized standards (e.g., GRI, ESRS, ...);
- Responsible Organizations act in accordance with ILO (International Labor Organization) recommendations and conventions, including:
  - C155 - Occupational Safety and Health Convention, 1981
  - C167 - Safety and Health in Construction Convention, 1988
  - C174 - Prevention of Major Industrial Accidents Convention, 1993
  - C176 - Safety and Health in Mines Convention, 1995
  - C184 - Safety and Health in Agriculture Convention, 2001

The risks considered in this criterion are grouped according to the Occupational Injury and Illness Classification Manual (OIICM) classification published by the U.S. Department of Labor, Bureau of Labor Statistics (2012).

### 3.1 Health and Safety

The organization minimizes the risk that an injury or illness results from its operations and along the value chain.

#### Topics

- 3.1.1 Violence by animals or people
- 3.1.2 Transportation accidents
- 3.1.3 Fire and explosions [CORE]
- 3.1.4 Falls, slips, trips
- 3.1.5 Exposure to hazardous environment or hazardous substances
- 3.1.6 Contact with objects and equipment
- 3.1.7 Body exertions and reactions

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### 3.1.1 Violence by animals or people

PURPOSE	METRIC
To minimize the risk of an injury or illness resulting from violence or other injuries caused by people or animals in the organization's activities or along the value chain	Extent to which risks of injury or illness caused by human or animal violence are identified, assessed, and mitigated against objectives in the organizations' activities and along the value chain

#### DESCRIPTION

This topic focuses on the risks of violence and other injuries from people or animals. It includes all intentional injuries, injuries involving weapons (or tools designed to be used as weapons), and injuries involving direct physical contact with people, animals, or insects, regardless of intent. Such injuries can be inflicted by another person, oneself, or an animal.

Risks to be identified, assessed, and mitigated in this topic include, among others:

- Intentional injury by person or self (butts/cuts/punctures; beating/kicking/pushing; strangulation; rape/sexual assault; violent act; self-harm);
- Accidental (or unknown intentional) injuries from people: injuries that are accidental or result from direct physical contact with others;
- Accidents related to animals and insects: bites and stings (bees, wasps, hornets, jellyfish, spiders, scorpions, poisonous snakes, etc.); non-poisonous insect sting (mosquitos, ticks and fleas, non-poisonous snakes); bites from other non-poisonous animals (cats, dogs, etc.).

Workplace violence is defined by ISO 45003 as "*Incidents involving an explicit or implicit challenge to occupational health, safety and welfare; violence may be internal or external, or customer-initiated (abuse, threats, physical, verbal or sexual assault, gender-based violence).*"

Responsible Organizations apply ILO Convention No. C190 on Violence and Harassment and consider all risks (and related causes) of violence by animals or people in their operations and in the selection and evaluation of suppliers and business partners along the value chain.

Responsible Organizations define key performance indicators (KPIs) to monitor incidents and near misses, collect data and trends, and report the results in accordance with international standards.

They define objectives and appropriate mitigation plans to continuously improve the level of exposure to these risks in their operations and along the value chain by allocating appropriate resources.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Analyze processes and context to identify the dangers of animal and human violence in its operations and along the value chain.</li> <li>• Determine the degree of importance of animal and human violence (materiality analysis).</li> <li>• The RBC Policy, Safety policy or other specific policies address violence from animals and people.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement and participation of staff in IDENTIFICATION of hazards and risks (P)</li> <li>• Identification of processes and activities where the worker is exposed to risk of attack from people or animals (P).</li> <li>• Risk included and described in risk register (P).</li> <li>• Assignment of responsibility for managing risks of violence from people or animals (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to risks of violence from animals or people (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical data (incidents, settlements, penalties) on damage caused by violence from animals or people (P).</li> <li>• Number of activities exposed to violence from animals and people (P).</li> <li>• Number of sources of risk in processes (P).</li> <li>• Evaluation of the effectiveness of measures to prevent and mitigate the likelihood and consequence of the risk of animal or human violence incidents (P and C).</li> <li>• Evaluation of current or potential consequences (severity, extent, reversibility) of animal and human violence (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Evaluation of the degree to which suppliers and business partners are exposed to risks of violence from animals or people (P).</li> </ul>

	<p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational and business continuity in the short, medium, and long-term resulting from incidents caused by violence from animals or people in its operations and along the value chain (C).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization’s operations</b></p> <ul style="list-style-type: none"> <li>• Implement periodic cleanup plans to reduce the risk of attacks by animals that are dangerous to humans (P).</li> <li>• Plans to protect workers in contact with the public (P).</li> <li>• Plan and implement awareness and training actions (e.g., workplace violence and harassment, animal attack, violence from ill-intentioned people, etc.) (P and C).</li> <li>• Distributing PPE and ensuring its proper use by workers (C).</li> <li>• Establishing, with staff involvement, contingency plans in case of incidents due to violence by animals or people (C).</li> <li>• Allocating appropriate capital, financial resources, and operational expenditures for plans to mitigate the risks of violence from people or animals in the short, medium, and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Evaluation, selection and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence, considering risks and impacts of animal or human violence (P).</li> <li>• Initiatives to inform, raise awareness, engage and support suppliers in reducing the risks of animal or human violence (P).</li> </ul>
REMEDICATION PLANS	<p><b>Related to the organization’s operations</b></p> <ul style="list-style-type: none"> <li>• Procedures for handling complaints and appeals by employees (C).</li> <li>• Establish remediation plans concerning aggrieved persons (e.g., compensation) (C).</li> <li>• Define remediation plans to restore reputation towards external Stakeholders (communication plan) (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
S1-14 88a		Deaths	Number and %	Lagging
S1-14 88b	403-9	Occupational accidents	Number and %	Lagging
S1-14 88c	403-10	Occupational illness	Number and %	Lagging
		Degree of staff satisfaction with the risks of violence from people or animals	Number	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 3.1.2 Transportation accidents

PURPOSE	METRIC
Minimize the risk of injury or illness resulting from transportation accidents in the organization's operations or along the value chain	Extent to which risks of injury or illness caused by transportation accidents are identified, assessed, and mitigated against objectives in the organizations' operations and along the value chain

#### DESCRIPTION

This topic covers events involving transportation vehicles, animals used for transportation purposes, and motor-driven industrial vehicles or motor-driven mobile industrial equipment in which at least one vehicle (or mobile equipment) is in regular operation and the injury or illness is due to a collision between the vehicle and the person (e.g., traffic accident; loss of control; or a sudden stop, start, or jolt of a vehicle regardless of where the event occurred).

In general, for a vehicle to be considered in normal operating condition, it must be used as a means of transportation between locations and driven by an occupant.

Risks to be identified, assessed, and mitigated in this topic include aircraft accidents, rail vehicle accidents, nonmotor vehicle transport accidents, pedestrian-vehicle accidents, water vehicle accidents, and road and nonroad motor land vehicle accidents, among others.

Responsible Organizations consider all risks related to transportation accidents in their operations and in selecting and evaluating partners along the value chain.

Responsible Organizations define appropriate key performance indicators (KPIs) regarding accidents and near misses, collect data and trends, and report the results in accordance with international standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Analyze processes and context to identify transportation accident hazards in their operations and along the value chain.</li> <li>Determine the degree of importance of transportation incidents (materiality analysis).</li> <li>The RBC Policy, Safety policy or other specific policies address transport incidents.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the organization's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement and participation of staff in IDENTIFICATION of hazards and risks (P).</li> <li>Identification of processes and activities where the worker is exposed to risks of transportation accidents (P).</li> <li>Risk included and described in risk register (P).</li> <li>Assignment of responsibilities for managing transport accident risks (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to transportation incident risks (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Historical data (accidents, claims, penalties) of transportation accidents (P).</li> <li>Number of activities exposed to transportation incidents (P).</li> <li>Number of sources of risk in processes (e.g., number of vehicles, etc.) (P).</li> <li>Evaluation of transportation incidents' current or potential consequences (severity, extent, reversibility) (C).</li> <li>Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of transportation incidents (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the degree to which suppliers and business partners are exposed to transportation accident risks (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational, and business continuity in the short, medium, and long-term resulting from transportation incidents in its operations and along the value chain (C).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Plan and implement inspections, checks, and maintenance on company vehicles (P).</li> <li>Plan and implement awareness and training (e.g., use of company vehicles, circulation in people and goods handling areas, etc.) (P and C).</li> <li>Define and implement a vehicle circulation plan (with particular attention to the means of transport, handling, loading, and unloading goods) within the organization's relevant areas (P)</li> </ul>



	<p>and C).</p> <ul style="list-style-type: none"> <li>• Define a mobility plan for staff to reduce the risk of accidents along the home-work route (P).</li> <li>• Distribution of PPE and ensuring its proper use by workers (C).</li> <li>• Establishing, with staff involvement, contingency plans in case of transportation accidents (P).</li> <li>• Allocation of appropriate capital financial resources and operational expenditures to implement transportation accident risk mitigation plans in the short, medium and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Evaluation, selection and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence, taking into account risks and impacts of transportation incidents (P).</li> <li>• Information, awareness, involvement, and support initiatives for suppliers to reduce the risks of transportation incidents (P).</li> </ul>
<b>REMEDICATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establish procedures for handling complaints and appeals by employees (C).</li> <li>• Establish remediation plans concerning aggrieved persons (e.g., compensation) (C).</li> <li>• Remediation plans of reputation towards external Stakeholders (communication plan) (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
S1-14 88a		Deaths	Number and %	Lagging
S1-14 88b	403-9	Occupational accidents	Number and %	Lagging
S1-14 88c	403-10	Occupational illness	Number and %	Lagging
		Degree of staff satisfaction with risks from transportation accidents	Number	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 3.1.3 Fire and explosions [CORE]

PURPOSE	METRIC
Minimize the risk of injury or illness resulting from fire or explosion in the organization's operations or along the value chain	Extent to which risks of injury or illness caused by fire or explosion are identified, assessed, and mitigated against objectives in the organizations' operations and along the value chain

#### DESCRIPTION

This topic includes events where injury or illness results from an explosion or fire. It includes cases in which a person falls or jumps from a burning building, inhales a harmful substance, or is struck or bumped against an object as a result of an explosion or fire. This topic also includes incidents in which workers are injured because they are trapped in a fire or whose respirator has run out of oxygen during a fire.

Sources of risk to be identified, assessed, and mitigated in this topic consider, among others:

- Combustibles and flammables (electrical and mechanical heat sources, cooking activities, hot work, etc.) near combustible or flammable materials (paper, packaging, wood, furniture, oils, paints, gases, flammable liquids, etc.);
- Ignition backgrounds: hot work, electrical equipment, portable tools, welding equipment;
- Oxygen sources: use, handling, and storage of gas cylinders and other oxidizing substances;
- Heat sources: use, handling, storage;
- Flammable or explosive chemicals;
- Cooking operations without adequate ventilation or fire protection systems.

Responsible Organizations consider all risks related to fire and explosion in their operations and in selecting and evaluating partners along the value chain.

Responsible Organizations define appropriate key performance indicators (KPIs) regarding incidents and near misses, collect data and trends, and report the results in accordance with international standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Analyze processes and context to identify fire and explosion hazards in their operations and the value chain.</li> <li>• Determine the degree of importance of fires and explosions (materiality analysis).</li> <li>• The RBC Policy, Safety policy or other specific policies address fire and explosion.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the organization's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement and participation of staff in identifying hazards and risks (P).</li> <li>• Identification of processes and activities where workers are exposed to fire and explosion hazards (P).</li> <li>• Fire and explosion risks included and described in the risk register (P).</li> <li>• Assignment of responsibilities for fire and explosion risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to fire and/or explosion risks (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical data (incidents, compensation, penalties) of damage caused by fire or explosion (P).</li> <li>• Number of activities exposed to fire and explosion (P).</li> <li>• Number of sources of fire or explosion risk in processes (P).</li> <li>• Evaluation of fire and explosion's current or potential consequences (severity, extent, reversibility) (C).</li> <li>• Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of fire and explosion (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Evaluation of the degree of exposure of suppliers and business partners to fire or explosion risks (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational, and business continuity in the short, medium, and long-term resulting from fire and/or explosion incidents in its operations and along the value chain (C).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establish, with staff involvement, contingency plans in case of fire or explosion incidents (P).</li> <li>• Plan and implement inspections, checks, and maintenance on fire alarm (e.g., smoke detectors) and extinguishing (e.g., sprinklers, fire hydrants, hose reels, fire extinguishers, etc.)</li> </ul>

	<p>systems (P).</p> <ul style="list-style-type: none"> <li>• Ensure fire protection and fire resistance of buildings and furnishings (C).</li> <li>• Ensure adequate identification, signaling, width, and capacity of escape routes and emergency doors (C).</li> <li>• Implementing awareness and training (e.g., use of fire protection systems, storage and handling of explosive substances, etc.) (P and C).</li> <li>• Distributing PPE and ensuring its proper use by workers (C).</li> <li>• Planning and implementation of Inspections (including third-party) on compliance and effectiveness of fire protection systems (P).</li> <li>• Planning and implementation of inspections (including third-party) of potential explosion risk factors (e.g., vapors, gases, unpressurized liquids, and pressure equipment) (P).</li> <li>• Separation of processes where chemicals are used from other processes by defining ignition sources, fire detection systems and alarms, and separation of incompatible substances (P).</li> <li>• Control explosions, including implosions in demolition, mining and quarrying (C).</li> <li>• Allocation of adequate capital financial resources and operating expenditures to implement fire and explosion incident risk mitigation plans in the short, medium, and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing fire and explosion risks and impacts (P).</li> <li>• Initiatives to inform, raise awareness, engage and support suppliers to reduce fire and explosion risks (P).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establish procedures for handling complaints and appeals by employees (C).</li> <li>• Establish remediation plans concerning aggrieved persons (e.g., compensation) (C).</li> <li>• Define remediation plans for reputation towards external Stakeholders (communication plan) (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
S1-14 88a		Deaths	Number and %	Lagging
S1-14 88b	403-9	Occupational accidents	Number and %	Lagging
S1-14 88c	403-10	Occupational illness	Number and %	Lagging
		Degree of staff satisfaction with fire and explosion hazards	Number	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 3.1.4 Falls, slips, trips

PURPOSE	METRIC
Minimize the risk of an injury or illness resulting from falls, slips, or trips with or without a fall, falls on the same plane, falls or jumps to lower levels in the organization's activities or along the value chain	Measure in which risks of injury or illness caused by falls, slips, and trips are identified, assessed, and mitigated against objectives in the organizations' activities and along the value chain

#### DESCRIPTION

Falls, slips and trips are defined as falls at the same level, falls and jumps to lower levels, falls and jumps interrupted by a personal arrest device, and slips and jumps that do not involve a fall. Slips occur on flat, smooth, or slippery surfaces. Trips occur when the injured worker makes contact with an uneven surface or obstacle, such as a sidewalk or box. Risks to be identified, assessed, and mitigated in this topic include, among others:

- **Falls at the same level:** events where the impact between the injured person and another surface without elevation produces the injury. The movement that produced the contact is that of the person, in cases where the movement of the person was generated by gravity as a result of the individual's loss of balance (the person was unable to maintain an upright position) and, the point of contact with the source of the injury is at or above the same level as the surface that supported the person at the time the fall began.
- **Falls to the lower level:** events in which the injury was produced by the impact between the injured person and the source of the injury, the movement that produced the contact is that of the person, in cases where the movement of the person and the force of the impact were generated by gravity, and the point of contact with the source of the injury was lower than the surface that supported the person at the time the fall began.
- **Jumps to the lower level:** events in which the injury depends on an impact as a result of the employee jumping from an elevation. Jumps differ from falls in that they are voluntary, even though the worker jumps to avoid an uncontrolled fall.
- **Fall or jump reduced by personal fall-arrest system:** includes events in which the injured person fell or jumped for some distance but did not make contact with the ground surface due to a personal fall-arrest system and was still injured.

Responsible Organizations consider all risks related to accidents involving falls, slips, and trips in their operations and in selecting and evaluating partners along the value chain.

Responsible Organizations define appropriate key performance indicators (KPIs) regarding accidents and near misses, collect data and trends, and report the results in accordance with international standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Process and context analysis to identify fall, slip, and trip hazards in activities and along the value chain.</li> <li>• Determine the degree of importance of falls, slips, and trips (materiality analysis).</li> <li>• The RBC Policy, Safety policy or other specific policies address falls, slips and trips.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement and participation of staff in identifying hazards and risks (P).</li> <li>• Identification of processes and activities where the worker is exposed to risks of falls, slips and trips (P).</li> <li>• Risks (and causes) of falls, slips and trips included in the risk register (P).</li> <li>• Assignment of responsibilities for managing the risks of falls, slips and trips (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to fall, slip and trip risks (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical data (number of accidents, claims, penalties) for falls, slips, and trips (P).</li> <li>• Number of activities exposed to falls, slips and trips (P).</li> <li>• Number of sources of risk of falls, slips and trips in processes (P).</li> <li>• Evaluation of current or potential consequences (severity, extent, reversibility) of falls, slips, and trips (C).</li> <li>• Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of falls, slips and trips (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Evaluation of the degree to which suppliers and business partners are exposed to risks of falls, slips and trips (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover,</li> </ul>

	customers, etc.), reputational and business continuity in the short, medium and long-term resulting from incidents due to falls, slips, or trips in its operations and along the value chain (C).
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Ensure the maintenance of adequate cleanliness levels, lighting, absence of obstructions, presence of handrails in stairways, etc.</li> <li>• Plan and implement inspections, checks, and maintenance of work environments (P).</li> <li>• Establish, with staff involvement, contingency plans for accidents caused by falls, slips, and trips (C).</li> <li>• Plan and implement awareness and training actions (e.g., hazards and risks of falling from ladders, mezzanines, scaffolding, etc.) (P).</li> <li>• Distributing PPE and ensuring its proper use by workers (e.g., non-slip shoes) (C).</li> <li>• Allocation of adequate capital financial resources and operational expenditures to implement plans to mitigate the risks of falls, slips and trips in the short, medium and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing the risks and impacts of falls, slips, and trips (P).</li> <li>• Supplier information, awareness, involvement, and support initiatives to reduce the risks of falls, slips and trips (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establish procedures for handling complaints and appeals by employees (C).</li> <li>• Define remediation plans vis-à-vis aggrieved persons (e.g., compensation) (C).</li> <li>• Define remediation plans for reputation towards Stakeholders (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
S1-14 88a		Deaths	Number and %	Lagging
S1-14 88b	403-9	Occupational accidents	Number and %	Lagging
S1-14 88c	403-10	Occupational illness	Number and %	Lagging
		Degree of staff satisfaction with fall, slip, and trip hazards	Number	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 3.1.5 Exposure to hazardous environment or hazardous substances

PURPOSE	METRIC
Minimize the risk that an injury or illness will result from a hazardous environment or substance present in the organization's operations or along the value chain	Extent to which risks of injury or illness caused by hazardous environments or hazardous substances are identified, assessed, and mitigated against objectives in the organizations' activities and along the value chain

#### DESCRIPTION

This topic considers the risks of events in which injury or illness results from a condition or substance in the work environment. Risks to be identified, assessed and mitigated include, among others:

- **Contact with electricity:** Contact can occur "directly" from the power source to the person (e.g., touching a live wire or being struck by an electric arc) or indirectly (e.g., a conductive material touches a source of electricity). The evaluation considers sources of hazards, including electrical wires and cables, utility shafts and conduits, substations, equipment, switches, switchgear and metal cladding, standby power, lightning protection systems, circuit protection, grounding, exposure to heat, moisture, and water, and resistance to fire and flame spread.
- **Noise:** includes hazards from noise that exceeds legally defined limits and duration of exposure
- **Exposure to light and other radiation:** includes risks from events where injury or illness is the result of exposure to any ionizing or non-ionizing radiation (e.g., exposure to various types of light: ultraviolet and visible, laser light, infrared light, sunlight and welding flashes, exposure to radiation, etc.) for a short period or prolonged period capable of producing transient or permanent harm to the person.
- **Extreme temperature:** includes hazards where injury or illness results from exposure to general heat or cold in the environment or contact with hot or cold objects or substances (e.g., heat stroke, frostbite, frostbite, or hypothermia). Contact with hot objects or substances includes heat sources such as stoves, welding flashlights or heated fluids, bivouac, flashlights, cigarettes, furnaces, etc. Contact with cold objects includes dry ice, freezer surfaces, liquid nitrogen, etc.
- **Exposure to other hazardous substances:** includes hazards where injury or illness is the result of inhalation, absorption (skin contact), injection or needle stick, or ingestion (swallowing) of harmful substances (chemical agents, biological agents, infectious agents, noxious substances, banned chemicals, specific agents-asbestos, viruses, carbon monoxide, cement, legionella, Leptospira, dust, wood dust, silica-and fumes). Risks include poisoning, allergic reactions, and contagious and infectious diseases.
- **Exposure to oxygen deficiency:** includes cases where injury or illness is due to lack of oxygen without the involvement of harmful substances (e.g., drowning and nonfatal diving).
- **Traumatic or stressful event exposure:** includes cases where a person is injured or becomes ill due to stressful events at work. It also includes cases where people are injured or sick because they witness accidents or other traumatic events.

Organizations apply ILO Conventions No. C115 on radiation protection, No. C120 on hygiene (commercial companies and offices), No. C136 on benzene, No. C139 on occupational cancer, No. C148 on protection of the working environment (air pollution, noise and vibration), No. C162 on asbestos, No. C170 on chemicals

Responsible Organizations consider all risks of events caused by harmful work environments in their operations and in selecting and evaluating partners along the value chain. They reduce risk by avoiding or reducing exposure time, providing technical solutions, ensuring appropriate conditions, clothing, and PPE, and providing workers with awareness and health surveillance.

Responsible Organizations define appropriate key performance indicators (KPIs) regarding incidents and near misses, collect data and trends, and report the results.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Analyze processes and context to identify hazards from exposure to hazardous environments or hazardous substances in its operations and along the value chain.</li> <li>• Determine the degree of importance of exposure to hazardous environments or substances.</li> <li>• The RBC Policy, Safety policy or other policies address hazardous environments and substances.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement and participation of staff in identifying hazards and risks (P).</li> <li>• Identification of processes and activities where the worker is exposed to risks of exposure to the environment or hazardous substances (P).</li> <li>• Risks of exposure to the environment and hazardous substances included in the risk register (P).</li> <li>• Assignment of responsibility for risks from the environment or hazardous substances (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to risks from hazardous environments or</li> </ul>

	hazardous substances (P).
<b>EVALUATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical data on damage caused by hazardous environments or substances (P).</li> <li>• Number of activities exposed to hazardous environments or substances (P).</li> <li>• Number of hazard sources of hazardous environment or hazardous substances in processes (P).</li> <li>• Evaluation of current and potential consequences (severity, extent, reversibility) of incidents from hazardous environments or hazardous substances (C).</li> <li>• Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of impacts caused by environment or hazardous substances (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Evaluation of the degree of exposure of suppliers and business partners to risks of accidents due to hazardous environments or hazardous substances (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational and business continuity in the short, medium and long-term resulting from incidents due to the environment or hazardous substances in its operations and along the value chain (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establish, with staff involvement, plans for measuring and reducing exposure to hazards of work environments and hazardous substances (P).</li> <li>• Ensure reasonable comfort conditions in workplaces (ventilation, heat, cold) and minimize exposure times (P).</li> <li>• Plan and implement inspections, monitoring, and maintenance of work environments by competent persons (e.g., electrical systems, noise levels, radiation, etc.) (P).</li> <li>• Ensure compliance with regulations and standards related to electrical installations (P).</li> <li>• Ensure proper IDENTIFICATION, documentation (MDS), segregation, storage and handling of hazardous substances, and temperature, humidity, and ventilation controls (P).</li> <li>• Establish contingency plans, with staff involvement, in case of accidents due to hazardous environments or hazardous substances (C).</li> <li>• Plan and implement awareness and training actions on risks related to hazardous environments and hazardous substances (chemicals) (P).</li> <li>• Distributing PPE and ensuring its proper use by workers (C).</li> <li>• Allocation of adequate capital financial resources and operational expenditures to implement plans to mitigate risks related to the environment and hazardous substances in the short, medium and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing the risks of hazardous environments and hazardous substances (P).</li> <li>• Application for certifications (e.g., REACH) and product safety data sheets (MSDS) (P).</li> <li>• Initiatives to inform, raise awareness, engage, and support suppliers to reduce the risks of hazardous environment or hazardous substance incidents (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<ul style="list-style-type: none"> <li>• Definire procedure per gestire denunce, appelli e ricorsi da parte dei dipendenti (C).</li> <li>• Definire remediation plans nei confronti delle persone danneggiate (es.: risarcimenti) (C).</li> <li>• Definire remediation plans della reputazione nei confronti degli Stakeholder (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
S1-14 88a		Deaths	Number and %	Lagging
S1-14 88b	403-9	Occupational accidents	Number and %	Lagging
S1-14 88c	403-10	Occupational illness	Number and %	Lagging
		Degree of staff satisfaction with risks from hazardous environments or hazardous substances	Number	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 3.1.6 Contact with objects and equipment

PURPOSE	METRIC
To minimize the risk of an injury or illness resulting from contact with an object or equipment in the organization's activities or along the value chain.	Extent to which risks of injury or illness caused by contact with objects or equipment are identified, assessed, and mitigated against objectives in the organizations' activities and along the value chain

#### DESCRIPTION

This topic considers the risks of events in which injury or illness results from contact between the injured person and the source of the injury.

Responsible Organizations apply ILO Convention No. C119 on Protection from Machinery.

Risks to be identified, assessed and mitigated consider, among others:

- **Struck by an object or equipment:** events in which injuries are produced by forced contact or impact between the injured person and the source of the injury when the movement producing the contact is primarily that of the source of the injury.
- **Struck against an object or equipment:** events in which injuries are produced by the forced contact or impact between the injured person and the source of the injury when the motion producing the contact is primarily that of the injured person (e.g., slamming into objects, stepping on objects, kicking objects, and being pushed or thrown into or against objects).
- **Trapped or compressed by equipment or objects:** events in which a person, or part of a person's body, is compressed, pinched, or crushed by equipment in operation between gears or moving objects, between two stationary objects, or in a wire or rope.
- **Struck, trapped, or crushed in a collapsing structure, equipment, or material:** events in which a person, or part of a person's body, is crushed, pinched, compressed, or crushed in landslides, collapses, collapsing structures, or other collapsing materials unless the collapse was due to a transportation accident, fire, explosion, or violent act. This topic also includes drowning and asphyxiation resulting from collapse.
- **Chafed or abraded by friction or pressure:** events in which the injury or illness is produced by friction or pressure between the person and the source of the injury or illness. Generally, the nature of the injury or illness consequential from these events will result in superficial injuries such as blisters, scratches, abrasions, or nerve or circulatory damage from blows, vibrations, or repetition of pressure.
- **Chafed, abraded, or shaken by vibration:** events in which the injury or illness is produced by vibration between the person and the source of the injury or illness, including nerve damage resulting from repetitive voluntary movements (e.g., repetitive data entry) and repetitive movements involving micro activities.

Responsible Organizations consider all risks of contact events with objects and equipment in their operations and in selecting and evaluating partners along the value chain.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Analyze processes and context to identify hazards that may cause accidents from contact with objects in their operations and along the value chain.</li> <li>• Determine the degree of importance of contact with objects and equipment (materiality analysis).</li> <li>• The RBC Policy, Safety policy or other specific policies address hazardous substances and environments.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement and participation of staff in identifying hazards and risks (P).</li> <li>• Identification of processes and activities where the worker is exposed to risks of contact with equipment (P).</li> <li>• Risks (and causes) of accidents caused by contact with objects or equipment included in the risk register (P).</li> <li>• Assignment of responsibilities for managing risks of contact with objects or equipment.</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to risks of contact with objects and equipment.</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical data (incidents, compensation, penalties) related to damage caused by contact with objects and equipment (P).</li> <li>• Number of activities exposed to contact with objects and equipment (P).</li> <li>• Number of sources of risk of contact with objects and equipment (P).</li> </ul>



	<ul style="list-style-type: none"> <li>Evaluation of current and potential consequences (severity, extent, reversibility) of incidents of contact with objects or equipment (C).</li> <li>Evaluation of the effectiveness of systems to mitigate the probability and consequence of contact with objects and reduce their consequences (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the degree to which suppliers and business partners are exposed to object contact risks (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of costs (e.g., fines, penalties, compensation), financial losses (e.g., turnover, customers, etc.), reputational, and business continuity in the short, medium, and long-term resulting from incidents due to contact with objects in its activities and along the value chain (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization’s operations</b></p> <ul style="list-style-type: none"> <li>Planning and implementing inspections, checks, and maintenance of facilities, equipment, and machinery by competent persons (P).</li> <li>Verify the operation of safety systems and automatic shutdown of machinery (P).</li> <li>Establish permit systems for performing specific work and activities (P).</li> <li>Establish, with staff involvement, contingency plans in case of accidents due to contact with objects and equipment (C).</li> <li>Plan and implement awareness and training actions (e.g., hazards from contact with objects and equipment, machine protection and shutdown systems, etc.) (P).</li> <li>Distributing PPE and ensuring its proper use by workers (C).</li> <li>Allocation of adequate capital financial resources and operational expenditures to implement plans to mitigate the risks of object and equipment contact accidents in the short, medium and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Qualification and monitoring of suppliers and business partners with periodic second- or third-party Due Diligence assessing risks and impacts of contact with objects and equipment (P).</li> <li>Initiatives to inform, raise awareness, engage, and support suppliers to reduce risks of contact with objects and equipment (P).</li> </ul>
<b>REMEDICATION PLANS</b>	<p><b>Related to the organization’s operations</b></p> <ul style="list-style-type: none"> <li>Establish procedures for handling complaints and appeals by employees (C).</li> <li>Establish remediation plans concerning aggrieved persons (e.g., compensation) (C).</li> <li>Define remediation plans for reputation towards external stakeholders (communication Plan) (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
S1-14 88a		Deaths	Number and %	Lagging
S1-14 88b	403-9	Occupational accidents	Number and %	Lagging
S1-14 88c	403-10	Occupational illness	Number and %	Lagging
		Degree of staff satisfaction with risks from contact with objects and equipment	Number	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 3.1.7 Body exertions and reactions

PURPOSE	METRIC
Minimize the risk that an injury or illness will result from free body movement, excessive physical exertion, repetition of a body movement, assuming an unnatural position, or remaining in the same position for a prolonged period	Extent to which risks of injury or illness caused by body strain or reactions are identified, assessed, and mitigated against objectives in the organizations' activities and along the value chain

#### DESCRIPTION

This topic considers all risks of events, usually without impact, in which injury or illness results from free movement of the body, excessive physical exertion, repetition of a body movement, assuming an unnatural position, or remaining in the same position over a period of time.

Risks to be identified, assessed and mitigated in this topic include, among others:

- **Excessive exertion involving external sources:** events, usually without impact, in which the injury or illness results from excessive physical exertion directed toward an external source of injury or illness. Physical exertion includes lifting, pulling, pushing, turning, handling, holding, carrying, or throwing the source of injury or illness. Injury can result from a single episode or from repetitive efforts involving external sources, such as repetitive lifting. Generally, if the injury results from carrying or lifting an object or person, it is an excessive effort involving an external source.
- **Repetitive movements involving microtasks:** includes event hazards in cases where the movement imposes stress or strain on certain body parts due to the repetitive nature of the activity (e.g., repetitive use of tools). Repetitive use of hands, which does not involve tools, includes repetitive movements while signing (sign language) or other office activities.
- **Other body stresses or reactions:** hazards where injuries or illnesses result from a single or prolonged free movement that induces stress or strain on some part of the body. (e.g., an unnatural posture for a prolonged period of time, eye strain from protracted vision). These risks cause strains, sprains, ruptures, nerve damage, stress fractures, or other injuries or illnesses resulting from assuming an unnatural position or from voluntary or involuntary movements induced by sudden noise or startle. This includes risks of events where injuries and illnesses result from prolonged sitting, standing, or viewing, musculoskeletal or other injuries or illnesses resulting from performing personal movements such as walking, climbing, or bending over when such movement in itself was the source of injury or illness.

Responsible Organizations consider all risks of efforts and body reactions in their operations and in selecting and evaluating suppliers and business partners along the value chain.

Responsible Organizations define appropriate key performance indicators (KPIs) regarding incidents and near misses, collect data and trends, and report the results.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Analyze processes to identify accident hazards from body efforts and reactions in its operations and along the value chain.</li> <li>• Determine the degree of importance of the risk of body efforts and reactions (materiality analysis).</li> <li>• The RBC Policy, Safety policy or other specific policies address body efforts and reactions.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement and participation of staff in identifying hazards and risks (P).</li> <li>• Identification of processes and activities in which the worker is exposed to risks of body efforts and reactions (P).</li> <li>• Risks (and causes) of harm from body efforts and reactions included in the risk register (P).</li> <li>• Assignment of responsibilities for managing risks of body exertions or reactions.</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to risks of injuries caused by body strain or reactions.</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical data (accidents, claims, penalties) of accidents caused by body strain/reactions (P).</li> <li>• Number of activities exposed to body exertions or reactions (P).</li> <li>• Number of sources of risk of body exertions and reactions (P).</li> <li>• Evaluation of current and potential consequences (severity, extent, reversibility) of accidents caused by body exertion or reactions (C).</li> <li>• Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of accidents from body strain or reaction (P and C).</li> </ul>

	<p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the degree to which suppliers and business partners are exposed to risks of body strain and reaction accidents (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of the costs (e.g., fines, penalties, sanctions, or compensation), economic-financial losses (e.g., turnover, customers, etc.), and reputational losses of the organization in the short, medium and long term caused by incidents due to bodily efforts and reactions in its activities and along the value chain (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establish contingency plans, with the involvement of staff, in case of incidents involving violence from animals or people (C).</li> <li>Ensure adequate workspace, natural and artificial lighting, and ergonomic solutions to reduce work fatigue (especially in cases of repetitive work).</li> <li>Adopt organizational solutions to reduce fatigue (e.g., work rotations).</li> <li>Plan and implement awareness and training actions (e.g., ergonomic and visual VDT hazards, etc.) (P).</li> <li>Distributing PPE and ensuring its proper use by workers (C).</li> <li>Allocation of capital financial resources and appropriate operational expenditures to implement plans to mitigate the risks of stress incidents and body reactions in the short, medium and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing the risks and impacts of strain and body reactions (P).</li> <li>Information, awareness, involvement, and support initiatives for suppliers to reduce fire and explosion risks (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establish procedures for handling complaints and appeals by employees (C).</li> <li>Establish remediation plans concerning aggrieved persons (e.g., compensation) (C).</li> <li>Define remediation plans for reputation towards external stakeholders (communication plan) (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
S1-14 88a		Deaths	Number and %	Lagging
S1-14 88b	403-9	Occupational accidents	Number and %	Lagging
S1-14 88c	403-10	Occupational illness	Number and %	Lagging
		Degree of staff satisfaction with stress hazards and body reactions	Number	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

## 3.2 Workers well-being

The organization minimizes the risks of events that may impact the promotion and maintenance of the physical, psychological, and social well-being of all workers working within it.

Topics

3.2.1 Organization of Work

3.2.2 Facilities

GET IT  
FAIR



### 3.2.1 Organization of Work

PURPOSE	METRIC
Minimizing the risk that an injury or illness will result from the way work is 'organized in the organization's processes and activities or along the value chain	Extent to which risks of injury or illness procured by the work organization are identified, assessed, and mitigated against objectives in the organizations' activities and along the value chain

#### DESCRIPTION

This topic focuses on organizational, interpersonal and relational risks in the work environment that can cause stressful situations and the spread of perceived malaise in companies.

Factors that increase organizational risk include, among others, hectic schedules, toxic relationships with colleagues and superiors, poor career prospects, too many responsibilities, and other such factors can overburden workers and lead them to perceive heaviness and discomfort, both psychological and physical.

Shift management, for example, can cause an overload of responsibilities and tasks for individual employees, not allowing them to get enough rest or feel fulfilled. Relationships with co-workers can cause excessive nervousness and stressful situations, especially if incidents of violence or abuse occur.

Although these events often do not result in physical aggression, incidents of bullying, tension, abuse of power, etc., can cause psychological damage that affects the employee's private and work life.

It is, therefore, the responsibility of management to comply with the relevant legislation and to carefully assess risks to improve the welfare conditions of workers in the 'environment in which they perform their duties.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process analysis to identify accident hazards arising from the organization of work in its operations and along the value chain.</li> <li>Determine the degree of importance of the risk of accidents and illnesses arising from work organization (materiality analysis).</li> <li>The RBC Policy, Safety policy or other specific policies address efforts and safety related to work organization.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement and participation of staff in identifying hazards and risks (P).</li> <li>Identification of processes and activities in which the worker is exposed to risks of events arising from work organization (P).</li> <li>Risks (and causes) arising from the work organization included in the risk register (P).</li> <li>Assignment of responsibilities for managing risks due to work organization (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to risks due to work organization</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Historical data (accidents, compensation, penalties) of damage caused by work organization</li> <li>Number of activities exposed to risks due to work organization (P).</li> <li>Number of sources of risk due to work organization in processes (P).</li> <li>Evaluation of events' consequence (severity, extent, reversibility) due to work organization (C).</li> <li>Analysis and evaluation of work-related stress (P).</li> <li>Evaluation of the effectiveness of systems to mitigate the probability and consequence of the risk of accidents due to work organization (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the degree to which suppliers and business partners are exposed to risks of accidents caused by work organization.</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of the costs (e.g., fines, penalties, sanctions, or compensation), economic-financial losses (e.g., turnover, customers, etc.) of the organization in the short, medium and long term caused by .... in its activities and along the value chain (C).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Define work processes in a way that is clear and known to all (P).</li> <li>Participation in decision-making and operational autonomy.</li> <li>Assignment of executable tasks in relation to individual capabilities.</li> <li>Ability to access training, education or refresher training.</li> <li>Alternating monotonous and repetitive tasks with activities that require reflection.</li> </ul>

	<ul style="list-style-type: none"> <li>• Avoiding continuous work interruptions.</li> <li>• Reduce environmental disruptive factors.</li> <li>• Clarity of responsibilities.</li> <li>• Effective communication between coworkers, co-workers and superiors.</li> <li>• Management of unresolved conflicts.</li> <li>• Alternation and breaks in tasks with direct public contact.</li> <li>• Allocation of adequate capital financial resources and operating expenses to implement plans to mitigate the risks of accidents caused by the work organization in the short, medium and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing risks and impacts due to work organization (P).</li> <li>• Initiatives to inform, raise awareness, engage and support suppliers to reduce risks related to work organization (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Define remediation plans vis-à-vis aggrieved persons (e.g., compensation) (C).</li> <li>• Define remediation plans for reputation towards external stakeholders (communication plan) (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	403-9	Occupational injury	Number and %	Lagging
	403-10	Occupational illness	Number and %	Lagging
		Degree of staff satisfaction with work organization	Number	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 3.2.2 Facilities

PURPOSE	METRIC
Minimize the risk that an injury or illness will result from lack of or inadequate facilities and equipment in the organization's operations or along the value chain	Extent to which risks of injury or illness caused by inadequate facilities are identified, assessed, and mitigated against objectives in the organizations' activities and along the value chain

#### DESCRIPTION

A proper work environment and atmosphere reduces the risk of injury or illness, facilitates loyalty, and reduces layoffs. Facilities consider all physical and psychological needs and requirements of workers.

Responsible Organizations implement ILO Conventions No. C19 on Equal Treatment (Occupational Injuries), No. C130 on Medical Care and Sickness Benefits, No. C161 on Occupational Health Services

Evaluation of risk considers, among other things:

- Drinking water, toilets and washing facilities, etc.
- Seating facilities, coffee break spaces, canteens, etc.
- Locker rooms, restrooms, and covered spaces;
- First aid equipment, medical and health care;
- Facilities for pregnant women, nursing mothers, etc.

Responsible Organizations provide facilities that consider all workers' physical and psychological needs and requirements.

Responsible Organizations include facility aspects in their procurement and purchasing policies and practices.

Responsible Organizations define appropriate key performance indicators (KPIs) regarding incidents and near misses, collect data and trends, and report the results according to internationally recognized reporting standards.

#### RISK ASSESSMENT ELEMENTS

<b>RELEVANCE</b>	<ul style="list-style-type: none"> <li>• Analyze facilities to identify accident hazards from facilities in its operations and along the value chain.</li> <li>• Determine the degree of importance of the risk of injury and illness resulting from facility deficiencies (materiality analysis).</li> <li>• The RBC Policy, Safety policy or other specific policies address efforts and safety related to facilities.</li> </ul>
<b>IDENTIFICATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement and participation of staff in identifying hazards and risks (P).</li> <li>• Identification of processes and activities where the worker is exposed to risks of events arising from insufficient facilities (P).</li> <li>• Risks (and causes) arising from deficient facilities included in the risk register (P).</li> <li>• Assignment of responsibilities for managing risks due to facilities (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to risks of facility deficiencies in workplaces.</li> </ul>
<b>EVALUATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical data (accidents, compensation, penalties) of accidents caused by lack of facilities in workplaces (P).</li> <li>• Number of activities requiring facilities for workers (P).</li> <li>• Number of sources of risk due to facilities deficiencies in processes (P).</li> <li>• Evaluation of facility deficiencies' current and potential consequences (severity, extent, reversibility) (C).</li> <li>• Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of risk of incidents due to adequate facilities deficiencies (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Evaluation of the degree to which suppliers and business partners are exposed to risks due to facility deficiencies in the workplace (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>• Estimated costs (e.g., fines, penalties, sanctions or compensation) economic-financial losses (e.g., turnover, customers, etc.) of the organization in the short, medium and long term caused by facility deficiencies in its operations and along the value chain (C).</li> </ul>
<b>MITIGATION</b>	<b>Related to the organization's operations</b>

<p><b>PLANS AND ACTIONS</b></p>	<ul style="list-style-type: none"> <li>• Establish, with staff involvement, contingency plans in the event of facilities shortages</li> <li>• Ensure the supply of potable water is distributed to workplaces.</li> <li>• Provide toilets in sufficient numbers and in easily accessible spaces that are regularly cleaned, adequately lit, and ventilated with separate running water, soap and drying facilities for men, women, and others.</li> <li>• Provide adequate locker rooms.</li> <li>• Provide adequate space to allow workers required to work standing to sit down.</li> <li>• Provide clean, comfortable, and hygienically clean canteens away from workspaces with cooking equipment and running water.</li> <li>• Provide lighted, ventilated dormitories or sleeping spaces in a clean condition.</li> <li>• Provide first-aid places with a supply of equipment and medication under the responsibility of a first-aid officer that is easily accessible at all times.</li> <li>• Provide medical and health supervision.</li> <li>• Provide adequate space for children under the age of six to allow mothers to work.</li> <li>• Allocate adequate capital financial resources and operating expenses to implement plans to mitigate risks from inadequate facilities in the short, medium and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing risks and impacts due to facilities deficiencies in workplaces (P).</li> <li>• Initiatives to inform, raise awareness, engage, and support suppliers in reducing risks related to facilities in the workplace (P).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establish remediation plans concerning injured persons (e.g., compensation) (C).</li> <li>• Define remediation plans for reputation towards stakeholders (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	403-9	Occupational injury	Number and %	Lagging
	403-10	Occupational illness	Number and %	Lagging
		Degree of staff satisfaction with facilities	Number	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2



## 4 - ENVIRONMENT

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## 4 Environment

Responsible Organizations minimize the level of exposure to environmental risks that may cause negative financial effects due to the current or future impact of environmental incidents in their operations or along their value chains. In accordance with the results of the material issues Responsible Organizations identify, assess, define and implement mitigation and remediation plans for each environmental aspect.

Areas:

- 4.1 Pollution and Emissions
- 4.2 Circular economy and sustainable resources
- 4.3 Climate Change
- 4.4 Environmental Protection

The criterion focuses on the level of exposure of the organization and its business partners along the value chain to environmental risks i.e., risks of losses resulting from adverse financial effects due to the present or future impact of environmental factors, including factors related to the transition to the following environmental objectives (EU Regulation 2020/852 "Environmental Taxonomy"):

- Climate change mitigation.
- Adaptation to climate change.
- Sustainable use and protection of water.
- Transition to a circular economy.
- Prevention and control of pollution.
- Protection and restoration of biodiversity.

Responsible Organizations:

- Adopt innovative business models based on product recovery, recycling and reuse.
- Define, implement and improve an environmental management system.
- Listen to stakeholders and gather information on needs, expectations, and material environmental issues.
- Define an environmental policy consistent with the results of the context analysis and material issues.
- Appoint a person/committee responsible for environmental risks.
- Define and monitor appropriate environmental indicators for each material topic.
- Involve stakeholders in identifying environmental risks in their activities and the value chain.
- Define and implement appropriate environmental risk mitigation plans by allocating appropriate resources.
- Act in accordance with and, if possible, exceed the requirements of applicable mandatory regulations.
- Consider environmental impacts throughout the product life cycle (raw materials, production, use and disposal).
- Implement responsible purchasing strategies based on environmental impact criteria.
- Require products with environmental claims that comply with international standards and are verified by accredited third parties.
- Communicate verified information on the environmental characteristics of products and processes.
- Plan and implement staff awareness and training activities on environmental issues.
- Adopt BAT (Best Applicable Technologies).
- Adopt a precautionary approach where there is a lack of scientific certainty.
- Plan and implement preventive maintenance on tools, equipment and facilities.
- Implement periodic inspections and audits in their own operations and at suppliers to prevent environmental accidents.
- Define, test and implement contingency plans to reduce the consequences of environmental impacts.
- Analyze the causes of accidents and incidents and implement timely corrections and corrective actions.
- Report results in accordance with internationally recognized standards (e.g., GRI, ESRS, ...).
- Participate in multi-stakeholder association initiatives that promote sustainable development.

## 4.1 Pollution and Emissions

Responsible Organizations shall minimize any risk of pollutant (substance, vibration, heat, noise, light, or other contaminant) release into the air, water, or land that may be harmful to human health or the environment, may cause damage to tangible property, or may impair or interfere with services and other legitimate uses of the environment.

Topics

- 4.1.1 Soil Pollution
- 4.1.2 Water pollution [CORE]
- 4.1.3 Air pollution [CORE]
- 4.1.4 Substances of concern and extreme concern

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### 4.1.1 Soil Pollution

PURPOSE Reduce risks related to waste and waste streams	METRIC Degree of exposure to present or future risks of landfilled waste and extent of measures taken to reduce these risks
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#### DESCRIPTION

This topic focuses on the level of exposure to soil pollution defined as the surface layer of the earth's crust located between the rocky substrate and the surface, which is composed of mineral particles, organic matter, water, air, and living organisms (EU Regulation 2020/850).

Soil pollution is defined as the introduction into the soil (at the production site or outside through the use of products/services) as a result of human activity, of substances, vibrations, heat, or noise that may harm the human health of living beings or the quality of the environment, cause the deterioration of material property, or damage recreational values of the environment or other legitimate uses. Soil pollutants include: a) inorganic pollutants; b) persistent organic pollutants (POPs); c) pesticides and fertilizers d) nitrogen and phosphorus compounds, etc.

Responsible Organizations prevent soil pollution through direct, intentional or accidental discharges into the soil, unintentional runoff into the soil or seepage into the soil and properly manage soil pollutants by considering the life cycle and applying circular economy systems.

They measure the impacts of soil pollution from their own operations and from other organizations in the value chain as well as impacts from the external environment with a focus on their own economic and financial performance. Finally, they prepare reporting of impacts, risks and opportunities in accordance with international standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process analysis to identify and assess current or potential soil pollution impacts, risks and opportunities in its operations and along the value chain.</li> <li>Determination of the RELEVANCE of soil pollution to Stakeholders.</li> <li>Prevention and control of soil pollution addressed by RBC Policy and in the environmental policy to identify, assess, manage, and/or remediate its impacts, risks, and opportunities in its operations and along the value chain (ESRS E2-1 12-15).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activity with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Identification of soil pollution risks at the site of consumption and discharge with stakeholder involvement (ESRS 2 IRO-1 11) (P).</li> <li>Identification of minimum soil pollution thresholds defined by mandatory regulations (P).</li> <li>Identification of contaminants of organic nature (pathogenic microorganisms through gray water, industrial or agricultural waste) or man-made chemical nature (pesticides, medicines or domestic and industrial waste and I microplastics generated and used) (P).</li> <li>Inclusion of soil pollution risks in the risk register (P).</li> <li>Assignment of responsibility for risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to soil pollution risks (P).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Identification of soil pollution risks caused by the external context and impacting the organization's activities (P and C).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical soil pollution data, measurement methods used, and the data collection process and its sources (ESRS E2-4-30) (P).</li> <li>Number of pollution sources (contaminants from naturally occurring mineral or organic substances; or pathogenic microorganisms, pesticides, chemical fertilizers, hydrocarbons, wastewater, heavy metals, detergents, plastics, microplastics, and other solid wastes) (P).</li> <li>Number of potential causes: industrial wastewater; fertilizer and pesticide use; oil and chemical spills; deforestation and urbanization; inadequate waste management (P).</li> <li>Number of sources of soil pollution risk in processes (e.g., machines, plants) (P).</li> <li>Identification of the state of maintenance and obsolescence of equipment, technologies and facilities (P).</li> <li>Identification of the effectiveness of control systems on processes (P).</li> <li>Identification of the consequence (Severity, extent, reversibility and estimated total cost) of soil pollution resulting from its activities (C).</li> <li>Identification of existing mitigation actions (P and C).</li> </ul>

	<ul style="list-style-type: none"> <li>Identification of the financial impact of relevant risks and opportunities in the short, medium and long term of soil pollution caused by the company's activities (C) (ESRS 2-6 38a).</li> </ul> <p><b>Risks related to the value chain.</b></p> <ul style="list-style-type: none"> <li>Identification of exposure to soil pollution risks caused by suppliers and business partners and the resulting potential impact on the organization's costs and reputation.</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Identification of soil pollution risks caused by the external context and impacting the organization's activities (P and C).</li> <li>Identification of the impact on the organization's costs in the short, medium, and long-term resulting from soil pollution suffered from the external context (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Establishment of targets set to support soil pollution policy and ecological thresholds (ESRS 2-3 20-24).</li> <li>Establishment of prevention plans to prevent soil pollution incidents (e.g., direct, intentional, or accidental discharges to surface water bodies, unintentional runoff into surface water, or seepage into groundwater from its facilities directly or caused indirectly by the use of its products and services) based on reasonable assumptions, appropriate to relevance, and specifying implementation timeframes and responsibilities (P).</li> <li>Establishment of mitigation plans according to the following hierarchy: avoidance of pollution, including phasing out of materials or compounds that have negative impacts (e.g., substances covered by the Rotterdam Convention), implementation of BAT (Best Available Techniques) for the sector or subsector aimed at preventing soil pollution in accordance with the DNSH (P) principle (T) (ESRS 2-2 19).</li> <li>Adoption of alternative approaches to replace pesticides in accordance with Directive 2009/128 and choose plants that are better adapted to grow without fertilizers and more resistant to pests.</li> <li>Allocation of adequate capital financial resources and operational expenditures for soil pollution risk mitigation plans in the short, medium and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of soil pollution risk mitigation plans developed in collaboration with suppliers and business partners by applying the principle of Life Cycle Thinking (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of contingency plans to be implemented in the event of a soil pollution incident with the involvement of stakeholder representatives (C).</li> <li>Availability of equipment for the timely management of environmental incidents (C).</li> <li>Definition of remediation plans (ecosystem restoration, regeneration, and transformation) to address unexpected costs (financial, lost image) due to soil pollution caused by the organization and/or its related suppliers and business partners (C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of measures to suspend/terminate the relationship with other organizations along the value chain (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
E2-4 28b		Microplastics generated and/or used	Mass	Lagging
E2-4 AR 23c		Pollutant emissions to soil occurring in water stress area	%	Lagging
E2-4 AR 23c		Pollutant releases to soil that occur in high water stress area	%	Lagging
	306-3	Significant spills	Number	Lagging
E2-6 40b		Operational and capital expenses incurred in connection with landfills and major soil pollution incidents;	Number and Value	Lagging
E2-6 40c		Appropriations for environmental protection and corrective action costs (e.g., rehabilitate contaminated sites, remove environmental contamination at existing production or storage sites, recultivate landfills, etc.).	Monetary	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2 – 4.1.2 – 4.1.3 - 4.1.4 – 4.4.1

**4.1.2 Water pollution [CORE]**

<b>PURPOSE</b> Reduce water pollution	<b>METRIC</b> Degree of exposure to present or future risks of water pollution and extent of measures taken to reduce these risks
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**DESCRIPTION**

Water is a scarce resource: its conservation and prevention from pollution that would compromise its safe use by any living being should be a concern for every Organization.

"Water pollution" is defined as "the direct or indirect introduction, as a result of human activity, of pollutants into water that could harm human health, any living being, and/or the environment, cause deterioration of material property, or damage or disturbance to the recreational values of the environment or its other legitimate uses" (ESRS Definitions).

Evaluation of risk considers, among other things: (a) water effluent quality; (b) water bodies and their habitats affected by discharges and/or runoff (size of water body, related habitat; protected area; biodiversity value, as total number of protected species); (c) water pollutants and their impacts (improper sewage disposal, fertilizer runoff, oil spills, chemical waste dumps, radioactive waste discharges); (d) hazardous substances established according to international rules and criteria; (e) pesticides and fertilizers.

Responsible Organizations shall establish appropriate key indicators (KPIs) to measure the impacts of water pollution from its activities, other organizations in the value chain and the external environment on its economic and financial performance and prepare reporting in accordance with international standards.

**RISK ASSESSMENT ELEMENTS**

<p><b>RELEVANCE</b></p>	<ul style="list-style-type: none"> <li>Description of processes to identify and assess current or potential impacts, risks, and opportunities related to water pollution, in its operations and along the value chain.</li> <li>Determining the relevance of water pollution and reporting the results.</li> <li>Water pollution prevention and control addressed by the RBC Policy and in the environmental policy to identify, assess, manage and/or remediate its impacts, risks and opportunities in its operations and along the value chain (ESRS E2-1 12-15).</li> </ul>
<p><b>IDENTIFICATION</b></p>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Identification of water pollution risks at the place of consumption and discharge with stakeholder involvement (ESRS 2 IRO-1 11) (P).</li> <li>Identification of sources of water pollution including organic contaminants (pathogenic microorganisms through graywater, industrial or agricultural waste) or man-made chemicals (pesticides, medicines or domestic and industrial waste and the microplastics generated and used) (P).</li> <li>Identification of minimum water pollution thresholds defined by mandatory regulations (P).</li> <li>Inclusion of water pollution in the risk register (P).</li> <li>Assignment of responsibility for risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to water pollution risks (P).</li> <li>Identification of the impact in the short, medium and long term on the company's costs from water pollution caused by suppliers and business partners (C).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Identification of water pollution risks caused by the external context and impacting the organization's activities (P and C).</li> </ul>
<p><b>EVALUATION</b></p>	<p><b>Risks arising from the company's activity with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical water pollution data, measurement methods used, and the process of data collection and related sources (ESRS E2-4-30) (P).</li> <li>Number of pollution sources (contaminants from naturally occurring mineral or organic substances; or pathogenic microorganisms, pesticides, chemical fertilizers, hydrocarbons, wastewater, heavy metals, detergents, plastics, microplastics, and other solid wastes) (P).</li> <li>Number of potential causes: industrial wastewater; fertilizer and pesticide use; oil and chemical spills; deforestation and urbanization; inadequate waste management (P).</li> <li>Number of sources of risk in processes (e.g., machines, plants, etc.) (P).</li> <li>Evaluation of the state of maintenance and obsolescence of equipment, technologies, and facilities (P).</li> <li>Evaluation of the effectiveness of control systems on processes (P).</li> <li>Evaluation of the consequences (severity, extent, reversibility, and estimated total cost) of water</li> </ul>

	<p>pollution events resulting from its activities (C).</p> <ul style="list-style-type: none"> <li>Evaluation of existing mitigation actions (P and C).</li> <li>Evaluation of the financial impact in the short, medium, and long term of water pollution caused externally by the company's activities (ESRS 2-6 38a) (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of exposure to water pollution risks of suppliers and business partners and the resulting potential impact on the organization's costs and reputation.</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Evaluation of water pollution risks caused by the external context and impacting the organization's activities (P and C).</li> <li>Evaluation of the impact on the organization's short, medium, and long-term costs resulting from water pollution suffered from the external context (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of targets to support water pollution policy and ecological thresholds (ESRS 2-3 20-24).</li> <li>Definition of prevention plans to avoid water pollution emergencies (e.g., direct, intentional, or accidental discharges to surface water bodies, unintentional runoff to surface water, or seepage into groundwater directly from its facilities or caused indirectly by the use of its products and services) based on reasonable assumptions, appropriate to relevance, and specifying implementation timeframes and responsibilities (P).</li> <li>Establishment of mitigation plans according to the following hierarchy: avoidance of pollution, including phasing out of materials or compounds that adversely impact water, implementation of BAT (Best Available Techniques) for the sector or sub-sector aimed at preventing water pollution in accordance with the DNSH principle (P) (T) (ESRS 2-2 19).</li> <li>Allocation of adequate capital financial resources and operating expenditures for water pollution risk mitigation plans in the short, medium, and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of water pollution risk mitigation plans developed in collaboration with suppliers and business partners (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of contingency plans to be implemented in the event of a water pollution incident with the involvement of stakeholder representatives (C).</li> <li>Availability of equipment for the timely handling of environmental incidents (C).</li> <li>Definition of remediation plans to deal with unexpected costs (financial, lost image) due to water pollution caused by the organization and/or its related suppliers and business partners (C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of measures to suspend/terminate the relationship with other organizations along the value chain (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
E2-4 28a		Emissions to water by pollutant [by sector/geographic area/source type and location)	Mass	Lagging
E2-4 28b		Microplastics generated and/or used	Mass	Lagging
E2-4 AR 23c		Pollutant emissions to water occurring in water stress area	%	Lagging
E2-4 AR 23c		Releases of pollutants to water in high-water stress areas	%	Lagging
	303-4d iii	Incidents of non-compliance with discharge limits	Number	Lagging
	306-3	Significant spills	Number/ Volume	Lagging
E2-6 40b		Operational and capital expenditures incurred in connection with water pollution primary filings and incidents;	Monetary	Lagging
E2-6 40c		Environmental protection appropriations and remedial action costs for restoration of water-polluted areas.	Monetary	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2 – 4.1.1 – 4.1.3 - 4.1.4 – 4.4.1

**4.1.3 Air pollution [CORE]**

PURPOSE	METRIC
Reduce the risks associated with air pollutant emissions	Degree of exposure to present or future risks of air pollution and extent of measures taken to reduce these risks

**DESCRIPTION**

Responsible Organizations minimize the negative impacts of air pollutants.

A "pollutant" is defined as a substance, vibration, heat, noise, light, or other contaminant in the air that may be harmful to human health or the environment, may cause damage to tangible property, or may impair or interfere with services and other legitimate uses of the environment.

Risk evaluation considers, among other things, air emissions directly from processes, products, and services of the organization's activities from business partners along the value chain and arising indirectly from the use or end-of-life management of its products and services or the generation of energy consumed.

The list of air pollutants includes, among others, carbon monoxide (CO), lead (Pb), ozone (O3), nitrogen oxides (NOx), sulfur dioxide (Sox), particulate matter, carbon dioxide, methane, chlorofluorocarbons, Volatile Organic Compounds (VOCs), mercury, and depleting substances.

Responsible Organizations adopt a life-cycle approach to reduce air pollution impacts and apply circular systems according to international standards and systems.

Responsible Organizations establish appropriate key performance indicators (KPIs) regarding air pollution, collect data and trends by establishing a baseline, and report the results, including incidents or near misses.

**RISK ASSESSMENT ELEMENTS**

<b>RELEVANCE</b>	<ul style="list-style-type: none"> <li>Process analysis to identify and assess current or potential air pollution impacts, risks, and opportunities in its operations and along the value chain.</li> <li>Determining the relevance of air pollution and communicating the results.</li> <li>Air pollution prevention and control addressed by RBC Policy and in the environmental policy to identify, assess, manage, and/or remediate its impacts, risks, and opportunities in its operations and along the value chain (ESRS E2-1 12-15).</li> </ul>
<b>IDENTIFICATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Identification of air pollution risks with stakeholder involvement (P).</li> <li>Identification of pollutants emitted into the air (ESRS 2 IRO-1 11) (P).</li> <li>Identification of minimum air pollution thresholds defined by mandatory regulations (P).</li> <li>Inclusion of air pollution risk in the risk register (P).</li> <li>Assignment of responsibility for risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to air pollution risks (P).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Identification of air pollution risks caused by the external environment and impacting the organization's activities (P and C).</li> </ul>
<b>EVALUATION</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Analysis of historical air pollution data, the measurement methods used, and the data collection process and its sources (ESRS E2-4-30) (P).</li> <li>Number of air pollutants in the air (P).</li> <li>Number of potential causes (P).</li> <li>Number of sources of hazards in processes (e.g., machines, plants, etc.) (P).</li> <li>Evaluation of the state of maintenance and obsolescence of equipment, technologies, and facilities (P).</li> <li>Evaluation of the effectiveness of control systems on processes (P).</li> <li>Evaluation of the consequence (Severity, extent, reversibility, and estimated total cost) of air pollution events resulting from its activities (C).</li> <li>Evaluation of existing mitigation actions (P and C).</li> <li>Evaluation of the financial impact in the short, medium, and long term of air pollution risks caused externally by the company's activities (C) (ESRS 2-6 38a).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the management of air pollution risks by suppliers and business partners.</li> </ul>



	<p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Evaluation of air pollution risks caused by the external context and impacting the organization's activities (P and C).</li> <li>Evaluation of the financial impact in the short, medium, and long term for the organization resulting from exposure to air pollution caused by suppliers and business partners or the external environment (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of targets to support air pollution policy and ecological thresholds (ESRS 2-3 20-24).</li> <li>Definition of prevention plans to avoid air pollution accidents or emergencies based on reasonable assumptions, appropriate to relevance, and specifying implementation timeframes and responsibilities (P).</li> <li>Definition of mitigation plans according to the following hierarchy: avoidance of pollution, including phasing out of materials or compounds that negatively impact the air, implementation of BAT (Best Available Techniques) for the sector or sub-sector aimed at preventing air pollution in accordance with the DNSH principle (P) (T) (ESRS 2-2 19).</li> <li>Allocation of appropriate capital financial resources and operating expenditures for air pollution risk mitigation plans in the short, medium and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of air pollution risk mitigation plans developed in collaboration with suppliers and business partners by applying the principle of Life Cycle Thinking (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of contingency plans to be implemented in the event of an air pollution incident with the involvement of stakeholder representatives (C).</li> <li>Availability of equipment for the timely handling of environmental incidents (C).</li> <li>Definition of remediation plans to deal with unexpected costs (financial, lost image) related to pollution caused by the organization and/or its related suppliers and business partners (C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of measures to suspend/terminate the relationship with other organizations along the value chain (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
E2-4 28a		Emissions to air by pollutant [by sector/geographic area/source type and location)	Mass	Lagging
E2-4 28b		Microplastics generated and/or used	Mass	Lagging
	305 - 6	Emissions of ozone-depleting substances (ODS).	Tons of equivalent CFC	Lagging
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other relevant air emissions	Kg and multiples	Lagging
E2-6 40b		Operational and capital expenditures incurred in connection with significant air pollution deposits and incidents;	Number and Value	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2 – 4.1.1 – 4.1.2 - 4.1.4 – 4.4.1

#### 4.1.4 Substances of concern and extreme concern

PURPOSE	METRIC
Reduce risks from toxic substances, hazardous chemicals, or other sources of pollution that can harm the environment	Degree of exposure to present or future risks from chemical or toxic products or other sources of pollution and extent of measures taken to reduce these risks

#### DESCRIPTION

This topic focuses on toxic and hazardous chemicals and other sources of pollution, such as noise, odors, visual pollution, vibration, radiation, infectious agents, and other biological hazards.

Responsible Organizations identify and assess risks from processes, products, and services in their operations and value chain. They prevent pollution risks, adopt a life-cycle approach, and apply circular systems according to international standards.

They establish appropriate key performance indicators (KPIs) regarding the use of toxic and hazardous chemicals, collect data and trends by establishing a baseline, and report the results, including accidents or near misses.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess impacts, risks, and opportunities arising from using current or potential substances of concern and extreme concern in its operations and along the value chain.</li> <li>Determine the relevance of substances of concern and very high concern and communicate the results.</li> <li>Address the prohibition of the use of substances of concern and very high concern in RBC Policy and environmental policy.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement and participation of staff in identifying hazards and risks (P).</li> <li>Identification of risks arising from using substances of concern or high concern in the organization's processes.</li> <li>Inclusion of risks from using substances of concern in the risk register (P).</li> <li>Assignment of responsibilities for managing risks from substances of concern or very high concern.</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to risks related to substances of concern or very high concern.</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Historical data (accidents, compensation, penalties) of accidents caused by substances of concern (P).</li> <li>Number of activities exposed to substances of concern/very high concern (P).</li> <li>Number of sources of substances of concern/very high concern (P).</li> <li>Evaluation of current and potential consequences (severity, extent, reversibility) of accidents caused by substances of concern/very high concern (C).</li> <li>Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of accidents caused by substances of concern/very high concern (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the degree of exposure of suppliers and business partners to risks of accidents caused by substances of concern/very high concern (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimated costs (e.g., fines, penalties, sanctions, or compensation), economic-financial losses (e.g., turnover, customers, etc.) and reputational losses of the organization in the short, medium and long term caused by incidents due to substances of concern/extreme concern in its operations and along the value chain (C).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Reducing the content of hazardous substances and substituting hazardous substances in products throughout the life cycle in accordance with and exceeding, if possible, the targets defined by legislation, including substituting safer substances and ensuring traceability (T) (P).</li> <li>Establishment of mitigation plans according to the following hierarchy: pollution avoidance, including phasing out substances of concern or very high concern, implementation of BAT (Best Available Techniques) for the sector or sub-sector aimed at preventing soil pollution in accordance with the DNSH principle (P).</li> </ul>

	<ul style="list-style-type: none"> <li>Implementation of awareness and training initiatives to prevent environmental impacts due to substances of concern or very high concern (P).</li> <li>Allocation of adequate capital financial resources and operational expenditures for plans to mitigate risks from substances of concern in the short, medium, and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Qualification and monitoring of suppliers and business partners through periodic second or third-party Due Diligence using substances of concern or very high concern (P).</li> <li>Initiatives to inform, raise awareness, engage and support suppliers in reducing risks from using substances of concern or very high concern (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Ensure the availability of environmental equipment to handle incidents and emergencies (C).</li> <li>Establish procedures to handle complaints and appeals from local communities (C).</li> <li>Establish remediation plans vis-à-vis the damaged environment (e.g., compensation) (C).</li> <li>Define remediation plans to deal with unexpected costs (financial, image losses) related to pollution caused by the organization and/or its related suppliers and business partners (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
2-5 34		Total amount of substances of concern generated or used during production or purchased	Mass	Leading
2-5 34		Total quantity of substances of concern leaving production in the form of emissions, products, parts of products, or services	Mass	Lagging
2-5 35		Total amount of substances of very high concern generated or used during production or purchased	Mass	Lagging
2-5 35		Total quantity of substances of very high concern leaving production in the form of emissions, products, parts of products, or services	Mass	Lagging
2-6 40a		Net revenue generated from products or services that are or contain substances of concern and the share of net revenue generated from products or services that are or contain substances of very high concern	Monetary	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

## 4.2 Circular economy and sustainable resources

Responsible Organizations minimize the risk of adverse impacts due to overconsumption and waste of resources (raw materials, energy and water). They define and develop business models based on the sustainable use of resources and keeping the product in the economy as long as possible, improving their efficient use in production and consumption, reducing the environmental impact of their use, minimizing waste at all stages of their life cycle, and minimizing the amount of waste disposed in landfills.

Topics

4.2.1 Materials

4.2.2 Energy

4.2.3 Water and Marine Resources

GET IT  
FAIR 

### 4.2.1 Materials

PURPOSE	METRIC
Reduce the use of virgin natural resources and minimize the quantity of valuable materials sent to landfills	Degree of exposure to present or future risks of virgin natural resource consumption and extent of measures taken to reduce these risks

#### DESCRIPTION

Responsible Organizations minimize the level of exposure to risks related to the overconsumption (waste) of extracted and processed materials and natural resources, as well as the energy used to produce and transport them within the organization and value chain to the generation of waste for incineration or landfill.

Responsible Organizations define actions to prevent or mitigate actual or potential adverse impacts from resource use, including measures to combine economic growth with excessive or wasteful use of materials and manage risks and opportunities. They align the business model with the principles of the circular economy: minimizing waste, maintaining the maximum value of materials, and other resources, and promoting their efficient use in production and consumption.

Responsible Organizations determine the financial effects on the business in the short, medium, and long term caused by the relevant risks and opportunities arising from the overuse of resources and the recovery and reuse of process waste. Finally, they report on progressively reducing consumption of nonrenewable materials and product circularity according to appropriate and recognized ratios.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Process analysis to identify and assess relevant impacts, risks, and opportunities related to resource use and circular economy in its operations and value chain.</li> <li>• Relevance determination of material consumption and waste management.</li> <li>• Address in the RBC Policy the commitment to identify, assess, manage, and/or remediate its relevant impacts, risks, and opportunities related to resource use and the circular economy (ESRS 5.1 13) and abandon the use of primary natural resources by purchasing renewable resources (ESRS 5.1 15) in its operations and along the value chain (ESRS 5.1.16).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities impacting Stakeholders.</b></p> <ul style="list-style-type: none"> <li>• Involvement and participation of affected communities in identifying hazards and risks related to resource use (ESRS 2 IRO 1 11b) (P).</li> <li>• Identification of relevant impacts, risks, and opportunities related to resource use and the circular economy, particularly with regard to resource inflows, resource outflows, and waste in its operations and value chain (ESRS 2 IRO 1 11a) (P).</li> <li>• Inclusion of risks related to the use and waste of materials in the risk register (P).</li> <li>• Assignment of responsibility for material waste risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to material waste risks.</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical data on consumption of materials in product and packaging (P).</li> <li>• Number of activities exposed to consumption and waste of materials in product and packaging (P).</li> <li>• Number of sources of material consumption risk (P).</li> <li>• Analysis of resource input flows: products (including packaging) and materials used in own operations and along the value chain (ESRS 5.4.30) (P).</li> <li>• Analysis of resource outflows: durability, reusability, recyclability of products and packaging</li> <li>• Evaluation of current and potential consequences (severity, extent, reversibility) of excessive material consumption (C).</li> <li>• Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of risks of wasted resources and inadequate waste management (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Evaluation of the degree to which suppliers and business partners are exposed to risks of excessive consumption of virgin resources and generation of waste sent to landfills (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>• Monetary quantification of expected financial impacts before considering actions related to resource use and circular economy (P).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Setting goals related to resource use and the circular economy to support its policy to address relevant impacts, risks, and opportunities (ESRS 5.3 21-22-23).</li> </ul>

	<ul style="list-style-type: none"> <li>Setting targets related to product input and output streams (ESRS 5.3 21-24).</li> <li>Defining ecological thresholds by specifying the methodology used, and how they were determined for a specific entity (ESRS 5.3 26).</li> <li>Specifying whether targets meet or exceed mandatory requirements (ESRS 5.3 27).</li> <li>Plan and progressively reduce the amount of waste by setting measurable targets (against a baseline) and allocating appropriate financial and human resources in accordance with the hierarchy: prevention, preparation for reuse, recycling, other forms of recovery, and landfilling (Directive 2008/98/EU).</li> <li>Minimize the use of primary raw materials per unit of product and increase the purchase and percentage use of secondary and renewable raw materials, including waste recycling (T).</li> <li>Increase durability, reparability, and reusability of products in design and production (T).</li> <li>Minimize waste incineration and avoid landfilling of waste (T).</li> <li>Provide adequate awareness and training on resource waste issues.</li> <li>Allocate adequate capital financial resources and operating expenses to implement plans to reduce material waste in the short, medium, and long term (P).</li> <li>Reporting on material and waste management in accordance with international standards.</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing the risks and impacts of virgin material use and waste (P).</li> <li>Life Cycle Thinking awareness and support initiatives with suppliers (P).</li> <li>Purchasing materials with environmental performance certificates in accordance with ISO 14021 and EPDs (Environmental Product Declarations) in accordance with ISO 14025.</li> </ul>
<b>REMEDIAL PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establish procedures for handling complaints and appeals from Stakeholders (C).</li> <li>Defining remediation plans to deal with unexpected costs (financial, lost image) related to material waste or environmental damage (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	301-1	Materials used (renewable and nonrenewable)	Weight/Volume	Lagging
	301-2	Recycled input materials used	%	Lagging
	301-3	Reclaimed products and related packaging materials (by category)	%	Lagging
ES 5.4 31a		Grand total of technical and biological products and materials used	Mass	
ES 5.4 31b		Biological materials (and biofuels for non-energy purposes) used to make products and offer services (including packaging)	%	Lagging
ES 5.4 31c		Amount of reused or recycled secondary components and secondary intermediate products and materials used by the enterprise for products and services.	Mass and %	Lagging
ES 5.5 36c		Rate of recyclable material content in the product and packaging	%	Lagging
ES 5.5 37a		Total amount of waste produced	Mass	Lagging
ES 5.5 37b		Total amount of waste not destined for disposal, distinguishing between hazardous and non-hazardous waste, and between types of recovery operations: preparation for reuse, recycling, and other recovery operations	Mass	Lagging
ES 5.5 37c		Quantity of waste for disposal by Type of treatment (incineration, landfilling, and other forms of disposal) and the total sum, distinguishing between hazardous and non-hazardous waste	Mass	Lagging
ES 5.5 37d		Amount of waste not recycled	Mass and %	Lagging
ES 5.5 39		Total amount of hazardous waste and radioactive waste generated by it	Mass	Lagging
ES 5.5 42		(a) expected financial effects due to risks arising from significant impacts and dependencies related to resource use and the circular economy and how these risks have (or can be expected to have) a material influence on the firm's financial position in the short, medium, and long term; and (b) expected financial effects due to relevant opportunities related to resource use and the circular economy	Monetary	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 4.2.2 Energy

PURPOSE	METRIC
Improve energy efficiency by reducing overall energy consumption and using renewable energy	Degree of exposure to present or future risks of energy inefficiency and energy consumption and extent of measures taken to reduce these risks

#### DESCRIPTION

This topic focuses on the level of exposure to risks related to energy efficiency, understood as "the most efficient use of energy at all stages of the energy chain from production to final consumption" (EU Regulation 2020/852). In particular, energy derived from nonrenewable fossil fuel sources is becoming scarce, and Organizations should minimize their impact on nonrenewable energy.

Risk evaluation considers, among other things:

- reduction in energy consumption as a result of conservation and energy efficiency initiatives;
- reduction in energy intensity, i.e., the ratio of total energy cost to GVA (Gross Value Added);
- reduction in the energy requirements of products and services sold;
- improvement in the percentage of renewable energy replacing non-renewable energy.

Responsible Organizations define and implement an energy management system in accordance with ISO 50001 and achieve certification by an accredited body.

Responsible Organizations establish appropriate key performance indicators (KPIs) for energy consumption, collect data and trends by establishing a baseline, and report the results in accordance with internationally recognized standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Analyze processes to identify and assess impacts, risks, and opportunities related to energy savings in their operations, along the value chain, and external dependencies.</li> <li>• Determine the relevance of energy consumption and communicate the results.</li> <li>• Energy savings addressed by RBC Policy and in environmental policy.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement and participation of staff in the identification of hazards and risks (P).</li> <li>• Identification of relevant impacts, risks and opportunities related to excessive energy consumption in its operations and value chain.</li> <li>• Risk of excessive energy consumption entered in the risk register (P).</li> <li>• Assignment of responsibility for risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners exposed to energy waste risks (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Historical data (incidents, claims, penalties) related to energy consumption (P).</li> <li>• Number of activities exposed to energy consumption and waste (P).</li> <li>• Number of sources of energy waste risk (P).</li> <li>• Evaluation of internal energy consumption and waste within the organization (GRI 302-1).</li> <li>• Evaluation of energy consumption and waste external to the organization (GRI 302-2).</li> <li>• Evaluation of the current and potential consequences (severity, extent, reversibility) of energy waste (C).</li> <li>• Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of energy consumption and waste (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Evaluation of the degree to which suppliers and business partners are exposed to risks of energy consumption and waste (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>• Estimation of the costs (e.g., fines, penalties or compensation), economic-financial losses (e.g., turnover, customers, etc.) and reputational losses of the organization in the short, medium and long term caused by energy waste incidents in its operations and along the value chain (C).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Preparation of an energy efficiency improvement plan with defined targets against a baseline (P) (T).</li> <li>• Preparation of a plan for renewable energy production, transmission, use, storage and distribution (T).</li> </ul>

	<ul style="list-style-type: none"> <li>• Establish, with staff involvement, plans to reduce energy consumption (P).</li> <li>• Reducing external energy consumption upstream (purchased goods and services, capital equipment, energy and fuel-related activities, upstream transportation and distribution, waste generated in the conduct of operations, corporate travel, employee commuting, upstream leasing activities, other categories) and downstream (Transportation and downstream distribution, processing of products sold, uses of products sold, end-of-life treatment of products sold, leasing activities, franchise activities, investments, other downstream categories) (GRI 302-2).</li> <li>• Designing goods and services by calculating embodied energy reduction per unit of product (P).</li> <li>• Implementation of energy improvement plan and energy conservation and efficiency initiatives</li> <li>• Reduction in energy intensity (302-3) (P).</li> <li>• Adoption of BAT (Best Available Techniques) to reduce total energy consumption (P).</li> <li>• Application of Life Cycle Thinking to reduce energy consumption along the life cycle (P).</li> <li>• Mitigation projects financed through carbon credits (C).</li> <li>• Allocation of capital financial resources and operating expenditures appropriate to the implementation of energy efficiency plans in the short, medium and long term (P).</li> <li>• Performance reporting against recognized international standards (C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing the risks and impacts of energy consumption and waste (P).</li> <li>• Initiatives to inform, raise awareness, engage and support suppliers in reducing the risks of energy consumption and waste (P).</li> </ul>
<p><b>REMEDICATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• To define remediation plans in the case of energy consumption and waste (C).</li> <li>• Defining remediation plans to address unexpected costs (financial, lost image) related to energy waste (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
E1.5 37	302-1	Energy consumption internal to the organization	Joule, wattora or multiples	Lagging
	302-2	Energy consumption external to the organization	Joule or multiples	Lagging
E1.5 39		Amount of nonrenewable energy produced	MwH	Lagging
E1.5 39		Amount of renewable energy produced	MwH	Lagging
E1.5 40	302-3	Energy intensity	%	Lagging
	302-4	Reduction in energy consumption	Joule or multiples	Lagging
	302-5	Reductions in energy requirements of products and services	%	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2



### 4.2.3 Water and Marine Resources

PURPOSE	METRIC
Minimizing actual and potential positive and negative material impacts on water and marine water consumption	Degree of exposure to present or future risks of water consumption and water use in general and extent of measures taken to reduce these risks

#### DESCRIPTION

With a changing climate and a growing population, future water security is uncertain.

Responsible Organizations reduce overall water consumption, particularly drinking water. Alternative water sources, such as stormwater runoff, can be captured and reused for many functions without reducing the overall water resource. Monitoring and studying water availability is essential to check the balance of a community's water consumption against available resources.

Responsible Organizations analyze interactions with water, including how and where water is withdrawn, consumed and discharged.

They establish plans aimed at adapting their strategy and business model with a life-cycle approach to align with the promotion of sustainable water use based on long-term protection; protection of aquatic ecosystems; and restoration of marine and freshwater habitats;

Responsible Organizations define appropriate key performance indicators (KPIs) regarding water consumption, collect data and trends by establishing a baseline, and report the results.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process analysis to identify and assess impacts, risks, and opportunities related to interactions with water, including how and where water is withdrawn, consumed, and discharged from all sources in its operations, along the value chain, and external dependencies.</li> <li>Determining the relevance of water consumption by engaging Stakeholders.</li> <li>Address water consumption in RBC Policy and environmental policy and commitment to identify, assess, manage and/or remediate its significant impacts, risks and opportunities related to water and marine resources (ESRS E3-1 9-12).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Identification of impacts, risks and opportunities with stakeholder involvement and participation by adopting appropriate methodologies, assumptions, and tools (P) (ESRS 2 IRO 1-8).</li> <li>Interactions with shared water (GRI 303-1) (P).</li> <li>Management of impacts related to water discharge (GRI 303-2) (P).</li> <li>Risk of water wastage included in risk register (P).</li> <li>Assignment of responsibility for managing water consumption and wastage risk (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to water wastage risk (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Historical data on water consumption and, where possible, determination of waste (P).</li> <li>Measurement and reporting of water consumption against the ISO 46001 standard.</li> <li>Number of activities exposed to excessive consumption and wastage of water with a focus on sites located in high water stress areas (P).</li> <li>Number of sources of risk of excessive consumption and wastage of water (P).</li> <li>Evaluation of current and potential consequences (severity, extent, reversibility) of excessive consumption and wastage of water (C).</li> <li>Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of incidents of excessive consumption and wastage of water (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the degree of exposure of suppliers and business partners to risks of excessive consumption and wastage of water (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of the costs (e.g., fines, penalties, sanctions or compensation), economic-financial losses (e.g., turnover, customers, etc.) and reputational losses of the organization in the short, medium and long term caused by excessive consumption and wastage of water in its operations and along the value chain (C).</li> </ul>
MITIGATION PLANS AND	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Establishment of improvement targets related to: a) management of relevant impacts, risks, and</li> </ul>

<p><b>ACTIONS</b></p>	<p>opportunities related to water-prone areas, including improvement of water quality; b) responsible management of impacts, risks, and opportunities in terms of marine resources, including the nature and quantity of marine resource-related products (such as gravels, deep-sea minerals, fish products) used by the enterprise; and c) reduction of water consumption, including an explanation of how these targets apply to water-prone areas, including those with high water stress (ESRS 3-3-23).</p> <ul style="list-style-type: none"> <li>• Consideration of ecological thresholds in setting targets by specifying (a) the ecological thresholds identified and the methodology used to do so; (b) whether the thresholds are entity-specific and, if so, how they were determined; and (c) how responsibility for meeting the identified ecological thresholds is assigned within the enterprise.</li> <li>• Preparation of a water consumption improvement plan with defined targets against a baseline, allocation of appropriate resources, and allocation of responsibility (P).</li> <li>• Establish, with the involvement of staff, associations and local communities, plans to reduce water withdrawal, consumption and discharge (P).</li> <li>• Designing goods/services by reducing the amount of embedded water per unit of product (P).</li> <li>• Implementation of water withdrawal, consumption, and discharge improvement plan according to the following hierarchy: avoidance of water and marine resource use; reduction of water and marine resource use, e.g., through efficiency measures; water refinement and reuse; or restoration and regeneration of aquatic ecosystems and water bodies (P and C) (ESRS E3-2 18).</li> <li>• Application of Life Cycle Thinking to reduce water consumption throughout the life cycle (P).</li> <li>• Determination of Water Footprint and certification against ISO 14046 (P).</li> <li>• Allocation of appropriate capital financial resources and operating expenditures to implement water consumption reduction plans in the short, medium and long term (P).</li> <li>• Reporting on water consumption against recognized international standards.</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing the risks and impacts of water wastage (P).</li> <li>• Initiatives to inform, raise awareness, engage and support suppliers in reducing the risks of excessive water consumption and waste (P).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<ul style="list-style-type: none"> <li>• Establish procedures to handle complaints and appeals from public authorities, associations and local communities (C).</li> <li>• Define remediation plans with respect to damaged water sources (e.g., compensation) (C).</li> <li>• Define remediation plans to deal with unexpected costs (financial, lost image) related to water wastage (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	303-3	Water withdrawal	Megaliters	Lagging
	303-4	Water Discharge	Megaliters	Lagging
E3-4 28a	303-5	Water consumption	Megaliters	Lagging
E3-4 28b		Total water consumption in water-prone areas, including areas of high-water stress	m <sup>3</sup>	Lagging
E3-4 28c		Total volume of water recycled and reused	m <sup>3</sup>	Lagging
E3-4 28d		Total volume of stored water and its changes	m <sup>3</sup>	Lagging
E3-4 29		Water intensity: total water consumption in own operations on net revenues	m <sup>3</sup> /millions of EUR	Lagging
E3-4 32		<p>a) Expected financial effects due to material risks arising from impacts and dependencies related to water and marine resources and how such risks have (or can reasonably be expected to have) a material influence on the company's financial position, results of operations, and cash flows in the short, medium, and long term; and</p> <p>b) Expected financial effects due to material opportunities related to marine waters and resources.</p>	Monetary	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

## 4.3 Climate Change

Responsible Organizations identify, assess and mitigate the level of exposure to the risks of events that may jeopardize the goal of keeping the global average temperature increase below 2°C and continue efforts to limit it to 1.5°C above pre-industrial levels, as established by the Paris Agreement

Topics

4.3.1 GHG (greenhouse gas) emissions [CORE]

4.3.2 Physical and Transitional Risk

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### 4.3.1 GHG (Greenhouse gas) emissions [CORE]

PURPOSE	METRIC
Reduce Greenhouse Gas emissions in their operations and along the value chain to reduce their contribution to climate change	Degree of exposure to present or future risks of greenhouse gas (GHG) emissions caused by the organization's activities

#### DESCRIPTION

This topic aims to assess and estimate the risks associated with GHG emissions and how Responsible Organizations mitigate the negative impacts of GHG emissions and damages related to climate change, such as flooding, drought or water scarcity, extreme weather conditions, and the security of critical human health resources.

Risk evaluation considers greenhouse gases (GHGs) generated by processes, products, and services, including carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (CHCs), perfluorocarbons (PFCs) sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3) (EU Regulation 525/2013 - Annex 1).

GHG emissions are mainly associated with the direct consumption of nonrenewable energy, transportation fuel consumption, and embodied energy of products and goods. In case of unavoidable CO2 emissions, Responsible Organizations resort to CO2 offset programs.

Responsible Organizations actively manage "transition risk" defined as "risks to the business from the transition to a low-carbon, climate-resilient economy."

Responsible Organizations develop a scenario analysis, establish appropriate key performance indicators (KPIs) regarding GHG emissions, collect data and trends by establishing a baseline, and report their results against international standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process analysis to identify and assess impacts, risks, and opportunities arising from current or potential GHG emissions in its operations and the value chain.</li> <li>Determination of the relevance of GHG emissions risk.</li> <li>Relevant impacts, risks and opportunities related to climate change mitigation and adaptation included in the RBC Policy and Environmental Policy (ESRS E1-2).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement and participation of staff in identifying GHG emission hazards and risks (P).</li> <li>Identification of GHG emission risk sources due to the organization's activity (P).</li> <li>Inclusion of GHG emissions risk in the risk register (P).</li> <li>Assignment of responsibility for GHG emissions risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to emission risks of GHG (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Collection of historical data on GHG emissions (Scope 1, Scope 2, and Scope 3) (P).</li> <li>Number of activities exposed to GHG emissions (P).</li> <li>Number of sources of GHG emission risk (P).</li> <li>Scenario analysis adopting the life cycle approach by integrating climate change and climate change adaptation risks into the strategy decision-making process.</li> <li>Evaluation for each relevant climate-related risk, whether it is a physical climate-related risk or a transitional climate-related risk (ESRS E1-1 - 18).</li> <li>Evaluation of the level of resilience of its strategy and business model in the face of climate change (scope of resilience analysis, climate scenario analysis, results of resilience analysis including those derived from scenario analysis) (ESRS E1-1 - 19).</li> <li>Evaluation of the current and potential (severity, extent, reversibility) environmental and health consequences (severity, extent, reversibility) of GHG emissions generated by the organization (C).</li> <li>Evaluation of the effectiveness of mitigation systems in terms of the likelihood and consequence of GHG emissions (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the degree of exposure of suppliers and business partners to GHG emission risks (P).</li> </ul> <p><b>Economic-financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of costs (e.g., fines, penalties), economic-financial losses (e.g., turnover, customers, etc.), and reputational losses of the organization in the short, medium, and long term caused by</li> </ul>

	<p>GHG emissions in its operations and along the value chain (C).</p> <ul style="list-style-type: none"> <li>• Evaluation of how business assets and activities could be exposed to climate-related hazards, leading to gross physical risks to the enterprise (ESRS E1-1 20b-ii) (C).</li> <li>• Evaluation of how business assets and activities could be exposed to climate-related transition events, leading to gross transition risks or opportunities (ESRS E1-120c-ii) (C).</li> </ul>
<p><b>MITIGATION PLANS AND ACTIONS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Setting GHG reduction targets supporting climate change mitigation and adaptation policies to address climate-related impacts, risks, and opportunities by determining base year and expected values (ESRS E1.1 - 30-31-32-33-34) (P).</li> <li>• Monitoring progress in implementing the transition plan (ESRS E1-1 - 16j).</li> <li>• Setting operational (OpEx) and capital expenditure (CaPex) targets aimed at aligning its economic activities (revenues, CapEx, OpEx) with the criteria set out in Commission Delegated Regulation 2021/2139.</li> <li>• Establishment of a climate change mitigation and adaptation plan (ESRS E1-3 - 26 and 27) specifying climate change mitigation actions per decarbonization lever, defining GHG reductions achieved or planned (ESRS E1-3 28), and relating capital financial resources and operational expenditures required to implement the actions (Delegated Regulation (EU) 2021/2178 (ESRS E1-3 29).</li> <li>• Calculate and obtain carbon footprint certification of products (ISO 14067) (P).</li> <li>• Calculate and obtain GHG emissions certification from an accredited third party (P).</li> <li>• Define and implement plans to increase clean or climate-neutral mobility (P) (T).</li> <li>• Define and implement plans to purchase renewable materials and energy (P) (T).</li> <li>• Increase the use of carbon capture and utilization (CCU) and carbon capture and storage (CCS) technologies (P) (T).</li> <li>• Implementing initiatives against deforestation and forest degradation (P) (T).</li> <li>• Establishment of infrastructure to decarbonize energy systems (P) (T).</li> <li>• Production and use of clean and efficient propellants from renewable or carbon-neutral sources (P) (T).</li> <li>• Adopting BAT (Best Available Techniques) for the sector (P).</li> <li>• Implement actions to permanently absorb or actively support GHG absorption from the atmosphere, potentially to achieve net-zero emission targets (ESRS E1-7 - 57a) (C).</li> <li>• Determine and state the quantity and quality of carbon credits the company has purchased or intends to purchase in the voluntary market, potentially to support its GHG emissions neutrality claims (ESRS E1-7 - 57b) (C).</li> <li>• Determine, if applicable, internal carbon pricing systems and, if so, how these support its decision-making and incentivize the implementation of climate-related policies and targets (ESRS E1-8 - 62-63) (C).</li> <li>• Allocating adequate capital financial resources and operating expenditures to implement plans to reduce water consumption in the short, medium, and long term (P).</li> <li>• Reporting results on GHG emissions in accordance with international standards (GRI, ESRS)</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing GHG emission risks and impacts (P).</li> <li>• Application for GHG emissions (ISO 14064) and carbon footprint (ISO 14067) certification issued by accredited third-party bodies.</li> <li>• Supplier outreach initiatives to reduce GHG emissions (P).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establish procedures for handling complaints and appeals from public authorities, associations and local communities (C).</li> <li>• Define remediation plans vis-à-vis the damaged environment (e.g., reparations) (C).</li> <li>• Define remediation plans for reputation towards external stakeholders (communication plan) (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
E1-1-16f		Significant amounts of CapEx invested during the year in relation to coal,	Monetary	Leading

		oil, and gas-related economic activities		
	201-2	Financial implications and other risks and opportunities resulting from climate change	Value	Lagging
E1.6-44	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	CO <sub>2</sub> Tons eq.	Lagging
E1.6-44	305-2	Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	CO <sub>2</sub> Tons eq.	Lagging
E1.6-44	305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	CO <sub>2</sub> Tons eq.	Lagging
E1.1-53	305-4	Intensity of greenhouse gas (GHG) emissions to net revenue	%	Lagging
E1.1-34		Greenhouse gas (GHG) emission reduction targets	CO <sub>2</sub> Tons eq.	
E1.1-34	305-5	Reduction of greenhouse gas (GHG) emissions	CO <sub>2</sub> Tons eq.	Lagging
	305-6	Emissions of ozone-depleting substances (ODS)	Tons of CFC-11 eq.	Lagging
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other relevant air emissions	Kg or multiple	Lagging
E1.7-57b		Quantity and quality of carbon credits the company has purchased or intends to purchase in the voluntary market to support its GHG emission neutrality claims	CO <sub>2</sub> Tons eq.	
E1.7-58a		Total amount of GHG absorbed and stored, disaggregated and reported separately for the firm's operations and its upstream and downstream value chain, and broken down by absorption activity	CO <sub>2</sub> Tons eq.	
E1.7-59a		Total amount of carbon credits outside the enterprise's value chain verified according to recognized quality standards and written off in the reporting period	CO <sub>2</sub> Tons eq.	
E1.7-59b		Total amount of carbon credits outside the firm's value chain expected to be written off in the future, specifying whether they are based on existing contractual arrangements or not.	CO <sub>2</sub> Tons eq.	

#### RELATED TOPIC IN THE GIF FRAMEWORK

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 4.3.2 Physical and Transitional Risk

PURPOSE	METRIC
Reduce economic impacts on the organization from "acute" or "chronic" natural events	Degree of exposure of the organization and its assets to current or future chronic and acute physical hazards

#### DESCRIPTION

Responsible Organizations identify, assess, and mitigate physical risks, including economic impacts caused by natural events. Physical risks are distinguished between "chronic" physical risks determined by climate events that occur progressively and "acute" physical risks determined by the occurrence of extreme environmental phenomena related to climate change that increase their intensity and frequency (Regulation 2021/2139/EU)

"Chronic" and "physical" hazards distinguish situations due to temperature, winds, water, and solid masses. These types of events affect the level of production activity and can also permanently impair it.

Transition risk refers to the risk of not having the necessary financial resources to adapt the organization and its processes to changes in the regulatory framework and from technological developments, as well as from changing consumer preferences and market confidence that reward companies that are more ready to move toward business models that are more attentive to environmental impacts (particularly on climate), resource conservation, and reduction of impacts on the natural environment.

These risks affect traditional prudential risks such as credit, market, operational, and liquidity.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process analysis to identify and assess the impacts, risks, and opportunities arising from current or potential physical risks (acute and chronic) in their operations and along the value chain.</li> <li>Determination of the relevance of physical risk.</li> <li>Physical risk addressed by RBC Policy and environmental policy.</li> </ul>
IDENTIFICATION	<ul style="list-style-type: none"> <li>Identification of climate-legal impacts, risks, and opportunities and analysis of greenhouse gas emissions in the organization's processes (ESRS E1-1 20a) (P).</li> <li>Identification of physical climate-related risks in own operations and along the value chain (the identification of climate-related hazards) (ESRS E1-1 20b-i) (P).</li> <li>Opportunities and climate-related transition hazards in own operations and along the upstream and downstream value chain and identification of climate-related transition events (ESRS E1-1 20c-i) (P).</li> <li>Inclusion of chronic and acute physical risks in the risk register (P).</li> <li>Assignment of responsibilities for the management of physical risks (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Historical data (incidents, claims, penalties) of incidents caused by physical hazards (P).</li> <li>Number of activities exposed to physical risk (P).</li> <li>Number of sources of physical risk (P).</li> <li>Evaluation of current and potential consequences (severity, extent, reversibility) of events caused by physical hazards (acute or chronic) (C).</li> <li>Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of physical risk incidents (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the degree of exposure of suppliers and business partners to acute and/or chronic physical risks that may cause adverse impacts on the organization (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Evaluation of the expected financial effects of relevant physical risks, transition risks, and opportunities to take advantage of the climate (ESRS E1-9 64).</li> <li>Determination of the extent to which transition risks have (or may have) a material influence on the firm's financial position, results of operations, and cash flows in the short, medium, and long term (ESRS E1-9 65).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Collection of historical data on transitional risks (P).</li> <li>Number of activities exposed to transitional risk (P).</li> <li>Number of risk sources of transitional risk (P).</li> <li>Evaluation for each relevant climate-related risk, whether it is a physical climate-related risk or a transitional climate-related risk (ESRS E1-1 - 18).</li> <li>Evaluation of the level of resilience of the strategy and business model in the face of climate change (scenario analysis, results of resilience analysis) (ESRS E1-1 - 19).</li> </ul> <p><b>Risks related to the value chain</b></p>

	<ul style="list-style-type: none"> <li>Evaluation of the degree to which suppliers and business partners are exposed to climate change risks that may compromise the organization's business continuity (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Establishment of a climate change mitigation transition plan to ensure that the strategy and business model are compatible with the transition to a sustainable economy and the goals of the Paris Climate Agreement (ESRS E1-1 - 14-15).</li> <li>Defining how the company's goals are compatible with limiting global warming to 1.5°C in line with the Paris Agreement (ESRS E1-1 - 16a).</li> <li>Definition of decarbonization levers and planned actions, including changes in the company's product and service portfolio and adoption of new technologies in its operations or along the upstream and/or downstream value chain (ESRS E1-1 - 16b).</li> <li>Definition and quantification of investments to be incurred to implement the transition plan, recalling the key performance indicators of capital expenditures (CapEx) in accordance with Regulation (EU) 2021/2178 (ESRS E1-1 - 16c).</li> <li>Qualitative evaluation of potential "locked-in" GHG emissions from the company's key products and assets, explaining whether and how such emissions could jeopardize the achievement of GHG emission reduction targets and determine transition risks (ESRS E1-1 - 16d)- Exclusion from EU indices aligned with the Paris Agreement (ESRS E1-1 - 16g).</li> <li>Arrangements for integrating and aligning the transition plan with the company's overall business strategy and financial planning (ESRS E1-1 - 16h).</li> <li>Approval of the transition plan by the governing body (ESRS E1-1 - 16i).</li> <li>Evaluation of how business assets and activities could be exposed to climate-related hazards, leading to gross physical risks to the enterprise (ESRS E1-1 20b-ii) (C).</li> <li>Evaluation of how business assets and activities could be exposed to climate-related transition events, leading to gross transition risks or opportunities (ESRS E1-1 20c-ii) (C).</li> </ul>
<b>REMEDICATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>...</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
E1-9 66		a) Amount and share of relevant physical risk assets in the short, medium, and long term before considering climate change adaptation actions; b) Disaggregating the monetary amounts of these assets by acute and chronic physical risk; c) The share of relevant physical risk assets affected by climate change adaptation actions; d) The position of relevant physical risk assets; e) The monetary amount and share of revenues.	Monetary and %	
E1-9 67		a) Amount and share of assets at risk of transition in the short, medium, and long term before considering climate change mitigation actions; b) Share of transition-risk assets affected by climate change mitigation actions; breakdown of the book value of the company's real estate assets by energy efficiency class; liabilities that should be recognized in the balance sheets in the short, medium, and long term; and c) Amount and share of net revenues from the enterprise's significant transition risk assets in the short, medium, and long term, including, where applicable, net revenues from the enterprise's coal-, oil-, and gas-related customers.		
E1-9 68		Reconciliations of significant amounts of net assets and revenues at substantial physical risk and considerable amounts of net assets, liabilities, and revenues at significant transition risk		
E1-9 69		a) Projected cost savings from climate change mitigation and adaptation actions; and b) Potential market size or expected changes in net revenues from low-carbon products and services or adaptation solutions to which the company has or could have access		

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2



## 4.4 Environmental protection

Responsible Organizations prevent risks of negative impacts on ecosystems that may result in the loss, decreased abundance, or extinction of species and/or natural habitats, physical alterations to the marine environment, loss of biodiversity (understood as the variety of living organisms of all origins, including terrestrial, marine, and other aquatic ecosystems, and the ecological complexes of which they are part and includes diversity within species, between species, and of ecosystems ) or unsustainable use of wildlife (including overfishing, hunting, or removal of endangered species)

Topics

4.4.1 Natural Systems and Biodiversity

4.4.2 Animal Welfare

GET IT  
FAIR

### 4.4.1 Natural Systems and Biodiversity

PURPOSE	METRIC
Minimizing impacts on natural systems (hydrological, nutrient cycles, habitat, etc.)	Degree of exposure to present or future risks of impacts on natural systems caused by activities, products, and processes within the organization and along the value chain and the extent of measures taken to reduce these risks

#### DESCRIPTION

This topic focuses on the risks of actual and potential positive and negative material impacts on biodiversity and marine, terrestrial, and freshwater ecosystems. Biodiversity is understood as a dynamic complex of communities of plants, animals, and microorganisms and their nonliving environment interacting as a functional unit.

"Ecosystem services" are defined as the direct and indirect contributions of ecosystems to the economic, social, cultural, and other types of benefits that people derive from those ecosystems. "Biodiversity" means the variability among living organisms derived from all sources, including terrestrial, marine, and other aquatic ecosystems and their ecological complexes. It includes diversity within species, between species, and of ecosystems. (EU Regulation 2020/85).

Responsible Organizations take a life-cycle approach by integrating natural systems protection and biodiversity into decision-making strategies, developing and establishing appropriate key performance indicators (KPIs) regarding impacts on natural systems, collecting data and trends, and reporting the results.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Process analysis to identify current or potential impacts, risks, and opportunities on the natural environment and biodiversity in its operations and along the value chain.</li> <li>Relevance analysis of natural and natural systems and communication of the results.</li> <li>Address protection of biodiversity and ecosystems; sustainable agricultural/land use practices; sustainable sea/ocean use practices; and combating deforestation in RBC Policy and environmental policy and commitment to identify, assess, manage and remediate impacts, risks related to biodiversity and natural systems (ESRS E4-2 20-23 and 24).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the organization's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement and participation of affected communities in identifying risks to biological resources and ecosystems (ESRS 4.1 17e) (P).</li> <li>Identification of relevant sites under operational control, specifying activities that adversely affect biodiversity-sensitive areas (ESRS 4-1 16a) (P).</li> <li>Identification of adverse impacts on land degradation and desertification (ESRS 4-1 16b) (C).</li> <li>Identification of the effects of its activities on threatened species (ESRS 4-1 16c) (C).</li> <li>Risks of impacts on biological resources and ecosystems entered in the risk register (P).</li> <li>Assignment of responsibility for managing risks and impacts on the natural environment (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to risks of incidents impacting natural environments and biodiversity (P).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Historical data of incidents caused by the organization to natural systems and biodiversity (P).</li> <li>Number of activities exposed to impacts on natural systems and biodiversity (P).</li> <li>Number of sources of risk of impacts to natural systems and biodiversity (P).</li> <li>Evaluation of current and potential consequences (severity, extent, reversibility) of impacts (severity, extent, reversibility) on biodiversity and ecosystems at its sites and along the upstream and downstream value chain, including evaluation criteria applied (ESRS 4.1 17a) (C).</li> <li>Evaluation of dependencies on biodiversity, ecosystems, and related services at its sites and along the upstream and downstream value chain (ESRS 4.1 17b) (P).</li> <li>Evaluation of physical and transitional risks regarding biodiversity and ecosystems, including evaluation criteria applied based on its impacts and dependencies (ESRS 4.1 17c) (C).</li> <li>Evaluation of systemic risks (ESRS 4.1 17d) (P and C).</li> <li>Conducting scenario analyses related to biodiversity and ecosystems to evaluate relevant short-, medium-, and long-term risks and opportunities (ESRS 4.1 18) (P).</li> <li>Evaluation of biodiversity impacts of sites located in or near sensitive areas (ESRS 4.1 19) (C).</li> <li>Defining metrics to measure the impacts of land use change, freshwater, and sea use (ESRS 4.5 38) (P).</li> <li>Defining metrics to manage the spread of invasive exotic species (ESRS 4.5 39) (P).</li> <li>Defining metrics to measure impacts on species conservation (ESRS 4.5 40).</li> </ul>

	<ul style="list-style-type: none"> <li>Definition of metrics to measure ecosystem-related impacts (ESRS 4.5 41).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the exposure of suppliers and business partners to risks that may have impacts on natural systems and biodiversity (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Expected effects due to significant risks from biodiversity and ecosystem-related impacts and dependencies on the financial position, financial performance, and cash flows in the short, medium, and long term (C) (ESRS 4.6 44).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization’s operations</b></p> <ul style="list-style-type: none"> <li>Defining objectives to support policies related to biodiversity and ecosystems to address related impacts, dependencies, risks, and opportunities (ESRS 4.4 29-30-31).</li> <li>Defining ecological thresholds by specifying the methodology used, how they are identified, and how responsibility is assigned for exceeding them (ESRS 4.4 32a).</li> <li>Alignment of targets with medium- to long-term national biodiversity and ecosystem policies and regulations (ESRS 4.4 32b).</li> <li>Definition of the relationship between objectives and impacts, dependencies, risks and opportunities related to biodiversity and ecosystems concerning its activities and value chain (ESRS 4.4 32c).</li> <li>Definition of the geographical scope of objectives (ESRS 4.4 32d).</li> <li>Definition of biodiversity compensation plans (ESRS 4.4 28 b and 32e).</li> <li>Definition of mitigation plans in accordance with the following hierarchy: prevention, minimization, restoration and rehabilitation, and compensatory measures (ESRS 4.4 28 a and 32f).</li> <li>Land use change plans based on a life cycle evaluation (ESRS 4.5 36).</li> <li>Plans to improve habitat functions and to protect, restore, and enhance ecosystem functions of streams, surface waters, wetlands and water bodies (C).</li> <li>Plans for nature conservation and biodiversity by preventing deterioration, protecting and restoring terrestrial, marine, and other aquatic ecosystems (T) (P and C).</li> <li>Adoption of sustainable fishing, farming and forestry practices that enhance biodiversity and prevent soil and other ecosystem degradation, deforestation, and habitat loss (T).</li> <li>Sustainable management of forested land to enhance biodiversity and ecosystems (T) (P).</li> <li>Minimizing the introduction of invasive species of non-native flora, fauna, insects and aquatic life that adversely affect habitat or bioregions (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Qualification and monitoring of suppliers and business partners through periodic second or third party Due Diligence assessing risks and impacts on natural systems and biodiversity (P).</li> <li>Initiatives to inform, raise awareness, engage, and support suppliers to reduce risks of impacts on natural systems and biodiversity (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization’s operations</b></p> <ul style="list-style-type: none"> <li>Establish procedures to handle complaints from public authorities, associations and local communities (C).</li> <li>Define remediation plans concerning the damaged environment (C).</li> <li>Define remediation plans of reputation towards Stakeholders (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
E4-5 35	304-1	Sites owned, leased, or managed in protected areas and areas of high biodiversity value outside or near protected areas	Number and Hectares	Leading
	304-2	Significant impacts of activities, products, and services on biodiversity	Description	Lagging
	304-3	Protected or restored habitats	Surface	Lagging
	304-4	National Conservation List and IUCN Red List species with habitats in areas affected by operations	Number	Leading
E4-5 45		Quantification of expected financial effects before considering actions related to biodiversity and ecosystems or, where this is not possible without undue cost or effort, qualitative information	Monetary	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 4.4.2 Animal Welfare

PURPOSE	METRIC
Enhance the protection of plants and animal species, genetic diversity, and natural ecosystems	Degree of exposure to present or future risks of adverse impacts on animals and species biodiversity in its activities and value chain, and extent of measures taken to reduce these risks

#### DESCRIPTION

The objective of this theme is to assess and estimate the level of exposure to animal welfare risks.

Responsible Organizations mitigate animal welfare risks in their processes, products, and services and assess impacts on animal and species biodiversity.

Risk evaluation considers, among other things: adopting sustainable agricultural, fisheries, animal welfare, and forestry practices as defined in major international standards; implementing humane treatment of farm animals; respecting the welfare of animals when it touches on their lives and existence; and ensuring dignified conditions, above minimum legal requirements, for the breeding, rearing, production, transport and use of animals; the preservation of animals by preventing the global, regional or local extinction of species; the prevention of the distribution or proliferation of invasive species; the protection of species and habitats and the taking of measures to preserve endemic or endangered species or habitats that could be harmed.

Responsible Organizations raise awareness among workers and customers and improve the animal welfare management performance of other organizations within their control or sphere of influence. They establish appropriate key performance indicators (KPIs) for protecting plant and animal species, collect data and trends, and report the results.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess current or potential animal welfare impacts, risks, and opportunities in their operations and the value chain.</li> <li>Determine animal welfare relevance and communicate the results.</li> <li>Animal welfare addressed by RBC Policy and in environmental policy (ESRS G1.1 10f).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement and participation of staff in the identification of hazards and risks (P).</li> <li>Identification of animal welfare damage risks in the risk register (P).</li> <li>Assignment of responsibilities for managing animal welfare damage risks (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to risks of incidents that have impacts on animal welfare.</li> </ul>
EVALUATION	<p><b>Risks arising from the company's activities with impacts on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Historical data (incidents, compensation, penalties) of impacts caused to animal welfare (P).</li> <li>Number of activities exposed to affect animal welfare (P).</li> <li>Number of sources of risk related to animal welfare (P).</li> <li>Evaluation of current and potential consequences (severity, extent, reversibility) of events caused by animal welfare (C).</li> <li>Evaluation of the effectiveness of systems to mitigate the likelihood and consequence of incidents that have animal welfare impacts (P and C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Evaluation of the degree of exposure of suppliers and business partners to animal welfare impacts that may cause adverse impacts on the organization (P).</li> </ul> <p><b>Economic and financial impacts on the organization</b></p> <ul style="list-style-type: none"> <li>Estimation of costs (e.g., fines, penalties, sanctions), economic-financial losses (e.g., turnover, customers, etc.), and reputational losses of the organization in the short, medium and long term caused by animal welfare impacts in its operations and along the value chain (C).</li> </ul>
MITIGATION PLANS AND ACTIONS	<ul style="list-style-type: none"> <li>Adopting sustainable agriculture, fisheries, and animal welfare practices.</li> <li>Humane treatment of farm animals.</li> <li>Respect animal welfare when it concerns their life and existence by ensuring decent conditions and exceeding the minimum legal requirements for breeding, feeding, breeding, transportation and use of animals.</li> <li>Preserving animals and avoiding species extinction on a global, regional or local scale.</li> </ul>

	<ul style="list-style-type: none"> <li>• Preserve the spread and proliferation of invasive species.</li> <li>• Protect species and environments and take steps to preserve any endemic or endangered species or negative impacts on environments.</li> <li>• Reduce impacts on animal welfare throughout the life cycle of processes, products and services.</li> <li>• Provide adequate environmental equipment to prevent accidents, incidents or emergencies to animals.</li> <li>• Plan and implement animal welfare awareness and training initiatives.</li> <li>• Be transparent when publishing animal testing data.</li> <li>• Protect endangered species and combat illegal animal trafficking (C).</li> <li>• Allocate adequate capital financial resources and operational expenditures to implement plans to reduce animal welfare impacts in the short, medium and long term (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Qualification and monitoring of suppliers and business partners through periodic second- or third-party Due Diligence assessing animal welfare risks and impacts (P).</li> <li>• Initiatives to inform, raise awareness, engage and support suppliers to reduce risks of animal welfare impacts (P).</li> </ul>
<p><b>REMEDICATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establish procedures to handle complaints and appeals from public authorities, associations, and local communities (C).</li> <li>• Define remediation plans concerning harmed animals (e.g., compensation) (C).</li> <li>• Define remediation plans for reputation towards stakeholders (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	304-2	Significant impacts of activities, products, and services on biodiversity	Number	Lagging
	304-4	National Preservation List and IUCN Red List species with habitats in areas affected by operations	Number	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

## 5 - BUSINESS ETHICS

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## 5 Business Ethics

RESPONSIBLE ORGANIZATIONS MINIMIZE THE LEVEL OF EXPOSURE TO BUSINESS ETHICS RISKS THAT MAY CAUSE LOSSES RESULTING FROM THE NEGATIVE FINANCIAL EFFECTS OF THE PRESENT OR FUTURE IMPACT ON THE RELATIONSHIP WITH OTHER ORGANIZATIONS (public entities, partners, suppliers, contractors, competitors, and the associations of which they are members) IN ITS ACTIVITIES AND ALONG THE VALUE CHAIN. IN ACCORDANCE WITH THE RESULTS OF THE ANALYSIS OF MATERIAL ISSUES, THE RESPONSIBLE ORGANIZATIONS IDENTIFY, ASSESS, DEFINE, AND IMPLEMENT MITIGATION AND REMEDY PLANS FOR EVERY ASPECT RELATING TO CORRECT BUSINESS PRACTICES (corruption, protection of competition, protection of intellectual property, etc.) AND CUSTOMER RELATIONSHIP (proper marketing practices, customer safety, data and privacy protection, customer service, complaint, dispute handling, etc.).

### AREAS

#### 5.1 OPERATING PRACTICES

#### 5.2 CUSTOMER-RELATED ISSUES

The criterion focuses on relevant impacts, risks, and opportunities related to business ethics in dealing with other organizations and customers in its operations and along the value chain.

Responsible Organizations adopt sound business practices and determine the level of exposure to relevant risks and impacts related to the company's operations, value chain, products or services through its business relationships.

Topics in the area related to ethics in operating practices include:

- a) Active and passive bribery.
- b) Unfair market behavior.
- c) Promotion of a culture of corporate responsibility and sustainability.
- d) Violation of intellectual property protection.

Customer issues address the level of exposure to relevant risks and impacts on consumers and end users related to the company's operations, value chain, products or services through its business relationships.

The topics included in this area enable the determination of:

- a) How the organization affects consumers and/or end users of its products and/or services in terms of positive and negative relevant impacts;
- b) The nature, type and extent of the enterprise's relevant risks and opportunities related to impacts and dependencies in relation to consumers and/or end users and how the enterprise manages those risks and opportunities;
- c) The actions taken to prevent, mitigate or remedy actual or potential adverse impacts and to address risks and opportunities, as well as the results achieved in the organization's relationships with customers;
- d) The financial effects on the enterprise in the short, medium and long term caused by the relevant risks and opportunities arising from the impacts and dependencies of the enterprise in terms of consumers and/or end users.

## 5.1 Operating Practices

Responsible Organizations minimize any risk of adverse impact due to unfair practices in dealing with other Organizations (partners, suppliers, contractors, competitors, associations, etc.)

Topics

5.1.1 Active and Passive Corruption [CORE]

5.1.2 Unfair competition

5.1.3 Promotion of social responsibility in the sphere of influence

5.1.4 Respect for property rights

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5.1.1 **Active and Passive Corruption [CORE]**

PURPOSE	METRIC
Prevent any abuse of power that generates a private advantage personally or for the company (bribery and corruption)	Degree of exposure to present or future assessed risks of corruption or incidents of active and passive corruption in its activities or value chain

**DESCRIPTION**

This topic focuses on assessing the level of exposure to bribery and corruption risks.

Responsible Organizations identify bribery and corruption risks in all of their processes and functions (e.g., sales and marketing (e.g., bribes to acquire orders), procurement (e.g., bribes taken to win tenders), project management (e.g., bribes taken to accept the purchase of inferior products), value chain management (e.g., bribes taken to accept the purchase of inferior products), value chain management (e.g., bribes taken to obtain permits), human resources (e.g., bribes taken from suppliers to obtain permits), and procurement (e.g., bribes taken from suppliers to obtain permits), accepting bribes from suppliers, paying bribes to get permits and authorizations), human resources (bribes taken by HR managers to influence hiring, promotions, etc.), corporate affairs (ex: illegal donations to political parties), safety and quality management (ex: accepting bribes to falsify records proving violations of law), functions where regulatory licenses are required, etc.), and

Responsible Organizations encourage employees, partners, and suppliers to report policy violations and improve the anti-corruption management of other organizations in their sphere of influence.

**RISK ASSESSMENT ELEMENTS**

<b>RELEVANCE</b>	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess current or potential impacts, risks and opportunities related to corruption in its operations, along the value chain and from the external context.</li> <li>Determine the significance of corruption and communicate the results.</li> <li>Include prohibition of active and passive bribery and protection of "whistleblowers" in the RBC Policy.</li> </ul>
<b>IDENTIFICATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Assignment of responsibility for managing active and passive corruption risks (P).</li> <li>Identification of corruption risks in its operations (P).</li> <li>Identification of causes of corruption risks in its operations in the risk register (P).</li> <li>Registration in official registers of lobbying activities (P) (ESRS G1-5 29d).</li> <li>Identification and management of possible conflicts of interest of employees and related persons (P).</li> <li>Identification of the short, medium and long-term impact on the company's costs of corruption events (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers, business partners, customers, and other entities exposed to corruption risks (P).</li> <li>Identification of the impact of corruption events caused by suppliers and business partners on the company's costs in the short, medium, and long term (C).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Identification of corruption risks caused by the external environment that may impact the organization's activities (P and C).</li> <li>Identification of financial impact in the short, medium and long term resulting from corruption caused by the external environment (C).</li> </ul>
<b>EVALUATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical data (incidents, compensation, penalties) related to corruption (P).</li> <li>Number of activities exposed to active and passive corruption (P).</li> <li>Number of potential causes of active and passive corruption (P).</li> <li>Number of sources of corruption risk in processes (ex: procedures, people, etc.) (P).</li> <li>Assessment of risks related to lobbying activities (P) (ESRS G1-5 29c).</li> <li>Assessment of the effectiveness of control systems on processes (P).</li> <li>Assessment of the consequence (severity, extent, reversibility, and estimated total cost) of active and passive corruption in its activities (C).</li> <li>Assessment of existing mitigation actions against active and passive corruption (P and C).</li> <li>Assessment of the financial impact of relevant risks and opportunities in the short, medium, and long term of active and passive corruption caused (C).</li> </ul> <p><b>Risks related to the value chain</b></p>

	<ul style="list-style-type: none"> <li>Assessment of corruption risk management by suppliers and business partners.</li> <li>Estimating the impact on the company's costs in the short, medium, and long term from corruption caused by suppliers and business partners (C).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Assessment of corruption risks caused by the external environment impacting its activities (P and C).</li> <li>Assessment of the financial impact of relevant risks and opportunities in the short, medium and long term from corruption caused by the external environment (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Definition of a Code of Ethics and Conduct with disciplinary measures for offenders.</li> <li>Definition and implementation of an anti-corruption management system in accordance with ISO 37001 and its possible certification by an accredited body (P).</li> <li>Establishment of plans and procedures for the prevention events of corruption based on reasonable assumptions, appropriate to materiality, and with implementation timeframes and responsibilities (P) with investigators not related to the structure concerned (ESRS G1-3 18a and 18b).</li> <li>Definition and implementation of accounting procedures adequate to maintain records that facilitate administrative controls to prevent corruption (P).</li> <li>Definition and implementation of internal audit plans conducted by competent persons suitable to prevent or detect corruption applicable to all entities over which a company has effective control (P).</li> <li>Planning and implementation of training activities on corruption issues for governance bodies and staff members (P) (ESRS G1-1 10g).</li> <li>Establishment of internal whistleblower reporting channels, including dissemination of information and training to its workers, as well as information on the designation and training of staff who receive reports and measures to protect its workers who are whistleblowers from retaliation (ESRS G1-1 10c) (C).</li> <li>Plans to mitigate potential negative impacts (C).</li> <li>Allocation of adequate capital financial resources (CAPEX) and operating expenses (OPEX) for corruption risk mitigation plans in the short, medium and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of plans to mitigate corruption risks caused by suppliers and business partners (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Definition of remediation plans to be implemented in case of active and passive corruption (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of measures to suspend/terminate relationships with other organizations along the value chain in case of active and passive corruption (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	205-1	Operations assessed to determine corruption-related risks	Number	Leading
	205-2	Communication and training on anti-corruption regulations and procedures	Number	Leading
	205-3	Confirmed incidents of corruption and measures taken	Number	Lagging
G1-4 29b	415-1	Political contributions (aggregated by country and geographic area) and how they are calculated	Monetary	Lagging
G1-3 21b		Corruption risk functions covered in training programs	%	Leading
G1-4 24a		Convictions and fines imposed for violations of laws against active and passive corruption	Number and monetary	Lagging
G1-4 25a		Established cases of active or passive corruption and their nature	Number	Lagging
G1-4 25b		Established cases in which own workers have been dismissed or sanctioned for incidents of active or passive corruption	Number	Lagging
G1-4 25c		Established cases of contracts with business partners that were terminated or not renewed due to violations related to active or passive corruption	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

5.1.2 **Unfair competition**

PURPOSE	METRIC
Avoid unfair competition and anti-competitive behavior that can damage reputation and create legal problems	Degree of exposure to present or future risks of unfair competition and anticompetitive behavior in its activities and value chain, and extent of measures taken to reduce such risks

**DESCRIPTION**

This topic aims to assess the level of exposure to risks associated with unfair competitive practices.

Responsible Organizations identify risks of unfair behavior in their operations and along the value chain, including, but not limited to: agreements and cartels; collusion; price fixing; manipulation of competitive bidding; exclusive bidding; setting output restrictions or quotas; concerted division of markets; predatory pricing; misuse of patents and copyrights; and refusal to negotiate/sell.

Responsible Organizations promote awareness among employees and business partners of the importance of fair competition compliance, improve the performance of antitrust and antidumping management in other Organizations under their control or sphere of influence, are aware of the social context in which they operate, and do not exploit social conditions, such as poverty, to gain unfair competitive advantages.

**RISK ASSESSMENT ELEMENTS**

RELEVANCE	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess current or potential impacts, risks, and opportunities related to unfair competition, in their operations, along the value chain, and in the external environment.</li> <li>Determine the significance of unfair competition and communicate the results.</li> <li>Address unfair competition in the RBC Policy and Code of Ethics and implement consequent actions.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's operations with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Identification of risks of unfair competition in its operations and inclusion in the risk register (P).</li> <li>Identification of causes of unfair competition risks in its operations (P).</li> <li>Assignment of responsibility for risk management (P).</li> <li>Identification of the short, medium and long-term impact on the company's costs of unfair competition events (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to unfair competition risks (P).</li> <li>Identification of the short, medium and long-term impact of unfair competition events caused by suppliers and business partners on the company's costs (C).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Identification of unfair competition risks caused by the external environment that may impact the organization's activities (P and C).</li> <li>Identification of financial impact in the short, medium and long term resulting from unfair competition in the external environment (C).</li> </ul>
EVALUATION	<p><b>Risks arising from the company's operations with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical data (incidents, compensation, penalties) due to unfair competition (P).</li> <li>Number of activities exposed to unfair competition (P).</li> <li>Number of potential causes of unfair competition (P).</li> <li>Number of sources of risk in processes (e.g., procedures, people, etc.) (P).</li> <li>Assessment of the effectiveness of control systems on processes (P).</li> <li>Assessment of the consequences (severity, extent, reversibility, and estimated total cost) of events causing unfair competition arising from its activities (C).</li> <li>Assessment of existing mitigation actions (P and C).</li> <li>Assessment of the financial impact of relevant risks and opportunities in the short, medium and long term of unfair competition caused externally by the company's activities (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Assessment of risk management of unfair competition from suppliers and business partners.</li> <li>Estimation of the impact on the company's short, medium, and long-term costs from unfair competition caused by suppliers and business partners (C).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Assessment of risks of unfair competition caused by the external environment (e.g.,</li> </ul>

	<p>competitors) and impacting the organization's activities (P and C).</p> <ul style="list-style-type: none"> <li>Assessment of the financial impact of relevant risks and opportunities in the short, medium and long term resulting from unfair competition caused by the external environment (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Defining and implementing compliance programs to prevent or detect unfair competition (P).</li> <li>Planning and implementation of staff training activities on unfair competition issues (P).</li> <li>Definition of appropriate indicators to measure unfair competition and its risks (P).</li> <li>Definition of prevention plans to avoid incidents or cases of unfair competition based on reasonable assumptions, appropriate to materiality, and specifying implementation timeframes and responsibilities (P).</li> <li>Definition and implementation of criteria for donations to political parties and for conducting advocacy and lobbying activities (P).</li> <li>Mitigation plans for potential negative impacts (C).</li> <li>Allocation of appropriate capital financial resources (CAPEX) and operating expenses (OPEX) for plans to mitigate the risks of unfair competition in the short, medium, and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of plans to mitigate unfair competition risks caused by suppliers and business partners (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Definition of contingency plans to be implemented in case of unfair competition (C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of measures to suspend/terminate the relationship with other organizations along the value chain in case of unfair competition (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	206-1	Legal actions related to anti-competitive behavior, trust activities, and monopolistic practices (and results of completed legal actions)	Number	Lagging
		Penalties received for anti-competitive behavior	Monetary	

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 5.1.3 Promotion of social responsibility in the sphere of influence

PURPOSE	METRIC
Disseminate the goals and practices of Social Responsibility in the organization's sphere of influence	Degree of effectiveness of initiatives to promote Social Responsibility in one's sphere of influence

#### DESCRIPTION

Responsible Organizations promote a culture of social responsibility and sustainability in their sphere of influence (suppliers, customers, competitors, public bodies, associations, etc.).

They promote and/or participate in multistakeholder organizations that aim to promote sustainable development and develop knowledge and practices on how to improve sustainability outcomes.

Responsible Organizations collaborate with other organizations to create a framework of values and principles they are committed to upholding, and they share ideas, approaches, and best practices on all sustainability issues.

Responsible Organizations establish appropriate key performance indicators (KPIs) for promoting social responsibility, collect data and trends, and report the results.

#### RISK ASSESSMENT ELEMENTS

<b>RELEVANCE</b>	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess current or potential impacts, risks, and opportunities related to promoting social responsibility in the sphere of influence.</li> <li>Determine the relevance of promoting social responsibility and communicate the results.</li> <li>Address the promotion of social responsibility in RBC Policy commitments and Code of Ethics and implement consequent actions.</li> </ul>
<b>IDENTIFICATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Identification of risks and opportunities arising from promoting social responsibility in one's sphere of influence (P).</li> <li>Identification of causes of risks and opportunity losses caused by failure to promote social responsibility in one's sphere of influence (P).</li> <li>Identification of the short, medium and long-term impact on the company's events costs due to insufficient promotion of social responsibility in the sphere of influence (C).</li> <li>Assignment of responsibility for risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of the short, medium and long-term impact of failure to promote social responsibility in the sphere of influence on the company's costs (C).</li> </ul> <p><b>Contextual risks that impact the organization</b></p> <ul style="list-style-type: none"> <li>Identification of risks arising from an external context with little awareness and knowledge about corporate responsibility and sustainable development.</li> </ul>
<b>EVALUATION</b>	<p><b>Risks arising from the company's activities with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Analysis of historical data (accidents, claims, penalties) due to inadequate culture of responsibility and sustainability (P).</li> <li>Number of activities exposed to inadequate awareness of responsibility and sustainability issues by the external environment (P).</li> <li>Number of potential causes of inadequate awareness of sustainability issues (P).</li> <li>Number of sources of risk in processes (e.g., procedures, people, etc.) (P).</li> <li>Assessment of the effectiveness of control systems on processes (P).</li> <li>Assessment of the consequences (severity, extent, reversibility and estimated total cost) of events related to its activities and the insufficient sustainability culture of the context (C).</li> <li>Assessment of existing mitigation actions (P and C).</li> <li>Assessment of the financial impact of relevant risks and opportunities in the short, medium and long term of the insufficient promotion of sustainability caused on the outside by the company's activities (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Risk management assessment Poor awareness of sustainability issues at suppliers and business partners.</li> <li>Estimated impact on the company's short, medium, and long-term costs from inadequate awareness of sustainability issues at suppliers and business partners (C).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Assessment of risks of inadequate awareness caused by the external environment (e.g., competitors) and impacting the organization's activities (P and C).</li> <li>Assessment of the financial impact of relevant risks and opportunities in the short, medium,</li> </ul>

	and long term resulting from inadequate awareness of sustainability issues in the external environment (C).
<b>MITIGATION PLANS AND ACTIONS</b>	<ul style="list-style-type: none"> <li>• Integrate ESG criteria into all purchasing, marketing, and sales practices to improve consistency against set sustainability goals.</li> <li>• Encouraging other organizations inside and outside the value chain to adopt and implement policies on all aspects of sustainability.</li> <li>• Planning outreach efforts targeting end customers and local communities to promote a culture of sustainability (ensuring that the messages conveyed are consistent with the organization's sustainability policies and strategy.</li> <li>• Active participation in international or national associations that promote corporate responsibility and sustainable development.</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• ...</li> <li>• ...</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	2-28	Membership in associations	Number	Leading
		Participation in working groups of standards bodies for the development of standards	Number	Leading

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2



5.1.4 **Respect for property rights**

PURPOSE	METRIC
Protect Property Rights covering physical and intellectual property, including interests in land and other physical assets, copyrights, patents, funds, moral rights, and other rights	Degree of exposure to present or future risks of infringement of Proprietary Rights in its operations and value chain, and extent of measures taken to reduce such risks

**DESCRIPTION**

Responsible Organizations protect intellectual property (copyrights, patents, trademarks, trade secrets), consider the loss or diminution of the value of the property as an asset, or the diminution of licensing or product revenues as a result of legal determinations of invalidity, unenforceability, or challenges to title or ownership.

Responsible Organizations meet society's expectations, human rights, and the individual's basic needs when they exercise and protect their intellectual and physical property rights.

They encourage other organizations to respect property rights and investigate to ensure the legal use of title or property and fair compensation for property rights acquired or used.

Responsible Organizations establish appropriate key performance indicators (KPIs) regarding respect for Property Rights, collect data and trends, and report the results.

**RISK ASSESSMENT ELEMENTS**

RELEVANCE	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess current or potential impacts, risks, and opportunities related to intellectual property infringement in its operations, along the value chain, and from the external context.</li> <li>Determine the relevance of intellectual property compliance in its operations and along the value chain and communicate the results.</li> <li>Address intellectual property protection in the RBC Policy and Code of Ethics and implement consequent actions.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's operations with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>Identification of risks of infringement of property rights in its operations (P).</li> <li>Identification of sources of property rights infringement risks in its operations (P).</li> <li>Identification of the short, medium, and long-term impact on the costs of organizing property rights infringement events (C).</li> <li>Assignment of responsibility for risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners that may violate the organization's property rights (and those of other organizations along the value chain) (P).</li> <li>Identification of the short-, medium-, and long-term impact of property rights infringement events on the company's costs (C).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Identification of trespass risks caused by the external environment that may impact the organization's activities (P and C).</li> <li>Identification of the financial impact in the short, medium and long term resulting from the violation of the company's property rights caused by the external environment (C).</li> </ul>
EVALUATION	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Analysis of historical data (incidents, settlements, penalties) related to the organization's infringement of intellectual property rights (P).</li> <li>Number of activities exposed to intellectual property threats (P).</li> <li>Number of potential causes of intellectual property loss (P).</li> <li>Number of sources of risk in processes within the organization and its ecosystem, IP and internet providers, competitors, third parties, government authorities, and illegal organizations (P).</li> <li>Assessment of the effectiveness of process control systems (P).</li> <li>Assessment of the consequences (severity, extent, reversibility, and estimated total cost) of events causing loss of intellectual property resulting from its activities (C).</li> <li>Assessment of existing mitigation actions (P and C).</li> <li>Assessment of the financial impact of relevant risks and opportunities in the short, medium and long term of intellectual property loss caused externally by the company's activities (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Assessment of risk management of loss of intellectual property by suppliers and business</li> </ul>

	<p>partners.</p> <ul style="list-style-type: none"> <li>Estimating the impact on the company's short, medium, and long-term costs from the loss of intellectual property caused by suppliers and business partners (C).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Assessment of the risks of intellectual property loss caused by the external environment and impacting the organization's activities (P and C).</li> <li>Assessment of the financial impact of relevant risks and opportunities in the short, medium and long term resulting from the loss of intellectual property caused by the external environment (C).</li> </ul>
<p><b>MITIGATION PLANS AND ACTIONS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of procedures for protecting intellectual property rights (P).</li> <li>Definition and implementation of programs to ensure control over intellectual property rights (P).</li> <li>Planning and implementation of staff training activities on intellectual property rights protection issues (P).</li> <li>Definition of appropriate indicators to measure the loss of intellectual property rights and its risks (P).</li> <li>Definition and implementation of internal audit plans conducted by competent persons to ensure the right to use or license intellectual property (P).</li> <li>Ensuring fair compensation for property rights acquired or used.</li> <li>Meeting society's expectations, human rights, and basic needs of the individual in exercising and protecting intellectual and physical property rights (P).</li> <li>Exceed the minimum property rights requirements defined by laws, regulations, and standards when there is evidence that higher requirements can provide better protection (P).</li> <li>Establishing prevention plans to prevent accidents or loss of intellectual property based on reasonable assumptions appropriate to the significance and specifying implementation timeframes and responsibilities (P).</li> <li>Mitigation plans for potential negative impacts in the event of intellectual property infringement (C).</li> <li>Allocation of appropriate capital financial resources (CAPEX) and operating expenses (OPEX) for plans to mitigate the risks of intellectual property loss in the short, medium, and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of plans to mitigate risks of intellectual property loss caused by suppliers and business partners (P).</li> </ul>
<p><b>REMEDATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Definition of contingency plans to be implemented in case of loss of intellectual property rights (C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>Definition and implementation of measures to suspend/terminate relationships with other organizations along the value chain in case of intellectual property infringement (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Related legal actions suffered for infringement of intellectual property rights (and results of completed legal actions)	Number	Lagging
		Legal actions filed for infringement of intellectual property rights suffered (and results of completed legal actions)	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2



## 5.2 Customer-related Issues

Responsible Organizations, in accordance with the United Nations consumer protection guidelines, minimize risks related to marketing practices, consumer health and safety, sustainable consumption, dispute resolution and redress, data protection and privacy, and access to essential products, services and information

### Topics

- 5.2.1 Proper marketing, communication, and contractual practices [CORE]
- 5.2.2 Consumer health and safety [CORE]
- 5.2.3 Sustainable consumption
- 5.2.4 Customer service and support, complaint handling, and dispute resolution
- 5.2.5 Customer data protection and privacy protection
- 5.2.6 Consumer education and awareness raising

GET IT  
FAIR



**5.2.1 Proper marketing, communication, and contractual practices [CORE]**

PURPOSE	METRIC
Enabling customers to make informed decisions and compare products or services and minimizing unfair marketing, distorted information, and unfair contracting practices on products or services	Degree of exposure to present or future risks caused by incorrect product and service information, labeling, marketing, and communication, including advertising, promotion, and sponsorship in its operations and value chain

**DESCRIPTION**

This topic focuses on marketing practices and their associated risks, understood as “any act, omission, course of conduct or representation, commercial communication including advertising and marketing, by a trader, directly connected with the promotion, sale or supply of a product to consumers” (Directive 2005/29/EC).

Risks considered in this topic include but are not limited to: misleading advertising; incomplete, inaccurate, unclear, unintelligible, unverified, non-transparent, or misleading contract terms; incomplete, ambiguous, or misleading pricing information; and unclear product warranty terms; the use of stereotypes (e.g., portraying women as sex objects) to sell a product or service.

Responsible Organizations implement strategies to receive verification or validation of ethical assertions from a third party according to international standards (such as ISO 17033) and prepare and publish a Corporate Sustainability Report in accordance with international or national standards by requesting conformity assessment from an accredited third party.

**RISK ASSESSMENT ELEMENTS**

RELEVANCE	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess current or potential impacts, risks, and opportunities related to sound marketing and communication practices in their operations, along the value chain, and from the external context.</li> <li>Determine the relevance of sound marketing and communication practices.</li> <li>Address proper marketing and communication practices in the RBC Policy and Code of Ethics and implement actions to identify, assess, manage, and/or remedy relevant impacts on consumers and/or end users (ESRS S4-1 14).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement of consumers and/or end-users (and their representatives regarding relevant, actual, and/or potential positive and/or negative impacts that affect them (ESRS 4-2 18-19).</li> <li>Identification of sources and risks of good business, communication, and contractual practices in its operations (P).</li> <li>Identification of the short, medium, and long-term impact on the company's costs of fair business, communication, and contractual practices events (C).</li> <li>Inclusion of risks of fair business, communication and contractual practices in the risk register (P).</li> <li>Assignment of responsibility for risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners exposed to the risk of unfair business, communication and contractual practices (P).</li> <li>Identification of the impact in the short, medium, and long term of events of unfair business, communication, and contractual practices on the company's costs (C).</li> </ul>
EVALUATION	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Analysis of indicators and historical data related to unfair marketing, communication and contractual practices (P).</li> <li>Number of activities exposed to risks of unfair marketing, communication and contractual practices (P).</li> <li>Number of causes of marketing, communication and contractual malpractices (e.g., procedures, people, etc.) (P).</li> <li>Assessment of the consequences (severity, extent, reversibility and estimated total cost) of marketing, communication and contractual malpractices (C).</li> <li>Assessment of existing mitigation actions (P and C).</li> <li>Financial impact assessment of relevant risks and opportunities in the short, medium and long term of unfair business, communication and contractual practices caused externally by the company's activities (C).</li> </ul>

	<p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Assessment of risk management of unfair business, communication, and contractual practices by suppliers and business partners.</li> <li>• Estimation of the impact on the company's short, medium, and long-term costs resulting from unfair business, communication, and contractual practices caused by suppliers and business partners (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Setting time-bound and results-oriented goals related to good marketing and communication practices to consumers and/or end users (reducing negative impacts, increasing positive impacts, and managing relevant risks and opportunities) (ESRS S4-5 38).</li> <li>• Involvement of consumers and/or end users in setting goals, monitoring performance against them, and defining improvement actions (ESRS S4-5 41).</li> <li>• Establishment of plans to prevent, mitigate, and reduce the consequence of negative impacts on consumers and/or end users due to business, communication, and contractual practices and actions to achieve positive impacts (ESRS S4-4 29).</li> <li>• Planning and implementation of staff training activities on fair trade, communication and contractual practices (P).</li> <li>• Establishment of plans for proper labeling and disclosure of customer information (product origin, quality, environmental, and health and safety characteristics) (P).</li> <li>• Definition of clear warranty terms and conditions.</li> <li>• Plans to mitigate the risk of unfair contracting practices (unclear terms, uncertain definition of term and expiration, right to unilateral price changes, liability waivers, unclear pricing terms, unfair payment practices) (P).</li> <li>• Communication plan that mitigates risks of customer confusion, use of unverifiable assertions, improper comparison with other products, and use of fear and threats (P).</li> <li>• Allocation of adequate capital financial resources (CAPEX) and operating expenses (OPEX) for plans to mitigate risks of business, communication, and contractual malpractices in the short, medium, and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Establishment and implementation of plans to mitigate the risks of unfair commercial, communication and contractual practices caused by suppliers and business partners (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establishment of appropriate action plans in response to an adverse impact due to unfair business, communication, and contractual practices (C) (ESRS S4.4 28-32a).</li> <li>• Establishing a remediation plan related to adverse impacts on consumers and/or end users, including actions to redesign, promote, or sell products (ESRS S4.4 28-32b).</li> <li>• Ensuring that REMEDIATION PLANS for adverse impacts are available and effective in terms of implementation and results (ESRS S4.4 28-32c).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Implementation of measures to suspend/terminate relationships with other organizations along the value chain in case of unfair business, communication and contractual practices (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	417-1	Requirements concerning labeling and information on products and services	%	Leading
	417-2	Incidents of noncompliance concerning labeling and information on products and services	Number	Lagging
	417-3	Incidents of non-compliance concerning marketing communications	Number	Lagging
S4-4 35		Serious human rights problems or incidents related to consumers and/or end users caused by business, communication and contractual practices	Number	Lagging
		Degree of customer satisfaction with the fairness of marketing, communication, and contractual practices	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

**5.2.2 Consumer health and safety [CORE]**

PURPOSE	METRIC
Protect the health and safety of consumers by avoiding the provision of products or services that are unsafe or pose an unacceptable risk of harm if used or consumed properly or improperly	Degree of exposure to present or future risks of adverse impacts on consumer health and safety from products or services

**DESCRIPTION**

This topic focuses on assessing the level of exposure to risks of harm caused to consumers and/or end users by unsafe products (under normal and reasonable conditions of use and foreseeable conditions of misuse) or otherwise likely to cause harm to the health of the consumer and/or end user in the short or long term.

Responsible Organizations identify and assess risks related to the health and safety of products for consumers and/or end users, including, among others, vulnerable groups.

They perform health and safety risk assessments of the product for consumers and/or end-users from the design and production stages prior to their introduction into the market and take measures to prevent products from becoming dangerous due to improper handling or storage under the care of consumers and/or end-users. In addition, they create awareness by educating consumers on the proper use of products and by conveying information about the dangers of products using international symbols where possible, in addition to textual information. Finally, they implement recall programs for unsafe products in the distribution chain.

Responsible Organizations establish appropriate key performance indicators (KPIs) regarding the health and safety of consumers and/or end users, collect data and trends, and report the results.

**RISK ASSESSMENT ELEMENTS**

RELEVANCE	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess current or potential impacts, risks, and opportunities related to consumer health protection in its operations, along the value chain, and from the external context.</li> <li>Determine the relevance of consumer health protection and communicate the results.</li> <li>Address consumer health protection and/or end users in RBC Policy and product safety policies (ESRS S4-1 14).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement of consumers and/or end users (and their representatives regarding relevant, actual, and/or potential positive and/or negative impacts affecting them (ESRS 4-2 18-19) (P).</li> <li>Identification of consumers and/or end users of products that are inherently harmful to people and/or increase risks of chronic diseases (ESRS 2 SBM 3) (P).</li> <li>Identification of consumers and/or end users who need accurate and accessible information about products or services, such as product manuals and labels, to avoid potentially harmful use of a product or service (ESRS 2 SBM 3) (P).</li> <li>Identification of consumers and/or end users who are particularly vulnerable to health or privacy impacts or impacts of marketing and sales strategies, such as children or the financially vulnerable (ESRS 2 SBM 3) (P).</li> <li>Identification of consumer health hazards and risks in their products (P).</li> <li>Assignment of responsibility for risk management (P).</li> <li>Monitoring of legislation containing mandatory product safety requirements (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners whose products/services may affect the health and safety of the company's consumers and customers (P).</li> <li>Identification of the impact in the short, medium and long term of events of damage caused to consumer health and safety on the organization's costs (C).</li> </ul>
EVALUATION	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Analysis of indicators and historical data of incidents related to consumer health and safety (P).</li> <li>Number of products exposed to risks related to consumer health and safety (P).</li> <li>Number of potential causes that may reduce consumer health and safety (P).</li> <li>Number of sources of risk in processes (e.g., procedures, people, etc.) (P).</li> <li>Assessment of the effectiveness of control systems on product safety measures (P).</li> <li>Assessment of the consequences (severity, extent, reversibility, and estimated total cost) of events that harm the health and safety of consumers resulting from its activities (C).</li> <li>Assessment of the financial impact of relevant risks and opportunities in the short, medium,</li> </ul>

	<p>and long-term events that harm the health and safety of consumers and/or end users (C).</p> <ul style="list-style-type: none"> <li>• Risks related to the value chain.</li> <li>• Assessment of the management of risks that compromise consumer health and safety by suppliers and business partners.</li> <li>• Estimation of the impact on the company's costs in the short, medium and long term of events that create damage to consumer health and safety caused by suppliers and business partners (C).</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Setting time-bound and results-oriented goals related to consumer and/or end-user health and safety (reducing negative impacts, enhancing positive impacts, and managing relevant risks and opportunities (ESRS S4-5 38).</li> <li>• Involvement of consumers and/or end users in setting goals, monitoring performance against them, and defining improvement actions (ESRS S4-5 41).</li> <li>• Establishment of plans to prevent, mitigate, and reduce the consequence of negative impacts on consumers and/or end users due to product safety and plans to achieve positive impacts (ESRS S4-4 29).</li> <li>• Definition and implementation of programs to protect consumer health and safety extended to all entities over which the organization has effective control (P).</li> <li>• Awareness and training on consumer health and safety issues (P).</li> <li>• Establishment of plans to prevent harm to consumer health and safety based on reasonable assumptions, appropriate to relevance, and specifying implementation timeframes and responsibilities by designing safe products/services (under regular and predictable conditions of use), equipping products with safety devices, and avoiding hazardous substances (P).</li> <li>• Disclose clear information to customers on product safety and conditions of use (P).</li> <li>• Achieving product safety certifications in accordance with international standards (P).</li> <li>• Conducting product safety inspections and tests before market introduction (P).</li> <li>• Mitigation plans for potential negative impacts (C).</li> <li>• Adoption of traceability and transparency systems for products, components, parts, and ingredients (C).</li> <li>• Allocation of adequate capital financial resources and operating expenditures for plans to mitigate risks of harm to consumer health and safety in the short, medium, and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Establishment and implementation of plans to mitigate risks of harm to consumer health and safety caused by suppliers and business partners (P).</li> </ul>
REMEDIATION PLANS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Definition of appropriate action plans in response to an adverse impact due to harm caused to consumer health (C) (ESRS S4.4 28-32a).</li> <li>• Definition of a remedial plan related to adverse impacts on consumers and/or end users, including actions to redesign, promote, or sell products (ESRS S4.4 28-32b).</li> <li>• Ensuring that remediation plans in the event of adverse impacts (e.g., product recall and recall plans) are available and effective in terms of implementation and results (ESRS S4.4 28-32c).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Definition and implementation of measures to suspend/terminate relationships with other organizations along the value chain in case of damage caused by products/services to consumer health and safety (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	416-1	Assessment of health and safety impacts of products and services	%	Leading
	416-2	Incidents of non-compliance regarding health and safety impacts of products and services	Number	Lagging
S4-4 35		Serious human rights problems or incidents related to consumers and/or end users caused by product safety	Number	Lagging
		Degree of customer satisfaction with product safety	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

**5.2.3 Sustainable consumption**

PURPOSE	METRIC
Improve sustainable consumption through proper customer communication of the sustainability characteristics of the product and the organization that made it	Degree of exposure to present or future risks of unsustainable consumption and extent of measures taken to reduce these risks considering the life cycle of products/services and the entire value chain (supply and distribution)

**DESCRIPTION**

This topic focuses on assessing the risks associated with unsustainable consumption.

Responsible Organizations promote the production and consumption of goods and services that improve environmental and social impacts by applying Life Cycle Thinking extensively in their operations and along the value chain.

Responsible Organizations promote sustainable consumption by providing customers and consumers with transparent information regarding (among others) country of origin, environmental characteristics (according to standards such as ISO 14021 and ISO 14025), social responsibility, ethical product characteristics, ethical claims (according to ISO 17033), and other verified product information.

Using a lifecycle approach, they design reusable, repairable, and recyclable products and, if possible, offer recycling and disposal services.

Responsible Organizations promote awareness for sustainable development and lifestyles in harmony with nature, encourage other Organizations in their sphere of influence to adopt more sustainable consumption practices, define appropriate performance indicators (KPIs) for sustainable consumption, collect data and trends, and report results.

**RISK ASSESSMENT ELEMENTS**

RELEVANCE	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess current or potential impacts, risks, and opportunities related to sustainable consumption in its operations, along the value chain, and from the external context.</li> <li>Determine the relevance of sustainable consumption and communicate the results.</li> <li>Address sustainable consumption in the RBC Policy and Code of Ethics and implement actions to identify, assess, manage, and/or remedy relevant impacts on consumers and/or end users (ESRS S4-1 14).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Engagement of consumers and/or end-users (and their representatives regarding relevant, actual, and/or potential positive and/or negative impacts affecting them (ESRS 4-2 18-19).</li> <li>Identification of risks related to unsustainable consumption in its operations (P).</li> <li>Identification of causes of unsustainable consumption risks in their operations and inclusion in risk register (P).</li> <li>Identification of the impact in the short, medium and long term on the company's costs of unsustainable consumption (C).</li> <li>Assignment of responsibility for risk management (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners whose processes, products, and services may cause negative impacts on sustainable development (P).</li> <li>Identification of the short, medium and long-term impact of unsustainable consumption events on the company's costs (C).</li> </ul>
EVALUATION	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Analysis of indicators and historical data of incidents related to sustainable consumption (P).</li> <li>Number of products exposed to risks related to sustainable consumption (P).</li> <li>Number of potential causes that may reduce sustainable consumption (P).</li> <li>Number of risk sources in processes (e.g., procedures, people, etc.) (P).</li> <li>Assessment of the effectiveness of control systems on sustainable consumption measures (P).</li> <li>Assessment of the consequences (severity, extent, reversibility, and estimated total cost) of events affecting sustainable consumption resulting from its activities (C).</li> <li>Assessment of the financial impact of relevant risks and opportunities in short-, medium-, and long-term events impairing sustainable consumption (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Assessment of the management of risks that undermine sustainable consumption by</li> </ul>

	suppliers and business partners.
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Setting time-bound and results-oriented targets related to sustainable consumption vis-à-vis consumers and/or end-users defined in relation to: a) reducing negative impacts; and/or b) enhancing positive impacts; and/or c) managing relevant risks and opportunities (ESRS S4-5 38) (P).</li> <li>• Involvement of consumers and/or end users in setting goals, monitoring performance against them, and defining improvement actions (ESRS S4-5 41) (P).</li> <li>• Establishment of plans to prevent, mitigate, and reduce the consequence of negative impacts on consumers and/or end users due to irresponsible consumption practices and actions to achieve relevant impacts (ESRS S4-4 29) (P).</li> <li>• Extensive application of Life Cycle Thinking in design (design for reuse, repair, recycle) and service delivery for reuse/recycling (P).</li> <li>• Provide customers/consumers with traceable information on environmental and social characteristics related to the production and distribution of products and services including information on the efficient use of resources along the value chain (P).</li> <li>• Use ethical assertions and labels issued by independent third-party accredited bodies in accordance with international standards (e.g., ISO 14021, ISO 14025, ISO 17033, and accredited programs) to communicate the social and environmental characteristics of products and services (P).</li> <li>• Develop and implement new business models for Sustainable Development (P).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Implement a systematic cooperative approach with all actors along the value chain to minimize the risks of non-sustainable products and processes.</li> <li>• Promote Life Cycle Thinking and sustainable sourcing along the value chain.</li> </ul>
<b>REMEDATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Definition of appropriate action plans to respond to an adverse impact due to unsustainable consumption (ESRS S4.4 28-32a) (C).</li> <li>• Definition of a remediation plan related to adverse impacts on consumers and/or end users, including actions to redesign, promote, or sell products (ESRS S4.4 28-32b) (C).</li> <li>• Assurance that remediation plans for adverse impacts are available and effective in terms of implementation and results (ESRS S4.4 28-32c) (C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Definition and implementation of measures to suspend/terminate relationships with other organizations along the value chain in case of products with unsustainable social and environmental characteristics (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Degree of customer satisfaction with responsible consumption policies	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

### 5.2.4 Customer service and support, complaint handling, and dispute resolution

PURPOSE	METRIC
Effectively manage customer service (before and after the sale), complaints, and dispute resolution	Degree of exposure to present or future risks related to poor customer service or support, inappropriate complaint and dispute resolution mechanisms, and extent of measures taken to reduce these risks

#### DESCRIPTION

This topic considers the elements that contribute to the level of exposure to risks related to customer service and support, complaint handling, and dispute resolution.

Responsible Organizations identify and assess risks related to:

- **Customer service:** long waiting and response times, poor customer care, lack of experience and knowledge, unprofessional and impersonal interactions;
- **Complaints:** lack of accountability, inadequate transparency and clarity in terms and conditions of complaints, barriers to access to complaints procedures, insufficient expertise and experience in handling complaints, uncertain or unpredictable response time, warranty terms inconsistent with those defined by legislation and standards, etc.;
- **Litigation management:** inadequate transparency of litigation management procedures.

Responsible Organizations establish appropriate key performance indicators (KPIs) to measure the effectiveness of customer service and support, complaints and dispute resolution time and cost, collect data, and report results in accordance with internationally recognized standards.

#### RISK ASSESSMENT ELEMENTS

RELEVANCE	<ul style="list-style-type: none"> <li>• Analyze processes to identify and assess current or potential impacts, risks, and opportunities related to customer service and support, complaint handling, and dispute resolution in its operations.</li> <li>• Determine the relevance of customer service, support, complaint handling, and dispute resolution and communicate the results.</li> <li>• Address customer service, support, complaint handling, and dispute resolution in the RBC Policy and Code of Ethics and implement actions to identify, assess, manage, and/or remedy relevant impacts on consumers and/or end users (ESRS S4-1 14).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Involvement of consumers and/or end-users (and their representatives regarding relevant, actual, and/or potential positive and/or negative impacts affecting them (ESRS 4-2 18-19).</li> <li>• Identification of risks related to customer service, support, complaint handling, and dispute resolution in its operations and inclusion in the risk register (P).</li> <li>• Identification of causes of insufficient or inadequate customer service risks, support, complaint handling, and dispute resolution in its operations (P).</li> <li>• Assignment of responsibility for risk management (P).</li> <li>• Identification of the short, medium and long-term impact on the company's costs of events related to customer service, support, complaint handling and dispute resolution (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Identification of suppliers and business partners that may expose the company to risks of inadequate or insufficient customer service, support, complaint handling, and dispute resolution (P).</li> <li>• Identification of the impact in the short, medium and long term of events of inadequate customer service, support, complaint handling and dispute resolution on the company's costs (C).</li> </ul>
EVALUATION	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Analysis of historical data (incidents, claims, penalties) related to customer service, support, complaint handling, and litigation resolution (P).</li> <li>• Number of activities exposed to risks related to customer service, support, complaint handling, and litigation resolution (P).</li> <li>• Number of potential causes of improper customer service, complaint handling, and litigation management practices in processes (e.g., procedures, people, etc.) (P).</li> <li>• Assessment of the consequences (severity, extent, reversibility, and estimated total cost) of dissatisfaction events for customer service and support, complaint handling, and dispute resolution arising from its activities (C).</li> </ul>



	<ul style="list-style-type: none"> <li>• Assessment of the effectiveness of existing mitigation actions (P and C).</li> <li>• Assessment of the financial impact of relevant risks and opportunities in the short, medium and long term of unsatisfactory customer service and support, complaint handling and dispute resolution caused on the outside by the company's activities (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Assessment of risk management of inadequate customer service and support, complaint handling, and dispute resolution by suppliers and business partners.</li> <li>• Estimating the impact on the company's costs in the short, medium, and long term of dissatisfaction with customer service and support, complaint management, and dispute resolution caused by suppliers and business partners (C).</li> </ul>
<p><b>MITIGATION PLANS AND ACTIONS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Setting time-bound and results-oriented goals related to service and support towards consumers and/or end users: reducing negative impacts; enhancing positive impacts; managing relevant risks and opportunities (P) (ESRS S4-5 38).</li> <li>• Involvement of consumers and/or end users in setting goals, monitoring performance against them, and defining improvement actions (ESRS S4-5 41).</li> <li>• Defining plans to prevent, mitigate, and reduce negative impacts on consumers and/or end users due to service, customer support, contractual and litigation management, and plans to achieve positive impacts (ESRS S4-4 29).</li> <li>• Planning and implementation of staff training activities on service issues and customer support, complaint resolution and litigation management (P).</li> <li>• Establishment of plans to prevent customer dissatisfaction with the service and support provided, complaint handling, and litigation resolution based on reasonable assumptions, appropriate to materiality, and specifying implementation timeframes and responsibilities (P).</li> <li>• Plans to mitigate potential negative impacts (C).</li> <li>• Allocation of adequate capital financial resources and operating expenses for plans to mitigate risks of inadequate customer service and support, complaint handling, and dispute resolution in the short, medium, and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Plans to mitigate risks of customer dissatisfaction with service and support, complaint management, and dispute resolution caused by suppliers and business partners (P).</li> </ul>
<p><b>REMEDIATION PLANS</b></p>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establishment of appropriate action plans in response to adverse impacts due to customer service, inadequate complaint handling, and litigation resolution (ESRS S4.4 28-32a) (C).</li> <li>• Establishment of a remediation plan related to adverse impacts on consumers and/or end users, including actions to redesign, promote, or sell products (ESRS S4.4 28-32b) (C).</li> <li>• Assurance that REMEDIATION PLANS for adverse impacts are available and effective in terms of implementation and results (ESRS S4.4 28-32c) (C).</li> <li>• Use of alternative dispute resolution procedures, conflicts and appeals (C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Definition and implementation of measures to suspend/terminate the relationship with other organizations along the value chain in the case of inefficiencies and lack of support, unsatisfactory handling of complaints and dispute resolution (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
S4-4 35		Serious human rights problems or incidents related to consumers and/or end users caused by customer service and support and complaint and litigation management	Number	Lagging
		Degree of customer satisfaction with customer service and support and complaint and litigation management	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

**5.2.5 Customer data protection and privacy protection**

PURPOSE	METRIC
Protect consumers' right to privacy by limiting the types of information collected and how that information is obtained, used, and protected	Degree of exposure to risks present or relating to breach of customer privacy and leakage, theft, or loss of customer data and extent of measures taken to reduce such risks

**DESCRIPTION**

This topic considers the elements for assessing the level of exposure to risks related to data collection and protection (data loss, theft, or damage as well as damage due to breach or disaster) and customer data privacy protection (collection and processing of sensitive and personal data).

Responsible Organizations shall limit the collection and disclosure of personal data to information required by law and essential for the provision of products and services or provided with the consumer's informed and voluntary consent; define and communicate the purposes of personal data collection; ensure that customers have the right to opt out of any optional data collection; and ensure the customer's right to verify about data concerning him or her and to challenge such data, with the possibility of deletion, rectification, completion, or modification as appropriate.

Responsible Organizations improve data and privacy protection, establish appropriate key performance indicators (KPIs), collect data, and report results.

**RISK ASSESSMENT ELEMENTS**

RELEVANCE	<ul style="list-style-type: none"> <li>Analyze processes to identify and assess current or potential impacts, risks, and opportunities related to customer data protection and privacy in its operations, along the value chain, and from the external context.</li> <li>Determine the relevance of customer data protection and privacy and communicate the results.</li> <li>Address customer data protection and privacy in the RBC Policy and Code of Ethics and implement actions to identify, assess, manage, and/or remedy relevant impacts on consumers and/or end users (ESRS S4-1 14).</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's activities impacting Stakeholders</b></p> <ul style="list-style-type: none"> <li>Involvement of consumers and/or end-users (and their representatives regarding relevant, actual, and/or potential positive and/or negative impacts affecting them (ESRS 4-2 18-19) (P).</li> <li>Identification of consumers and/or end-users of services that could negatively impact their rights to privacy, protection of personal data, freedom of expression, and non-discrimination (ESRS 2 SBM 3) (P).</li> <li>Identification of dangers and risks of data breaches and customer privacy in its operations (P)</li> <li>Assignment of responsibility for risk management (P).</li> <li>Identification of the short, medium and long-term impact on the company's costs of customer data protection and privacy breach events (C).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>Identification of suppliers and business partners that may violate the company's sensitive data and privacy protection (P).</li> <li>Identification of the impact in the short, medium, and long term of events that violate sensitive data and privacy protection on the company's costs (C).</li> </ul> <p><b>Contextual risks impacting the organization</b></p> <ul style="list-style-type: none"> <li>Identification of sensitive data breaches and privacy risks caused by the external context that may impact the organization's activities (P and C).</li> <li>Identification of the financial impact in the short, medium and long term resulting from sensitive data breaches and privacy protection caused by the external environment (C).</li> </ul>
EVALUATION	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>Analysis of historical data (incidents, claims, penalties) related to failure to protect customer data and breach of customer privacy (P).</li> <li>Number of activities exposed to relative risks of data loss and breach of customer privacy (P).</li> <li>Number of potential causes of data loss and violation of customer privacy (P).</li> <li>Number of sources of risk in processes (e.g., procedures, people, etc.) (P).</li> <li>Assessment of the effectiveness of control systems on processes (P).</li> <li>Assessment of the consequences (severity, extent, reversibility, and estimated total cost) of sensitive data loss events and customer privacy violations in its operations (C).</li> <li>Assessment of existing mitigation actions (P and C).</li> <li>Financial impact assessment of relevant risks and opportunities in the short, medium and long</li> </ul>

	<p>term in case of sensitive data loss and customer privacy breach events caused by the company's activities (C).</p> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Assessment of risk management of data loss and customer privacy violation by suppliers and business partners (P).</li> <li>• Estimation of the impact on the company's costs in the short, medium and long term of sensitive data loss and customer privacy violation caused by suppliers and business partners (C).</li> </ul>
<b>MITIGATION PLANS AND ACTIONS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Involvement of consumers and/or end users in setting goals, monitoring performance against them, and defining improvement actions (ESRS S4-5 41) (P).</li> <li>• Setting time-bound and results-oriented goals related to data security and privacy protection of consumers and/or end users: reducing negative impacts, enhancing positive impacts, and managing relevant risks and opportunities (ESRS S4-5 38) (P).</li> <li>• Defining plans to prevent, mitigate, and reduce the consequence of negative impacts on consumers and/or end-users due to loss of customer data and breach of privacy protection and actions to achieve positive impacts (ESRS S4-4 29) (P).</li> <li>• Staff awareness and training on data protection and customer privacy breach risks(P).</li> <li>• Plans to reduce the risk of loss of sensitive data and privacy breaches (Data discovery and classification, Data masking, Identity access management, Data encryption, Data Loss Prevention (DLP), password and authentication/authorization management (e.g., biometric identification), installation and configuration of security software) (P).</li> <li>• Second/third-party audits to test the effectiveness of data protection measures (P).</li> <li>• Definition of mitigation plans for potential negative impacts (C).</li> <li>• Allocation of appropriate capital financial resources and operational expenditures to implement plans to mitigate customer data breach and privacy risks in the short, medium, and long term (P).</li> </ul> <p><b>Risks related to the value chain</b></p> <ul style="list-style-type: none"> <li>• Definition and implementation of mitigation plans for risks related to customer data protection and privacy caused by suppliers and business partners (P).</li> </ul>
<b>REMEDIATION PLANS</b>	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Defining appropriate plans in response to adverse impacts caused by data loss and customer privacy breaches, including data backup and recovery plans (ESRS S4.4 28-32a) (C).</li> <li>• Establishment of a remediation plan related to adverse impacts on consumers and/or end users, including actions to redesign, promote, or sell products (ESRS S4.4 28-32b).</li> <li>• Ensuring that remediation plans in the event of adverse impacts are available and effective in terms of implementation and results (C) (ESRS S4.4 28-32c) (C).</li> <li>• Defining methods to quickly alert consumers of the data breach or attack by providing information on how the organization is handling the situation (C).</li> </ul> <p><b>Along the value chain</b></p> <ul style="list-style-type: none"> <li>• Definition and implementation of measures to suspend/terminate the relationship with organizations along the value chain in case of loss of customer data and breach of customer privacy (C).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
	418-1	Well-founded complaints regarding breaches of customer privacy and loss of customer data	Number	Lagging
S4-4 35		Serious human rights problems or incidents related to consumers and/or end users caused by loss of customer data and privacy breaches	Number	Lagging
		Degree of customer satisfaction with security and privacy protection	Number	Lagging

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2

**5.2.6 Consumer education and awareness raising**

PURPOSE	METRIC
Improve consumer education and awareness to increase informed purchasing decisions and consumer responsibility	Degree of exposure to present or future risks caused by improper and incomplete consumer education and awareness and extent of measures taken to reduce these risks

**DESCRIPTION**

This topic focuses on the assessment determined by inadequate consumer education and awareness of responsible consumption.

Responsible Organizations identify and assess the risks associated with incomplete, unclear, or misleading information in products and services and meet consumer education and awareness needs.

The risk assessment considers, among other things:

- information to consumers about their rights about laws and regulations, appropriate ways to obtain redress, and consumer protection organizations;
- The provision of clear, practical labels and information about the product or service;
- the creation of awareness about sustainable consumption.

Responsible Organizations establish appropriate key performance indicators (KPIs) regarding consumer education and awareness, collect data and trends, and report the results.

**RISK ASSESSMENT ELEMENTS**

RELEVANCE	<ul style="list-style-type: none"> <li>• Analyze processes to identify and assess current or potential impacts, risks, and opportunities related to consumer education in their operations and the value chain.</li> <li>• Determine the relevance of consumer education and communicate the results.</li> <li>• Address consumer education service in the RBC Policy and Code of Ethics and implement consequent actions.</li> </ul>
IDENTIFICATION	<p><b>Risks arising from the company's operations with impact on Stakeholders</b></p> <ul style="list-style-type: none"> <li>• Identification of risks of inadequate customer education in its operations (P).</li> <li>• Identification of causes of risks of inadequate customer education in its operations (P).</li> <li>• Engagement of consumers and/or end-users (and their representatives regarding relevant, actual, and/or potential positive and/or negative impacts affecting them (ESRS 4-2 18-19) (P).</li> <li>• Assignment of responsibility for risk management (P).</li> <li>• Identification of the short, medium, and long-term impact on the company's costs of events resulting from inadequate customer awareness and education (C).</li> </ul>
EVALUATION	<ul style="list-style-type: none"> <li>• ...</li> <li>• ...</li> </ul>
MITIGATION PLANS AND ACTIONS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Setting time-bound and results-oriented goals related to educating and raising awareness of consumers and/or end users: reducing negative impacts; enhancing positive impacts; managing relevant risks and opportunities (P) (ESRS S4-5 38).</li> <li>• Promote initiatives that do not have promotional purposes but aim to explain the characteristics of goods and services and make the benefits and costs resulting from their decisions perceptible.</li> <li>• Initiatives to educate consumers on the following subjects: health and safety (including product hazards; information on laws and regulations; labeling of products and services and information provided in manuals and instructions; information on weights, measures, prices, credit quality and terms, and availability of essential services; information on risks associated with the use of products; information on financial and investment products and services; environmental protection; efficient use of materials, energy, and water; sustainable consumption; and proper disposal of packaging and waste.</li> <li>• Promotion of consumer associations to obtain assistance and suggestions.</li> <li>• Initiatives to inform consumers about their rights as defined by laws and regulations.</li> <li>• Providing consumers with preventive protection by reducing the imbalances that characterize the relationship between consumer and professional (information asymmetry).</li> <li>• To put consumers in a position to know both the traditional means of asserting their rights and the new alternative forms of dispute resolution.</li> <li>• Carry out food education campaigns to prevent all the inconveniences resulting from their consumption (e.g., obesity, etc.).</li> <li>• Promote initiatives to raise awareness of sustainable lifestyles.</li> </ul>

	<ul style="list-style-type: none"> <li>• Promote financial education campaigns through which to educate savers in the proper management of the family budget and the prevention of indebtedness.</li> <li>• Involve consumers in sustainable public purchasing initiatives.</li> <li>• Raise consumer awareness of sustainable consumption.</li> <li>• Protect children from the effects of the mass consumption society.</li> <li>• Involve consumer representatives in the formulation of social and economic policies.</li> <li>• Ensure that people everywhere receive relevant information and the right to awareness of sustainable development and a lifestyle in harmony with nature.</li> </ul>
REMEDICATION PLANS	<p><b>Related to the organization's operations</b></p> <ul style="list-style-type: none"> <li>• Establishment of a remedial plan related to adverse impacts on consumers and/or end users, including actions to redesign, promote, or sell products (ESRS S4.4 28-32b).</li> </ul>

**INDICATORS AND REFERENCES TO REPORTING STANDARDS**

ESRS	GRI	Indicator	Unit	Type
		Financial resources allocated to customer and consumer education and awareness programs	Monetary	Leading
		Membership in consumer protection associations		

**RELATED TOPIC IN THE GIF FRAMEWORK**

1.2.2 – 1.2.3 - 1.3.2 – 1.3.3 – 1.4.1 - 1.4.2 – 1.4.3 – 1.5.1 – 1.5.2 – 1.5.3 – 1.6.1 - 1.6.2 – 1.6.4 – 1.7.1 – 1.7.2 – 1.7.3 - 1.8.1 – 1.8.2



## 6 GIF Scoring System

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## 6.1 Score-oriented Metrics Rationale

The scoring system (GIF Scoring System) is the third building block of the GIF Framework and provides guidance for adequately applying and evaluating the Criteria.

Since an assertion's distinguishing characteristic is that the requirements are expressed in terms of outcome (performance), in the Get It Fair program, the performance subject to ESG rating validation is the level of exposure to risks of current or potential impacts related to sustainability issues (governance, social, health and safety, environmental, and business ethics).

Therefore, the rating metric goes beyond the binary logic of "compliant/non-compliant/NA" to a requirement and must measure an outcome level by transforming a judgment on a set of qualitative elements into a semi-quantitative score that expresses the level of exposure to risks on all aspects of sustainability that may impact the organization and its Stakeholders.

The overall ESG rating scoring system, based on the GIF Framework criteria, is structured to provide a quantitative assessment (Score) on:

- 1) The effectiveness of the Governance and Management system to prevent ESG risks;
- 2) The organization's level of exposure to risks that could generate adverse impacts, arising both from its direct operations and along the value chain.

The "Governance and Management System" criterion is an Enabler and assesses the extent to which the organization defines, implements, monitors and improves the effectiveness of its process approaches over time.

On the other hand, the four "risk specific" criteria measure exposure to specific sustainability risks, highlighting potentially vulnerable areas.

There is a correlation between the two types of criteria: "The more the organization defines, implements, and improves an integrated governance and management system on all aspects of sustainability, the lower the level of risk exposure can be expected."

In addition, the measured level of risk exposure makes it possible to identify areas where the management system is not or will not be able to ensure an acceptable level of risk and should, therefore, be improved according to stakeholder expectations.

The second axiom of the GIF Framework is the following: "It cannot be said that because the organization has a very good governance and management system, then the level of risk exposure will be low in all aspects of sustainability." The organization must identify, assess, and define treatment plans appropriate to the issue's relevance.

Only an assessment system that takes into account both the effectiveness of implementing the sustainability governance and management system and the level of exposure to each material sustainability topic can accurately and reliably judge the organization's overall level of exposure to ESG risks.

### 6.1.1 Advantages

The score-oriented assessment system has some key advantages for those who must prepare and assess sustainability information and the level of future exposure to risks.

In contrast to the "binary" type of assessment logic, the score-based metric makes it possible to:

- 1) Compare the level of performance achieved by the organization at different times. The GIF Framework (Principles, Criteria and Metrics) is a system for measuring continuous improvement in all aspects of sustainability;
- 2) Compare the level of performance achieved by the organization with the level of performance achieved by other organizations (benchmarking);
- 3) Estimate the level of exposure to current and potential future-oriented risks (forward-looking) to support active risk management.

## 6.2 Score per Topic

The first step in the GIF scoring system is to determine the "Score by Topic."

### 6.2.1 "Governance and Management System" Criterion

In the Governance and Management System criterion, the evaluation of each Topic is based on a PDCA logic and involves assigning a higher score the better the approach to a process is defined, implemented, monitored, reviewed, and improved over time.

To assign a good score, it is not enough to have defined an approach (e.g., through written policies and procedures), but it is necessary to assess the extent to which the approach is implemented, monitored, and improved over time.

The score for each Governance and Management Criterion Topic is determined by considering the assessment points defined in the GIF Framework and assigning a value, based on the evidence gathered, on:

- **Plan:** the extent to which an approach to a process is clearly defined, is based on a clear rationale, considers Stakeholder needs, is integrated and aligned with other approaches, and covers all aspects of sustainability.
- **Do:** extent to which the defined approach is implemented systematically and in each Topic through defined and structured processes.
- **Check:** the extent to which the implementation of the approach is monitored with appropriate leading indicators (linked to volume of activity) and periodically reviewed with lagging indicators (outcome) to ascertain effectiveness against expected results.
- **Act:** the extent to which the approach is modified and improved over time to adapt it to new requirements of the organization's external and internal environment and to improve expected performance.

Topic score is given on a scale from 0 to 100, where each pentile is interpreted as described in the following table:

0 - 19	20 - 39	40 – 59	60-79	80-100
<b>Very Poor</b> Only one ESG aspect is covered by the approach. No or sporadic evidence of a defined and implemented approach. No evidence of monitoring, review and improvement.	<b>Poor</b> ESG aspects are partially covered in the approaches. Sporadic evidence of implementation and monitoring. No evidence of review and improvement.	<b>Adequate</b> All ESG aspects are covered in every process. Evidence of a defined and implemented approach. Some evidence of monitoring, review and improvement.	<b>Good</b> All ESG aspects are covered in every process. Clear evidence of a well-defined, systematically implemented, monitored, reviewed approach. Some evidence of improvement.	<b>Very Good</b> All ESG aspects are covered in every process. Complete evidence of a well-defined approach, systematically implemented, monitored, reviewed and improved.

### 6.2.2 'Social', 'Health and Safety', 'Environmental' and 'Business Ethics' criteria

In the Topics of the four Criteria related to specific risks (Social, Safety, Environmental and Business Ethics), the metrics aim to estimate the current or potential risk exposure level according to the following logic: "Higher the score, lower the level of risk exposure."

The term "Risk" is defined as "the effect of uncertainty on objectives" and is "expressed in terms of a combination of the consequences of an event and the associated probability of occurrence" (ISO 31000).

<b>Risk = Probability x Consequence</b>
-----------------------------------------

Therefore, the score represents an estimate of the level of risk exposure in each Topic.

The rating on each Topic considers, first, the degree of relevance of the sustainability issue with respect to the context in which the organization operates, its processes and activities, and the relevance attributed to the material issue by Stakeholders.

**Relevance:** The relevance of an issue reflects how significant it is to the organization and its stakeholders. While the assessment of relevance does not directly affect the score calculation, it determines the level of detail needed for the assessment and the quantity and quality of evidence required to make a judgment. The greater the relevance, the more extensive and higher-quality evidence needs to be collected regarding the elements of the GIF Framework.

Each Topic within the GIF Framework risk specific includes a table with a non-exhaustive list of elements that contribute to the risk assessment, organized according to the principles of a typical risk assessment process.

**Identification:** the assessment points guide the formation of a judgment about how the organization has identified risk events and their current and potential causes, risk factors, direct consequences, and the short-, medium-, and long-term impacts of those consequences for the organization and its stakeholders. Appropriate identification of risks incisively directs both the risk assessment and the mitigation strategy for the likelihood and consequence of the event and, thus, the potential impacts.

**Evaluation:** assessment elements direct judgment about how appropriately the organization has assessed the possibility of an event happening and its consequences. The assessment of risk takes into account past facts and findings (e.g., if an event has never happened to date, it reduces the probability that it may occur but is not sufficient to rule out that such an event may not happen in the future), the number of sources of risk, the number of parties exposed to the risk, and the probability and consequence mitigation measures already implemented. Risk assessment is not limited to considering the operations and activities carried out within the organization's perimeter but also along its value chain.



**Mitigation and Actions Plans:** the characteristic element of "forward-looking" risk assessment is the evaluation of plans and actions to mitigate the likelihood and consequences of an event on the organization and its Stakeholders in the short, medium, and long term. The more relevant an issue is to the organization and its stakeholders, the greater the importance and weight given to the assessment of mitigation plans. The plans must be clearly defined, the objectives determined according to SMART (Specific, Measurable, Accountable, Realistic, and Time-Bound) logic, the responsibilities and timeframes for implementing the plans must be clearly set, and the resources (human, financial, etc.) needed for their implementation must be effectively allocated and present in the organization's forecast budget.

**Remedy Plans:** The assessment elements included in this category direct judgment on how well the organization is prepared to handle an unexpected event and remedy the damage caused to itself and its Stakeholders in a timely and effective manner. Planning how the organization should respond to an event that generates adverse impacts becomes critical to minimizing the financial and reputational effects the organization may suffer in the future.

Because not all assessment elements apply or are relevant to all organizations, the risk assessment must consider the topic's relevance in the organization's internal and external context.

Scoring cannot be done purely mechanistically but solely and exclusively on the basis of professional judgment following the assessment elements specified in the GIF Framework and their actual applicability to the organization's processes.

The variety and numerousness of factors that influence judgment at the Topic level and their possible combinations make it impossible to establish a deterministic description for all score levels across the 0 to 100 scale.

However, a general guideline can be provided that outlines the conditions for determining when a risk is considered acceptable, and thus, a score between 40 and 60 can be assigned (i.e., the pentile of "sufficiency" score).

During the self-assessment stage, it is the responsibility of the organization or the external assessor to decide whether the evidence collected for the assessment elements, categorized as appropriate, is sufficient to evaluate the likelihood and consequences of an event. This evaluation should consider the relevance of the sustainability aspect to the organization and its stakeholders, as well as data from the past and present, and, most importantly, the viability of future mitigation plans.

The table below provides an indicative descriptor associated with a score between 40 and 60 points.

Scores in the other pentiles can be assigned by taking the situation described in the table as a reference

0 – 40	40 – 60	60 - 100
	<p><b>Applicability and Relevance</b></p> <ul style="list-style-type: none"> <li>• The risk is applicable to the organization and/or the supply chain.</li> <li>• The risk is relevant to the organization.</li> <li>• Relevant risks addressed appropriately in policy (e.g., policies, codes) and management documents (e.g., procedures, instructions, etc.).</li> </ul> <p><b>Identification</b></p> <ul style="list-style-type: none"> <li>• Risk identified within the organization and in the supply chain.</li> <li>• Evidence of understanding the correlation between cause and effect (from direct experience, stakeholder information, legislative constraints, etc.).</li> </ul> <p><b>Assessment</b></p> <ul style="list-style-type: none"> <li>• Risk assessed using a defined and appropriate methodology to determine probability and consequence, considering historical data (although not fully integrated with the methodology used to determine other types of risk).</li> <li>• Some evidence of leading and lagging indicators in accordance with international standards.</li> <li>• The number of sources and/or exposed parties does not generate a high probability of occurrence, even given the mitigation actions in place.</li> <li>• Severity, consistency for affected parties, reversibility, and costs do not lead to an assessment of possible high consequences.</li> </ul> <p><b>Mitigation</b></p> <ul style="list-style-type: none"> <li>• Evidence of mitigation plans and actions appropriate to the current assessment results.</li> <li>• Some evidence of mitigation goals and plans for the future (even if not linked to economic and financial data) in the organization and along the value chain.</li> <li>• Evidence of controls and monitoring of the level of risk exposure (and implementation of defined mitigation measures) in the organization and along the value chain.</li> </ul> <p><b>Remedy plans</b></p> <ul style="list-style-type: none"> <li>• Some evidence of remediation plans to promptly resolve and minimize the damage of situations where an undesirable event occurs.</li> </ul>	

**Scoring by Areas:**

The Topics in the model are grouped into Areas.

For example, the topics "Avoiding Complicity," "Gender Discrimination," "Child Labor," "Forced Labor," and "Civil Rights" are grouped under the Area "Human Rights."

The score for each Area is calculated as the arithmetic mean of the scores assigned to the individual topics comprising it. The arithmetic mean may be corrected (by an internal or external assessor) to account for the different weighting of individual Topics, provided that the variation does not change the pentile determined by the arithmetic mean.

A correction to the score, which alters the pentile of the final score (compared to the arithmetic mean), is only possible if there is a significant difference in the weight of each Topic relative to the organization's context and processes and if the score assigned to that area is extremely high or low. In such cases, it is the assessor's responsibility (whether internal or external) to provide documented evidence supporting the score correction.

Topics that are not applicable to the organization's specificity are not considered when calculating an Area's score.

**Scoring by Criterion:**

The score for each Criterion (Governance and Management System, Social, Health and Safety, Environment, and Business Ethics) is calculated, in the first instance, as the arithmetic mean of the scores assigned to the Areas grouped under each Criterion.

The Criterion score can be adjusted (by an internal or external assessor) to account for the different weights of the Areas, provided the variation does not change the pentile of the arithmetic mean.

A correction to the score, which alters the pentile of the final score (compared to the arithmetic mean), is only possible if there is a significant difference in the weight of each Area relative to the organization's context and processes: in such cases, it is the assessor's responsibility (whether internal or external) to provide documented evidence supporting the score correction.

The criterion score is divided into five pentiles. The meaning assigned to the criterion "Governance and management system" reflects the PDCA logic of the score assigned at the Topic level. In contrast, the meaning of the score for each risk specific criterion (social, health and safety, environmental, and business ethics) expresses the overall level of exposure to risk according to "probability by consequence" logic.

The table below expresses the meaning assigned to each pentile (on a scale from 0 to 100) for each type of criterion:

	0-19	20-39	40-59	60-79	80-100
<b>Governance and Management System</b>	<p><b>Very Poor</b></p> <p>Only one ESG aspect is covered by the approach.</p> <p>No or sporadic evidence that an approach is defined and implemented.</p> <p>No evidence of monitoring, review and improvement.</p>	<p><b>Poor</b></p> <p>ESG aspects are partially covered in the approaches.</p> <p>Sporadic evidence of implementation and monitoring.</p> <p>No evidence of review and improvement.</p>	<p><b>Adequate</b></p> <p>All ESG aspects are covered in each core process.</p> <p>Evidence of a defined and implemented approach.</p> <p>Some evidence of monitoring, review and improvement.</p>	<p><b>Good</b></p> <p>All ESG aspects are covered in every process.</p> <p>Clear evidence of a well-defined, systematically implemented, monitored, reviewed approach.</p> <p>Some evidence of improvement.</p>	<p><b>Very Good</b></p> <p>All ESG aspects are covered in every process.</p> <p>Complete evidence of a well-defined, systematically implemented, monitored, reviewed, and improved approach.</p>
<b>Social /H&amp;S/ Environment/Ethics</b>	<p><b>Very High</b></p> <p>Exposure to catastrophic risks even in "core topics".</p>	<p><b>High</b></p> <p>High level of exposure to risks in the "core and non-core topics."</p>	<p><b>Adequate</b></p> <p>Acceptable level of exposure to risks in "core themes" and "non-core" topics.</p>	<p><b>Low</b></p> <p>Low level of risk exposure in "core themes" and "non-core" topics.</p>	<p><b>Very Low</b></p> <p>Very low exposure to risks of all core and non-core topics.</p>

**Overall Score**

The Overall Score is determined by averaging the scores assigned to each criterion. It expresses the organization's total overall level of exposure to ESG risks.

The Overall Score reflects the degree to which the core principles of the GIF Framework are integrated into the governance and management system (culture, strategy, processes, and results) and the level of overall exposure to risks of adverse impacts from social, safety, environmental, and ethical business issues.

The overall ESG Rating is expressed on 5 (five) levels according to the following table:

Rating	BB (+/-)	B (+/-)	A (+/-)	AA (+/-)	AAA (+/-)
Score	0-19	20-39	40-59	60-79	80-100
Risk Level	Very High	High	Adequate	Low	Very Low
Description	<p>Organization exposed to very high risks in every ESG aspect.</p> <p>Timely, systematic, and robust improvement actions are needed to reduce the level of risk exposure.</p>	<p>Organization exposed to high risk in several ESG aspects that can result in high costs and negative impacts on Stakeholders.</p> <p>Some corrective actions and solid improvement actions must be planned and implemented.</p>	<p>Organization exposed to risks of acceptable negative impacts in all or some ESG aspects but to be monitored periodically to prevent escalation.</p> <p>Some specific corrections and improvement actions are needed to reduce the level of risk exposure.</p>	<p>Organization exposed to low ESG risks and able to manage them without exposing Stakeholders to unexpected costs and major negative impacts.</p> <p>No or limited corrective actions are required, and ongoing improvement actions should be continued.</p>	<p>Organization exposed to very low risks in any ESG aspect and able to monitor and deal with them without exposing Stakeholders to unexpected costs and negative impacts.</p> <p>The defined treatment and improvement plans appear adequate to the needs.</p>

The Rating is the literal representation of the numerical score obtained in the assessment.

The letters BB, B, A, AA, and AAA express a score close to the central pentile value (e.g., 50)

The +/- signs express a score close to the upper/lower value of the pentile (e.g.40 or, 55)

**6.2.3 Validation thresholds**

The assessment is considered to have been successfully completed, and the company can receive the validated "GIF Responsible Organization" claim (and mark) if and only if the following criteria and scoring thresholds are met:

- 1) minimum overall score = 40
- 2) minimum "Governance & Management System" score = 40
- 3) minimum score for each "core" area = 40

If any of the above three conditions are not met, the outcome of the assessment cannot be considered positive.