ESG Risk Ratings in Brief

<table>
<thead>
<tr>
<th>Industry</th>
<th>Highest ESG Risk</th>
<th>Lowest ESG Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conglomerates</td>
<td>63.4</td>
<td>46.0</td>
</tr>
<tr>
<td>Industrial</td>
<td>68.2</td>
<td>37.7</td>
</tr>
<tr>
<td>Energy</td>
<td>40.1</td>
<td>30.1</td>
</tr>
<tr>
<td>Real Estate</td>
<td>47.1</td>
<td>30.1</td>
</tr>
<tr>
<td>Metals</td>
<td>42.3</td>
<td>30.1</td>
</tr>
</tbody>
</table>

Material ESG Issues for High and Low Risk Industries:

- **High Risk Industry**: Oil & Gas
  - Carbon – Own Operations
  - Occupational Health and Safety
  - Resource Use

- **Low Risk Industry**: Media Textiles & Apparel
  - Carbon – Own Operations
  - Occupational Health and Safety
  - Resource Use

Actions for Companies with High or Low ESG Risk:

**High ESG Risk Industry Actions**:
- Perform regular risk assessments, train employees on ethics and governance.
- Implement strong ethics, anti-bribery, and anti-corruption programs.
- Institute climate-related governance structures and procedures with a focus on scope 2 and 3 emissions.
- Set net-zero and science-based targets for greenhouse gas emissions.
- Use sustainable finance options to help fund the costs of meeting sustainability objectives.

**Low ESG Risk Industry Actions**:
- Disclose on the resilience of the overall strategy and business model.
- Institute a formal Indigenous rights policy with a commitment to respect the right to free, prior, and informed consent.
- Offer the right to a healthy environment as a human right.
- Respect the right to free, prior, and informed consent.
- Establish an environmental management system based on industry best practices and certified by the International Organization for Standardization (ISO).
- Adopt a comprehensive community engagement and development program.

**Addressing Material ESG Issues**:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Actions for Companies with High or Low ESG Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conglomerates</td>
<td>Address carbon-related risks in operations and ensure compliance with international best practices.</td>
</tr>
<tr>
<td>Industrial</td>
<td>Implement strong ethics and anti-corruption programs.</td>
</tr>
<tr>
<td>Energy</td>
<td>Institute climate-related governance structures and procedures.</td>
</tr>
<tr>
<td>Real Estate</td>
<td>Set net-zero and science-based targets for greenhouse gas emissions.</td>
</tr>
<tr>
<td>Metals</td>
<td>Use sustainable finance options to help fund sustainability objectives.</td>
</tr>
</tbody>
</table>

Learn more about ESG materiality and how companies address material ESG issues. **See below to explore how companies in different industries address material ESG issues**. We highlight the MEIs impacting companies and suggest better ESG risk management by a company than a high score.

**Highest ESG Risk Issues**:
- Carbon – Own Operations
- Occupational Health and Safety
- Resource Use

**Lowest ESG Risk Issues**:
- Carbon – Own Operations
- Occupational Health and Safety
- Resource Use

**Understanding Materiality**:

ESG issues and its management of those issues. A low score represents less unmanaged risk and suggests better ESG risk management by a company than a high score. A higher score is better.

**Actions for Companies**:

- Disclose on the resilience of the overall strategy and business model.
- Institute climate-related governance structures and procedures with a focus on scope 2 and 3 emissions.
- Set net-zero and science-based targets for greenhouse gas emissions.
- Use sustainable finance options to help fund the costs of meeting sustainability objectives.

**Material ESG Issues**:

- Carbon – Own Operations
- Occupational Health and Safety
- Resource Use

**Addressing Common MEIs**:

- **Carbon – Own Operations**:
  - Disclose on the resilience of the overall strategy and business model.
  - Institute climate-related governance structures and procedures with a focus on scope 2 and 3 emissions.
  - Set net-zero and science-based targets for greenhouse gas emissions.
  - Use sustainable finance options to help fund the costs of meeting sustainability objectives.

- **Occupational Health and Safety**:
  - Disclose on the resilience of the overall strategy and business model.
  - Institute climate-related governance structures and procedures with a focus on scope 2 and 3 emissions.
  - Set net-zero and science-based targets for greenhouse gas emissions.
  - Use sustainable finance options to help fund the costs of meeting sustainability objectives.

- **Resource Use**:
  - Disclose on the resilience of the overall strategy and business model.
  - Institute climate-related governance structures and procedures with a focus on scope 2 and 3 emissions.
  - Set net-zero and science-based targets for greenhouse gas emissions.
  - Use sustainable finance options to help fund the costs of meeting sustainability objectives.

**ESG Risk Rating**

- **High Risk** (10-20)
  - Carbon – Own Operations
  - Occupational Health and Safety
  - Resource Use

- **Low Risk** (40+)
  - Carbon – Own Operations
  - Occupational Health and Safety
  - Resource Use

**ESG Risk Ratings**

- **High Risk Rating** (10-20)
  - Carbon – Own Operations
  - Occupational Health and Safety
  - Resource Use

- **Low Risk Rating** (40+)
  - Carbon – Own Operations
  - Occupational Health and Safety
  - Resource Use