

CONCOURS IFD DU MEILLEUR RAPPORT DE DÉVELOPPEMENT DURABLE FSI COMPETITION FOR BEST SUSTAINABILITY REPORT

www.ifd-fsi.org / rapport-reporting@ifd-fsi.org

IFD FSI

Initiative
Finance
Durable
Finance
Sustainability
Initiative

ASSESSMENT GRID FOR THE FSI COMPETITION FOR BEST SUSTAINABILITY REPORT

INSTRUCTIONS

The scope of the assessment is the report itself, rather than the company's ESG performance

The report assessment should be conducted from the **perspective of investors** - particular attention must be paid to determining whether information is relevant, meaningful and useful to support decision-making by investors

Each criterion is assigned a score

"Report" in this grid means a sustainable development report (PDF, print, or online) or any other ESG disclosure that is sufficiently complete to constitute the equivalent of a report (for example, structured content on web pages, whether interactive or not)

There is potentially one award per SICS™ sector

In order to be eligible for an award, the report must obtain a score of at least 50% (i.e. 62.5/125 points) with this assessment grid

However, the grid is to be completed for all reports that score greater than 20% (i.e. 25/125 points), as it will be made available to the company upon request

#	POINTS	CRITERIA	EXPLANATION
PART I - ASSESSMENT CRITERIA DEFINED (TOTAL SCORE OF 100)			
1	5	Is the report a) easy to find and b) easy to read?	For a) please consider factors such as location on the website, download options, navigability. For b) please consider whether information is clearly presented (easy to find, easy to understand, with appealing graphics and visuals that help understand the content of the report), the report's overall length, multiple languages, references and benchmarks, etc.
2	15	Does the report satisfy the principle of materiality? - Does the report clearly identify the most significant ESG factors for the business strategy and activities? - Does the report clearly explain the mechanism and process for identifying significant factors? Does the report provide a definition of the materiality of each of these factors for the company? - Does the report clearly explain the link between the company's ESG performance, its strategy and day-to-day operations?	Materiality is a fundamental consideration in financial disclosure, and it is equally important in ESG disclosures. However, the determination of what constitutes a material topic is specific to each company and should therefore be explained in detail. In general, an information or a factor is considered material if it has the potential to influence the investment decision (positively or negatively) of investors, creditors, or any other decision-maker, or the determination of the company's value. Suggested resources: - GRI Standards: GRI101: Foundation, page 10 - SASB: https://www.sasb.org/materiality/important/ - SASB: http://materiality.sasb.org/?hsCtaTracking=28ae6e2d-2004-4a52-887f-819b72e9f70a%7C160e7227-a2ed-4f28-af33-dff50a769cf4 ; SASB has identified material factors for each sector of activity (SICS™) based on a rigorous evaluation, consultation, and validation process. Please also assess whether the report identifies a relationship between the ESG factors that are identified and addressed in the report and the company's strategy and operations.

CONCOURS IFD DU MEILLEUR RAPPORT DE DÉVELOPPEMENT DURABLE FSI COMPETITION FOR BEST SUSTAINABILITY REPORT

www.ifd-fsi.org / rapport-reporting@ifd-fsi.org

IFD FSI

Initiative
Finance
Durable
Finance
Sustainability
Initiative

#	POINTS	CRITERIA	EXPLANATION
3	5 (a) 5 (b) 5 (c) 5 (d)	Does the report contain relevant metrics, or key performance indicators, in relation to material factors: a) Are the metrics specific, quantified and measurable? b) Is there an explanation of how these metrics relate to the company's performance and of any actions and corrective measures to implement, if necessary? c) Are there measurable goals and targets for future years (with dates or timelines)? d) Are longer-term vision and objectives included?	For example, assess whether the report contains specific indicators related to the ESG factors identified and an explanation of the company's performance in relation to these indicators over time (over several years), compared to its peers (comparable companies) and/or to a benchmark (it is not a question of assessing the company's performance on these factors, but rather their meaningful disclosure). Also assess whether the report contains information about the medium- and long-term plans relative to ESG factors identified and discussed, including specific targets for the indicators that are measured and reported. For example, assess whether the company includes medium and long-term vision and objectives (3 years, 5 years, more than 10 years).
4	5	Does the report satisfy principles of transparency and balance?	These are fundamental principles of financial and non-financial disclosure. Suggested resources: - GRI Reporting Principles: GRI101: Foundation, pages 13-16
5	5	Does the report satisfy principles of reliability and completeness and is the report subject to an external assurance or audit process in whole or in part?	Assess to what extent the data collected is complete and reliable, whether for one or more indicators or for the report as a whole, and whether the data was collected through a rigorous internal process and/or externally audited by an independent third party. For example, some indicators may be subject to a rigorous and verified data collection process, even though the entire report is not subject to an external audit process. Suggested resources: - GRI Standards: GRI101: Foundation, page 15, GRI102: General Disclosures, page 41
6	5	Does the report satisfy other key principles for defining report content? - Stakeholder consultation/engagement - Sustainability/ESG Context	These concepts are borrowed from the GRI Standards but apply to any sustainability or ESG reporting. Suggested resources: - GRI Standards: GRI101: Foundation, pages 8-12
7	5	Does the report satisfy other principles for defining report quality? * Comparability * Accuracy * Timeliness * Clarity	These fundamental principles apply to any financial and non-financial accounting and disclosure. Suggested resources: - GRI Standards: GRI101: Foundation, pages 13-16
8	10	Does the report clearly explain the link, qualitatively or quantitatively, between the company's ESG performance and its financial performance? Does the report contain information about the financial performance of the company?	For example, does the report establish a qualitative or quantitative relationship between the ESG factors identified and addressed in the report and their impact on financial performance or business value creation (for example, more/less revenues, higher/lower operating costs, increase/decrease in asset values, faster/slower growth, more/less risk).

CONCOURS IFD DU MEILLEUR RAPPORT DE DÉVELOPPEMENT DURABLE FSI COMPETITION FOR BEST SUSTAINABILITY REPORT

www.ifd-fsi.org / rapport-reporting@ifd-fsi.org

IFD FSI

Initiative
Finance
Durable
Finance
Sustainability
Initiative

#	POINTS	CRITERIA	EXPLANATION
9	5 (a) 5 (b)	Does the report contain relevant information about the company's governance practices? a) Corporate governance b) Governance of corporate social responsibility (CSR), sustainability, or significant ESG factors	Information on corporate governance is usually incorporated by reference to other disclosure documents; please assess the ease of finding and assimilating this information to understand the company's corporate governance practices. For example: Management Information Circular, Proxy Circular, Annual Information Form, policies, charters, etc. Furthermore, it is also useful for the company to disclose more specifically the governance structure pertaining to ESG factors, i.e. if the company demonstrates a structured approach to corporate social responsibility, sustainable development, or the integration of ESG factors into its corporate strategy. Clear accountability up to the Board of Directors (the governing body) in identifying the most significant ESG factors demonstrates greater integration with business strategy and is worth more points.
10	5	Were any measurement protocols (GHG Protocol, ISO, etc.) or standards or frameworks (GRI, SASB, <IR>, etc.) used in the report?	With respect to comparability, reliability, and several other principles mentioned in this grid, it may be desirable for companies to use widely used protocols or standards. It is equally useful to see whether the company makes explicit reference to such frameworks, even if it is not in a position to fully comply with them.
11	5	ESG reporting other than in the sustainability report: is ESG information mentioned in the company's Management's Discussion and Analysis (MD&A) and is this information consistent with the significant ESG factors identified in the sustainability report?	Through a review of the table of contents and keyword search that are based on the contents of the sustainability report and the most significant factors facing the company and its industry, please assess if the company is including relevant ESG information in its MD&A for the latest fiscal year-end (the one corresponding to the period covered by the sustainability report).
12	10	Does the information in the report influence your perception of the company, as an investor? (see questions on the right)	<p>a) Does the report content provide information that is useful to your assessment of and decision to invest in this company? b) Is this content useful to your assessment of the company' growth potential over time? c) Is this content useful to your assessment of the management team's expertise and leadership and its ability to mobilize resources to generate sustainable profit and performance over the long term? d) Is this content useful to your assessment of its risk level? e) Is this content useful to your assessment of its competitiveness? f) Is this content useful to your assessment of whether the company is an employer of choice? g) Does the content give rise to questions to which answers are not provided?</p> <p>In addition to the more qualitative answers to these questions, can you relate the information in the report to (a) revenue growth, (b) profit margins, (c) cost of capital, or (d) the multiples or discount rate the would used for purposes of valuation (or any other measure of value creation)?</p>
100	= Total score for PART I		

CONCOURS IFD DU MEILLEUR RAPPORT DE DÉVELOPPEMENT DURABLE FSI COMPETITION FOR BEST SUSTAINABILITY REPORT

www.ifd-fsi.org / rapport-reporting@ifd-fsi.org

IFD FSI

Initiative
Finance
Durable
Finance
Sustainability
Initiative

#	POINTS	CRITERIA	EXPLANATION
PART II - CUSTOMIZED ASSESSMENT CRITERIA (TOTAL SCORE OF 20)			
		One or more criteria determined by the jury allowing for and additional total of 20 points	Customized criteria can be based on general or industry-specific factors. They must be applicable to all companies in a given SIC TM sector. They can include portions of the above defined assessment criteria for greater emphasis.
20	= Total score for PART II		
PART III - BONUS POINTS AWARDED AT THE JURY'S DISCRETION			
	5	Bonus points awarded at the jury's discretion: a) Do you consider the company's report worthy of bonus points in view of its smaller size (market capitalization of less than \$2 billion at the time of the report)? (1 to 3 bonus points) b) Do you consider that the company's report deserves bonus points in view of its efforts to address global ESG factors? (1 to 3 bonus points)	For a) please use the list of companies with a capitalization of less than \$2 billion as at December 31, 2016 provided to you. For b) please refer to such things as, for example, the United Nations Sustainable Development Goals (SDGs) (http://www.un.org/sustainabledevelopment/sustainable-development- objectives) or scenarios from Science Based Targets aimed at supporting the goal of limiting global warming to two degrees (http://sciencebasedtargets.org/), or other recognized references (please specify). In all cases, the company must demonstrate that it is more than just a signatory.
5	= Total score for PART III		
125	= Total score for the report		
			Note: With bonus points, the score can reach 125 points. This score will be converted to a percentage.