



ESG reporting – meeting investors' needs

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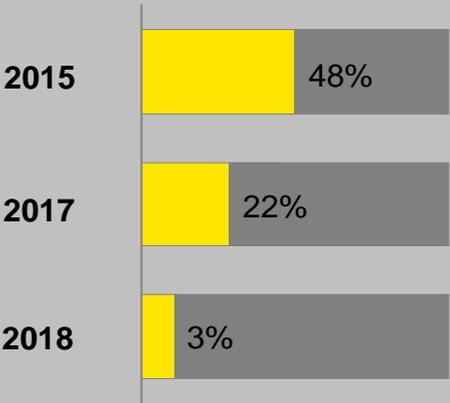
Investors have growing focus on ESG

EY Investor Survey 2018

56%

"Of investors surveyed said that a company's nonfinancial disclosures are either not available or inadequate for meaningful comparison with those of other companies"

Proportion of investors surveyed who said they undertook little or no review of nonfinancial disclosure



96% of investors said that non-financial information has occasionally or frequently played a pivotal role in decision-making

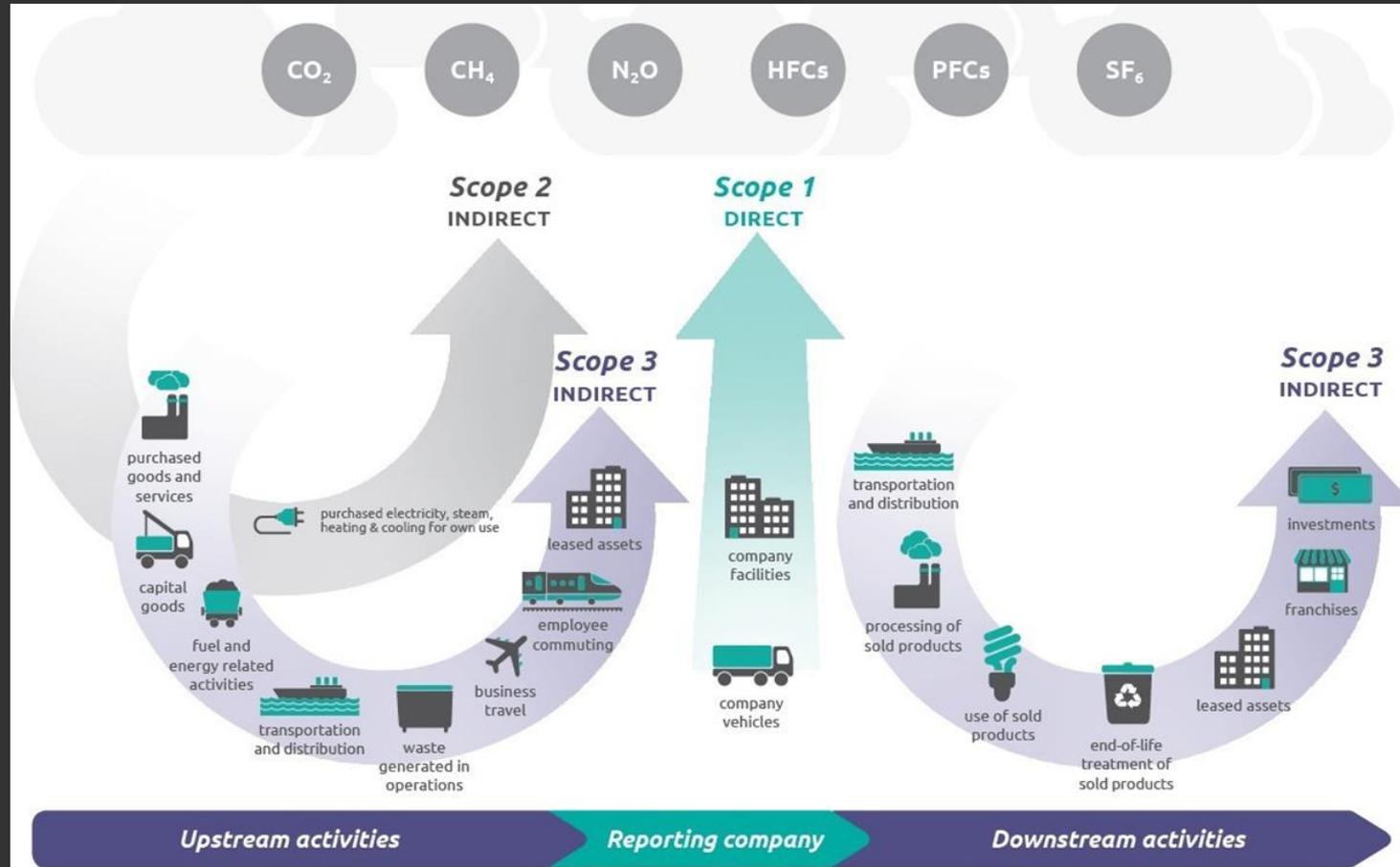
97% of investors conduct either informal or structured evaluation of a target company's non-financial information

Source: EY Investor Survey 2018



International ESG-related standards

The GreenHouse Gas (GHG) Protocol enables organisations to report systematically on emissions from the entire value chain



International standards such as GRI and SASB provides companies with specific topics and KPI's to report on



Standardising disclosures on climate change impacts – TCFD

TCFD (Task-force on Climate-related Financial Disclosures) provides a framework for companies to assess and report on climate-related risks and opportunities by assessment of different scenarios (e.g. 2 degree scenario)



ESG key figures

Finansforeningen, FSR and Nasdaq highlight 15 ESG key figures that might be important for assessing a company's future performance

	Unit	Target (2020)	2019	2018	2017	2016	2015
Environmental data							
CO ₂ e, scope 1	Metric tonnes	4,200	4,389	4,479	4,658	4,751	4,870
CO ₂ e, scope 2	Metric tonnes	2,500	2,679	2,734	2,843	2,900	2,973
Energy Consumption	GJ	48,000	48,619	49,611	51,595	52,627	53,943
Renewable Energy Share	%	52	51	49	46	39	32
Water Consumption	m ³	1,325	1,352	1,380	1,435	1,464	1,501
Social data							
Full-Time Workforce	FTE	4,450	4,498	4,510	4,690	4,971	5,369
Gender Diversity	%	40	40	38	37	33	32
Gender Diversity, Management	%	33	30	31	24	22	17
Gender Pay Ratio	Times	1.0	1.2	1.2	1.2	1.3	1.4
Employee Turnover Ratio	%	10	11	11	12	12	13
Sickness Absence	Days per FTE	4.5	5.3	5.4	5.6	6.0	6.4
Customer Retention Ratio	%	88	85	87	83	81	79
Governance data							
Gender Diversity, Board	%	33	33	33	17	0	0
Board Meeting Attendance Rate	%	98	95	92	92	90	92
CEO Pay Ratio	Times	22	23	22	21	21	20

The overview should contain only the relevant KPI's and other key figures can be included

Source: ESG key figures in the annual report 2019 (June 2019), Finansforeningen, FSR –danke revisorer and Nasdaq

Key principles for good ESG reporting

Link to business model:

Is sustainability linked to the business model and strategy?

Materiality:

Does the report focus on topics the most material to the key business and key stakeholders?

Risks:

Are sustainability-related risks described in connection to the company's business activities?

Overview:

Does the report include an overview of the company's topics and activities within sustainability, and are these topics processed consistently – from strategy and policy over to actions and results, and the future expectations?

UN Sustainable Development Goals (SDGs):

Does the company link ESG to the UN Sustainable Development Goals (SDGs), and if so, it is described why the chosen SDGs are relevant to the company and how the company contributes to the chosen SDG's?

Boundaries and accounting practice:

Is the reporting period and which parts of the company's activities included in the reporting clear to the reader?

Does the report include accounting practice for measurement and calculation of numbers?

Comparability:

Is it possible to compare the yearly results with results from previous years (e.g. a table with the previous years results; development explanations in numbers and initiatives), including comparability with other companies (e.g. use of industry specific indicators etc.)?

Balance:

Does the report include dilemmas, challenges, and does it comment on both positive as well as negative performance?

Measurability:

Does the company disclose ESG-targets, key figures and indicators to support improvements and the yearly results?

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