

Below is a set of examples gathered in order to provide insight into the variation in the level of disclosure our analysts are scoring in CSR reports. Note that the actual scoring criteria we apply are more granular in nature, and that these examples are intentionally fragmented pieces of a report presented with limited context for the purpose of exposition, so the “level” here may not reflect the actual score given by the analysts on the reports from these companies. Similarly, the length/word count of each example should *not* be taken as an indication of its score; instead consider the scope of coverage* and depth of information** displayed.

Sample Scoring Criteria - Environment

Level	Criteria	Illustrative Examples
0	Report <u>does not discuss</u> activities toward reducing/mitigating the environmental impacts of the company’s business in a meaningful way.	“The Group has three specific sustainability management goals which are: being wise, being smart and being sustainable... We endeavor to minimize social and environmental risks through green management... KB Financial Group has been dedicated to resolving global environmental issues which are becoming increasingly more serious... The social responsibility assessment is designed to evaluate each partner’s ethical management activities and environmentally-friendly operations (green growth industry, etc.). The results of the assessment are incorporated into the partner’s credit assessment as a non-financial item...” (KB Financial Group Inc., 2014)
I	Report provides <u>minimal depth</u> of information on the <i>scope of coverage</i> of the company’s activities toward reducing/mitigating the environmental impacts of the company’s business. Discussion categorized as incomplete and vague.	“For 128 years, Johnson Controls has been committed to sustainable development and protecting the environment; we consider it our social and corporate responsibility... Johnson Controls generally remained on track to achieve our 10-year greenhouse gas, energy, water and waste intensity goals in 2013. We are committed to an annual 1 percent absolute reduction of greenhouse gas emissions across all our businesses. The improvements we make also enhance our financial results. Over the past 10 years, revenue has increased 78 percent while our carbon footprint has increased only 10 percent...” (Johnson Controls, Inc., 2014)

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| <p>II Report provides <u>fair depth</u> of information on the <i>scope of coverage</i> of the company’s activities toward reducing/mitigating the environmental impacts of the company’s business, including measurable results. Discussion categorized as reasonably comprehensive and detailed.</p> | <p>“We will comply with all applicable EHS legal requirements and with other requirements to which we subscribe, related to EHS aspects and risks... Freescale established a goal in 2010 to reduce our water consumption by 50% over our 2008 baseline. In 2013, we had a significant production increase over 2012, increasing our absolute water consumption amount; however, we still hope to achieve this 2015 goal... We implemented conservation projects that saved more than 42 million gallons of water and 14.9 million kWh per year...” (Freescale Semiconductor, Ltd., 2014)</p> |
| <p>III Report provides <u>good depth</u> of information on the <i>scope of coverage</i> of the company’s activities toward reducing/mitigating the environmental impacts of the company’s business, including measurable results and comparisons of outcomes at a company or industry level. Discussion categorized as comprehensive and detailed.</p> | <p>“In 2013, the total extrapolated amount of carbon emissions from our business operations decreased from 209 to 169 kilotons compared to 2012 and per FTE from 2.4 to 2.2 tons... In the spring of 2012, we partnered with an electric taxi service to support the transportation needs of employees in the Netherlands. Through this initiative, we have ‘greened’ 18,000 kilometers of journeys up to year-end 2013... Our Sustainable Procurement program, which began in the Netherlands in 2012, takes this a step further by embedding ING’s procurement policy towards suppliers into our processes...” (ING Groep N.V., 2014)</p> |
| <p>IV Report provides <u>excellent depth</u> of information on the <i>scope of coverage</i> of the company’s activities toward reducing/mitigating the environmental impacts of the company’s business, including measurable results and comparisons of outcomes at the company or industry level. Discussion categorized as comprehensive and detailed, and is noted for reaching an exceptional level of disclosure.</p> | <p>“Since fiscal 2009, we have decreased our total water use by 44.8% and achieved a one-year reduction of nearly 9.8% in fiscal 2012. Over the past four years, we have lowered water use by more than 2,750 million liters... Hazardous waste makes up only 0.04% of our total waste output. In fiscal 2013, our volume of waste produced rose by 44% from the previous year. This increase was due to activities relating to cleaning out an old fuel oil tank at one of our distilleries, which caused 30 tons of redundant fuel to be sent to a facility to be filtered and then blended as fuel for a power plant...” (Bacardi Limited, 2014)</p> |

*Scope of Coverage – Defined as the range of topics and locations discussed in the report. A wide scope of coverage means the company includes information about many of the relevant topics of the Element, both domestic and international.

**Depth (of information) – Defined as the level of specificity and type of detail included in the report about the different relevant topics and locations of operations. Strong depth of information means the company discussed the Element both narratively (citing specific cases or events) and quantitatively, with a focus on the managerial aspects of the communication, including information on how the relevance of different topics is determined.