

SUSTAINABILITY PERFORMANCE

**EFFECTIVE TOOLS FOR BETTER ENGAGEMENT
AND COMMUNICATION ON SUSTAINABILITY**



**BUREAU
VERITAS**

DON'T JUDGE A BOOK BY ITS COVER

This English metaphorical phrase means one should not judge the worth or value of something just by its outward appearance. It teaches us to look deeper before passing judgement.

Responsible companies have two principal communications methods when engaging stakeholders and consumers. Consumers need fast and simple ways to understand sustainability credentials for the products they buy. While corporations, investors, and other stakeholders require rigorous reporting standards to understand and verify the accuracy of sustainability claims. Increasingly, this detailed reporting is also necessary to access green finance or to compile Environmental, Social and Governance (ESG) indices.

These are not mutually exclusive and often both communication tools are used to engage with stakeholders and the market.

As an example, having environmental permits and approvals in place does not make a company sustainable any more than the selling of organic products. Both elements are often part of a license to operate, but they are not a holistic representation of the company's sustainability journey.

Companies and consumers have embraced the adoption of labels and management system certification as indication of a product or firm's level of sustainability. These labels are meant to provide a level of confidence into the company's operating model or the product's alignment with a consumer's values and expectations. However, companies cannot rely on these alone - to be truly sustainable they need to adopt a holistic approach to sustainability beyond a product or a single operating model.

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LAYING THE GROUNDWORK FOR CORPORATE ESG

Today's companies are increasingly looking to put environmental, social and governance (ESG) performance at the heart of their strategy. Spurred by investors, customers, employees, external stakeholders and regulators, businesses are starting to evaluate ESG impacts across their activities. This means they need to collect ESG data, identify areas for improvement, and define how ESG will be integrated into the company strategy.

HOW COMPANIES CAN LEVERAGE ESG DATA

As information about ESG performance becomes more specific and sought after, companies can use their data to take action, reaping a variety of benefits:

- Determine areas and strategies for improving ESG performance
- Increase capital raising activities by leveraging ESG successes
- Meet criteria for green bonds and green financing opportunities
- Maximize investor confidence in long-term sustainability management
- Support the development of a more sustainable supply chain
- Improve company reputation by proving ESG commitments
- Verify company communications around ESG actions



THE VALUE OF DATA IN DRIVING MEANINGFUL PROGRESS

A true commitment to sustainability and proper implementation of a strategy is based on the collection and use of accurate data to drive continuous improvement. Sustainability strategies require a proper system for data collection and to monitor progress and at its heart is verification. Management systems are a means to control risk and establish a robust, consistent approach for the collection of data.

DATA FOR STRATEGY

Identifying impacts starts with good data. Bureau Veritas expertise helps companies understand the risks in their supply chain, can identify key data needs that monitor performance and risks. Over the many years and the thousands of audits performed, Bureau Veritas has a deep knowledge base for a number of industries. We cross-reference this wealth of knowledge with country-specific data to support our clients with a panoramic view of their risk.

DATA TO MONITOR PROGRESS

Bureau Veritas' audit programs gather data, such as GHG emissions for carbon footprint verification, water management for responsible sourcing and production, and accident and injury information for occupational health and safety audits. These are all data points for a holistic approach to ESG. Independent third-party data verification demonstrates the commitment to transparency, honesty and accuracy, and a dedication to continuous improvement.

DATA TO COMMUNICATE PROGRESS

Communicate progress on sustainability goals by using accurate, comprehensive and properly gathered data. Bureau Veritas has been a trusted partner in verifying key indices for clients globally and has the credentials and reputation to provide sustainability report assurance. A sustainability report that is verified by Bureau Veritas sends the right message to the market.



UNDERSTANDING LABELS, CERTIFICATION AND STANDARDS

Sustainability labels are used to demonstrate compliance with a specific criterion. Their value is offering the consumers an easy way to judge whether a product meets their needs but they do not tell the full story.

The link between a company's label and good practices is complex. Using a label can be too narrow to encompass the complexity of sustainability issues at a company level. A true comprehensive approach requires a management system methodology that encompasses all of a company's key impacts and their risks.

Standards, whether international (as with ISO management systems) or private (as with many labelling schemes), offer clear and concise definitions and requirements that must be met to ensure consistent implementation of risk control processes.

A **label** is to provide the consumers with information about the environmental or social credentials of generally a product or service, often in relation to a specific impact (e.g. organic, recyclable, Genetically Modified Organisms (GMO) free)

A **management system** is a holistic approach that addresses impacts at an organizational level. Companies implement internationally accepted best practices using audits to improve performance, verify implementation, and to mitigate risks.

Certification of a management system demonstrates conformity with the standard, i.e.: the correct implementation of the requirements and a commitment to continuous improvement.

Verification and **assurance** requires an evaluation of activity data (operations-related) produced by a management system. An example would be the actual verification of the carbon emitted based on commitments made earlier and the procedures in place to minimize emissions.

In each of the examples above, it is still important to note that these options do not, however, guarantee performance. As described, verification or assurance of performance goes the extra mile beyond a traditional management system to include its outcomes and trends.

In summary, combining these third-party evaluations, supports a company's credibility in communicating their sustainability journey and commitments.



INTEGRATING SUSTAINABILITY IN DAY-TO-DAY OPERATIONS

Sustainability is discussed regularly in board and executive committee meetings in every company globally.



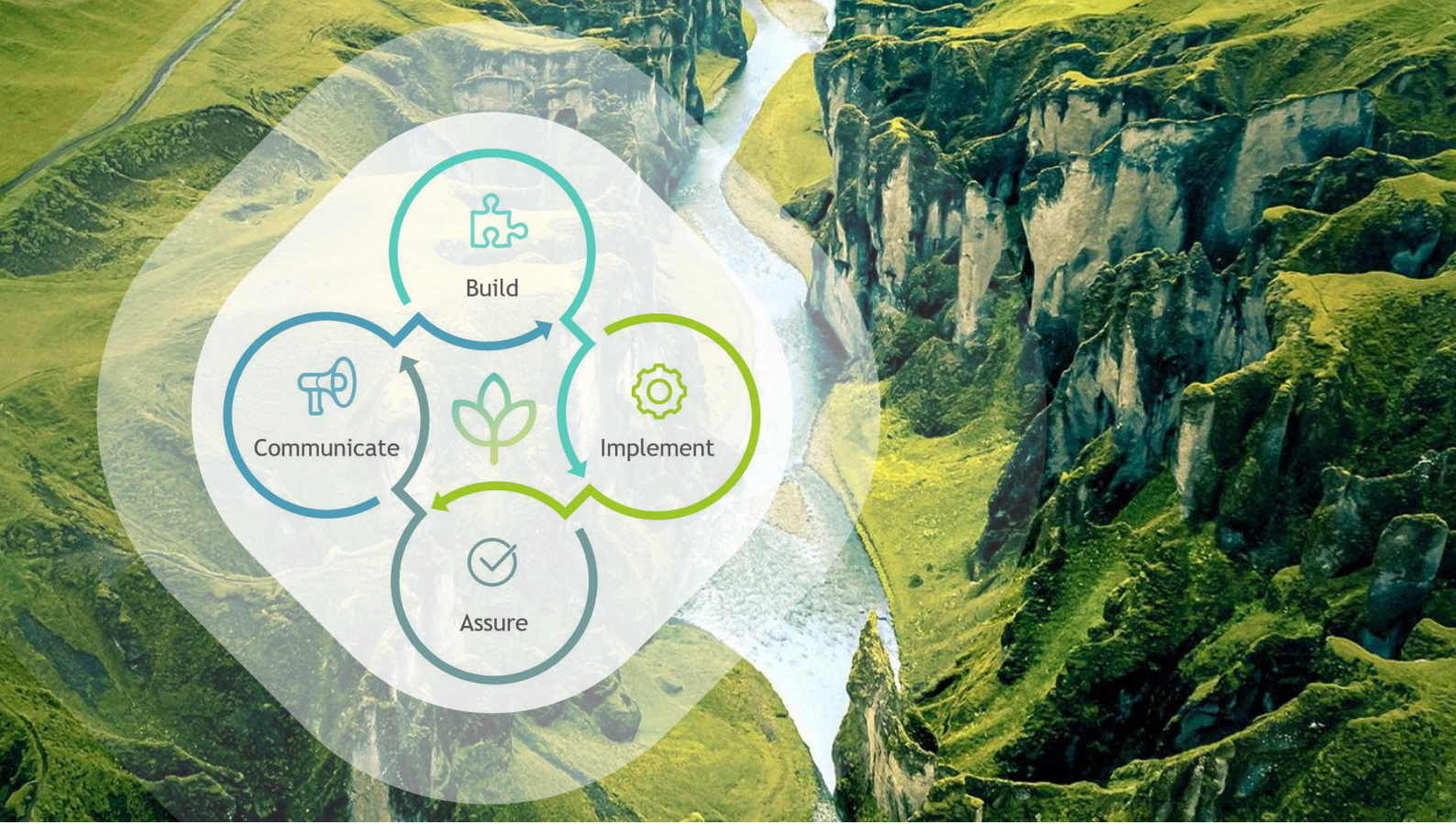
Most large organizations have invested both time and money in developing a strategy to address the challenges. However, a strategy to address these issues is only as useful if it is relevant to a company's business. In order to address real impacts and to include the full scope of a firm's operations, it must also be integrated into how a company functions, its business processes, and outlook. Its approach must be fully connected with the company's core strategy.

Firms without an integration strategy and goals will wallow and struggle to get their programs to gain traction. They will suffer from inefficiencies, and ineffectiveness because of a failure to attain buy-in throughout the organization and an inability in finding clear paths to goals. Such lack of direction will also result in a failure to attract needed talent and resources required to create value in the journey to sustainability.

THE VALUE OF OPERATIONAL INTEGRATION

Issues encountered when delivering sustainability are often traced to strategies that are not business-customized, that are cursory and not comprehensive, or are too simple - lacking a clear delivery strategy.

Even the best-laid plans fail to succeed without a concise implementation plan to achieve intended purposes. Integrating sustainability into existing operations reinforces priorities and identifies goals that express a company's strategy and creates new norms and habits. A true management systems approach to integration of sustainability has in its foundation the steps of Plan – Do – Check - Act.



Build the system to provide results. A sustainability roadmap with the systems in place to execute.



Implement the roadmap by having the appropriate systems to support full integration and execution.



Assure that it is functioning as expected and delivering anticipated results. This includes appropriate data collection of Key Performance Indicator (KPI) to track successes and challenges. Ensure full implementation with third-party verification. Tracking of the appropriate and correct data.



Communicate your achievements, challenges, and commitments to stakeholders in order to build trust. Report accomplishments and tribulations to elicit engagement through social media and other non-financial reporting avenues.

DON'T JUDGE A BOOK BY ITS COVER

The sustainability journey for each company is unique and complex. Its operations, market, and geography all play a part. Labels are often used to compare and contrast companies, while certifications are recognition for appropriate systems in place for a particular aspect of operations. These are just some ways firms communicate. Specialist Non-governmental organization (NGO), rating agencies and now governments have created a myriad of reporting frameworks to better judge which company is 'more' sustainable than another. A more formulaic approach to communicating on certain aspects of sustainability. The truth lies in the details and the onus is on the companies to effectively communicate using the appropriate tools at their disposal to engage with their stakeholders on multiple levels to share their journey in a transparent and trustworthy manner.



MANAGING ESG WITH BUREAU VERITAS



ASSESS YOUR BUSINESS' ESG NEEDS

Every company has distinct ESG needs, from limiting environmental impact, to ensuring supply chains are responsibly managed, to improving employee and client wellbeing. Bureau Veritas' experts can help businesses assess how developed their ESG strategy is, and identify solutions that enable organizations to measurably improve their performance.



IMPLEMENT THE BEST SOLUTIONS FOR YOUR COMPANY

Businesses can implement a range of concrete actions to improve all aspects of their performance in environmental, social and governance areas. From implementing company-wide management systems, to complying with standards, to undergoing customized audits, companies can target specific areas for ESG performance.



GET BUREAU VERITAS CERTIFICATION, ASSURANCE OR VERIFICATION

Bureau Veritas offers certification, assurance and independent verification services to companies across industries and throughout businesses' supply chains. Our global network of experts provides key services for sustainability, health and safety, and corporate responsibility, helping companies achieve continual improvement with measurable objectives.



Our BV Green Line of services and solutions enables clients to meet sustainability challenges, protecting the environment and improving the quality of products and services across the value chain. Built on five pillars – Resources & Production, Consumption & Traceability, Buildings & Infrastructure, New Mobility and Social, Ethics & Governance – BV Green Line helps organizations implement, measure and achieve sustainability objectives.

SHAPING A WORLD OF TRUST

Bureau Veritas is a Business to Business to Society company, contributing to transforming the world we live in. A world leader in testing, inspection and certification, we help clients across all industries address challenges in quality, health & safety, environmental protection and social responsibility.

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