



F i n d
c l a r i t y
a w o r l d
n o i s e

in
of

What is ESG
does it matter

March 20

A g e n d a

- 1 . I n t r o
- 2 . H i s t o r y
- 3 . W h e r e a r e w e t o d a y
- 4 . W h e r e a r e w e g o i n g
- 5 . H o w d o e s t h i s r e l a
- 6 . E n d



Where are we today

The "We n do everyt ESG Mind

...doesn't allow f
innovation or di

" I think everyone
to feel like they
because it's just
we got past compli
mitigation and und
peers were doing u
could then identif
value-creating opp
business. "

Stuart Block, CPA

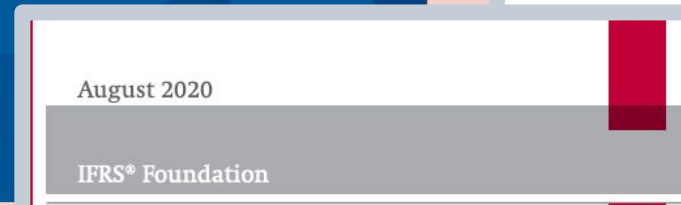
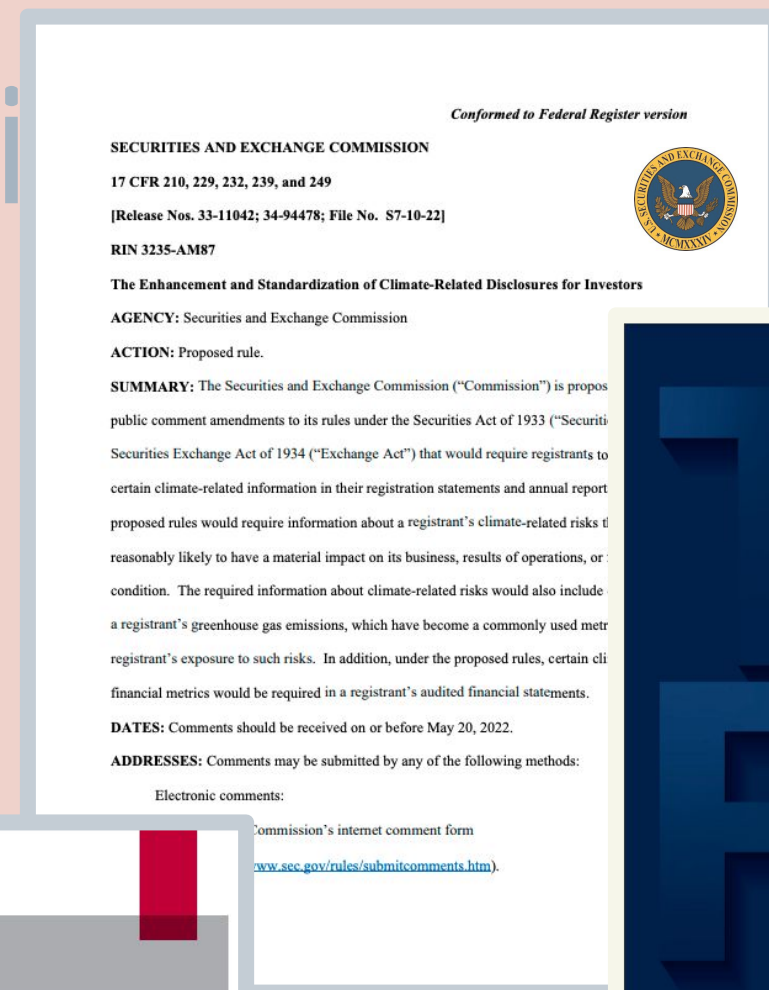
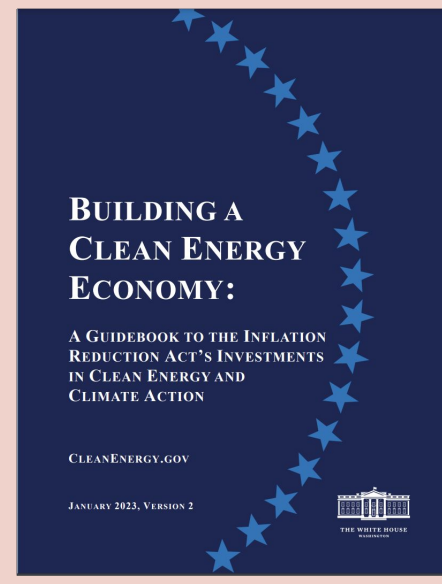
Director of ESG
Analytics
Cardinal Health



Increased and regul pressure

There are today 34x more
ESG compared to 10 years
ago.

These regulations share
objectives going governance
ESG.





Where are we going



Client DATA DRIVEN MATERIALITY

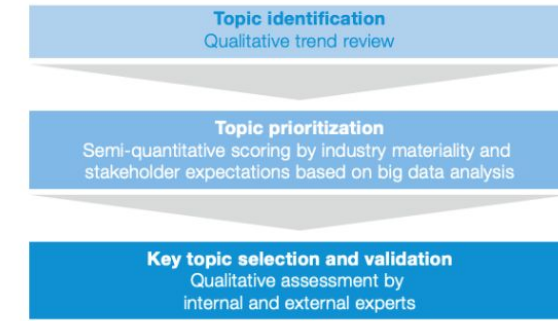
hunger), SDG 5 (Gender equality), SDG 6 (Clean water and sanitation), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 12 (Responsible consumption and production) and SDG 13 (Climate action). To prioritize the SDGs relevant to BASF, in 2022 internal experts again assessed the impacts and positive contributions of our products, our corporate targets and strategic action areas.

In 2022, we carried out an improved **materiality analysis** that already focuses on the double materiality required by future regulations. This identified both sustainability topics on which we have a potentially positive or negative impact through our business activities along the value chain, and those topics that have or could have a positive or negative impact on the company's performance. The graphic on this page illustrates our approach and the dimensions of double materiality.

In the first step, external developments and data were evaluated in order to prioritize topics. These included competitor and customer activities, relevant standards and regulations, and other trends relating to sustainability. The 48 topics identified in this step were then evaluated based on their importance for the chemical industry and the requirements and expectations of our stakeholders (such as customers, suppliers, competitors, investors and NGOs) using big data tools and further prioritized as the next step.

The core topics identified were then assessed in terms of their double materiality for BASF. Each sustainability aspect was considered from two perspectives: To assess sustainability relevance ("impact materiality"), both the actual and the potential positive and negative impacts of our company's activities were considered along three stages of the value chain (upstream, own operations, downstream). Here, we assessed the scale of impact, its scope and likelihood of occurrence. The individual topics were classified based on their potential financial impacts on BASF as part of the financial materiality analysis. Specifically, we analyzed how each sustainability aspect affects us geographically, for example, whether a local business unit or entire regions are affected, whether it impacts our production, our employees, meeting the targets we have set for the

Identifying and assessing sustainability topics*



* Material within the meaning of section 289c HGB or relevant within the meaning of the Global Reporting Initiative

BASF Group, or our reputation. The results help us to better understand the complex and sometimes diverging requirements and expectations that our stakeholders have of us and to define strategically relevant topics for our long-term business success.

A sustainability aspect is considered material in the sense of double materiality if it has been classified as material both at the level of sustainability relevance and at the level of financial relevance. Under the Global Reporting Initiative, a sustainability aspect is additionally already considered material if it has only been classified as material at the level of sustainability relevance. On this basis, the following 12 topics were identified as material and confirmed by the Corporate Sustainability Board: waste, climate change adaptation, biodiversity,

business ethics, occupational health & safety, climate change mitigation, circularity and resource efficiency, plastic waste, human rights and labor rights, product stewardship, diversity, inclusion & equal work, and water & wastewater.

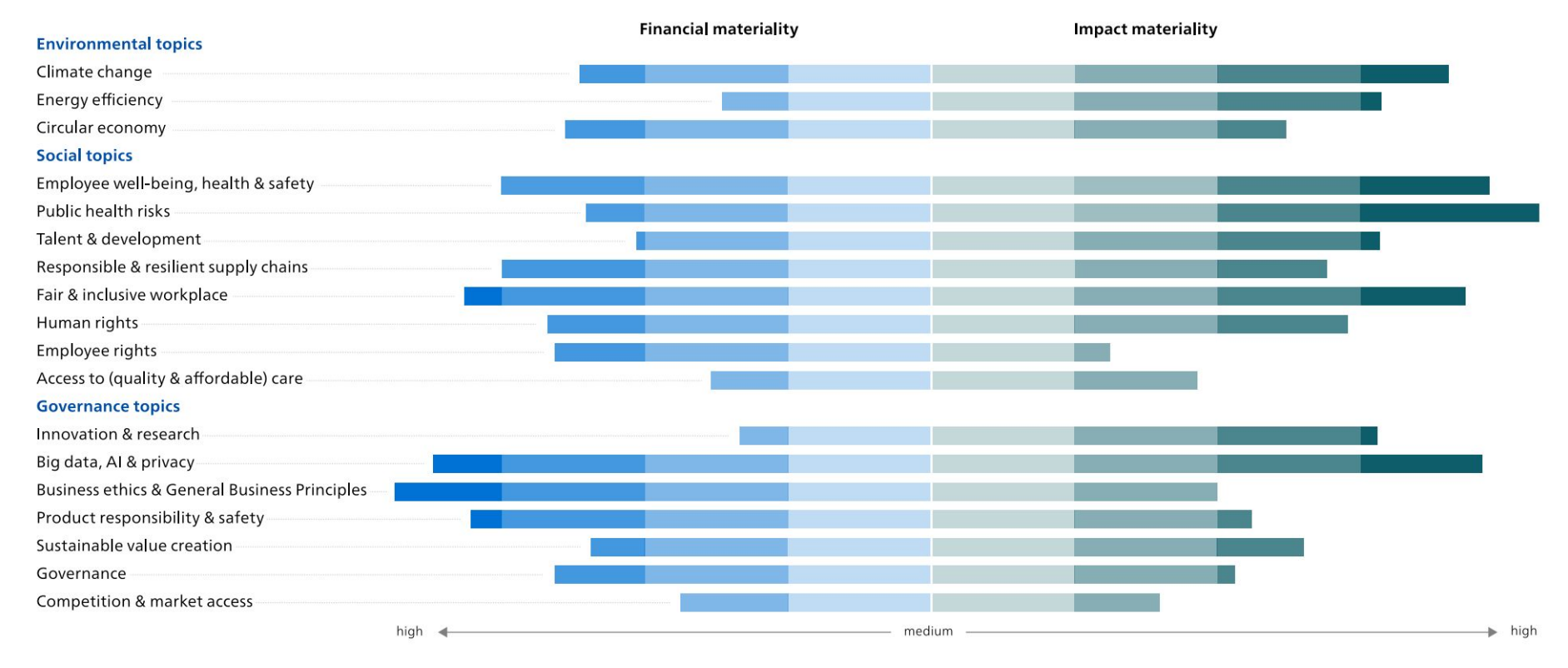
For more information on our materiality analysis, see basf.com/materiality



Audit readiness

Double material reasonable assurance

Read [Philips' report here](#)




The results of our materiality assessment have been reviewed and approved by the Philips ESG Committee and will be used to prepare for the upcoming EU legislation.

13.6 Assurance report of the independent auditor
 To: the Supervisory Board and Shareholders of Koninklijke Philips N.V.

Our opinion and conclusion
 We have audited the section 'Materiality analysis', the chapter 'Environmental, Social and Governance' (excluding the sections 'Remuneration policy' and 'Risk management approach') and the chapter 'ESG statements' (hereafter together: the ESG information) in the accompanying annual report for 2022 of Koninklijke Philips N.V. (the company) at Eindhoven, Netherlands. An audit is aimed at obtaining a reasonable level of assurance.

Furthermore we have reviewed the section 'EU Taxonomy framework' as included in section '5.1 ESG reporting framework' in the annual report (hereafter: EU Taxonomy information). A review is aimed at obtaining a limited level of assurance.



Working with your peers



2022 ESG Report

"Datamaran's patented ESG Steer-i real-time data analysis tool identifies impact Kraft Heinz, including regular regulatory, and reputational risks and dynamic and data-driven approach, we have governance process to meet the rise of

"We identify and prioritize these sustainability issues software in a data-driven and dynamic process for identification and innovation to gain a continuous, evidence-based regulatory, competitive and aggregate and analyze public communication with stakeholders, including customers, industry makers, regulators and suppliers. Datamaran also sends Eastman employees and the leaders of our Community Advis



2022 ESG Report

Development to

"Datamaran renews agreement with IFRS Foundation for use of strategic infrastructure software"



IFRS®

"Datamaran customers are better prepared for the first two standards to be published by the IASB that build upon and incorporate the SASB Standards."



Datamaran®

THE WAY FORWARD



Key development



watch

“ The European regulator EFRAG highlights the crucial role of technology in linking ESG risks and opportunities to strategy, recognizing Datamaran’s data-driven approach as a best practice. Our clients “as I e

Towards Sustainable Businesses: Good practices for Business Model, Risks and Opportunities Reporting in the EU

MAIN REPORT

Project Task Force on Reporting of Non-financial Risks and Opportunities and Linkage to the Business Model (PTF-RNFRO)

October 2021

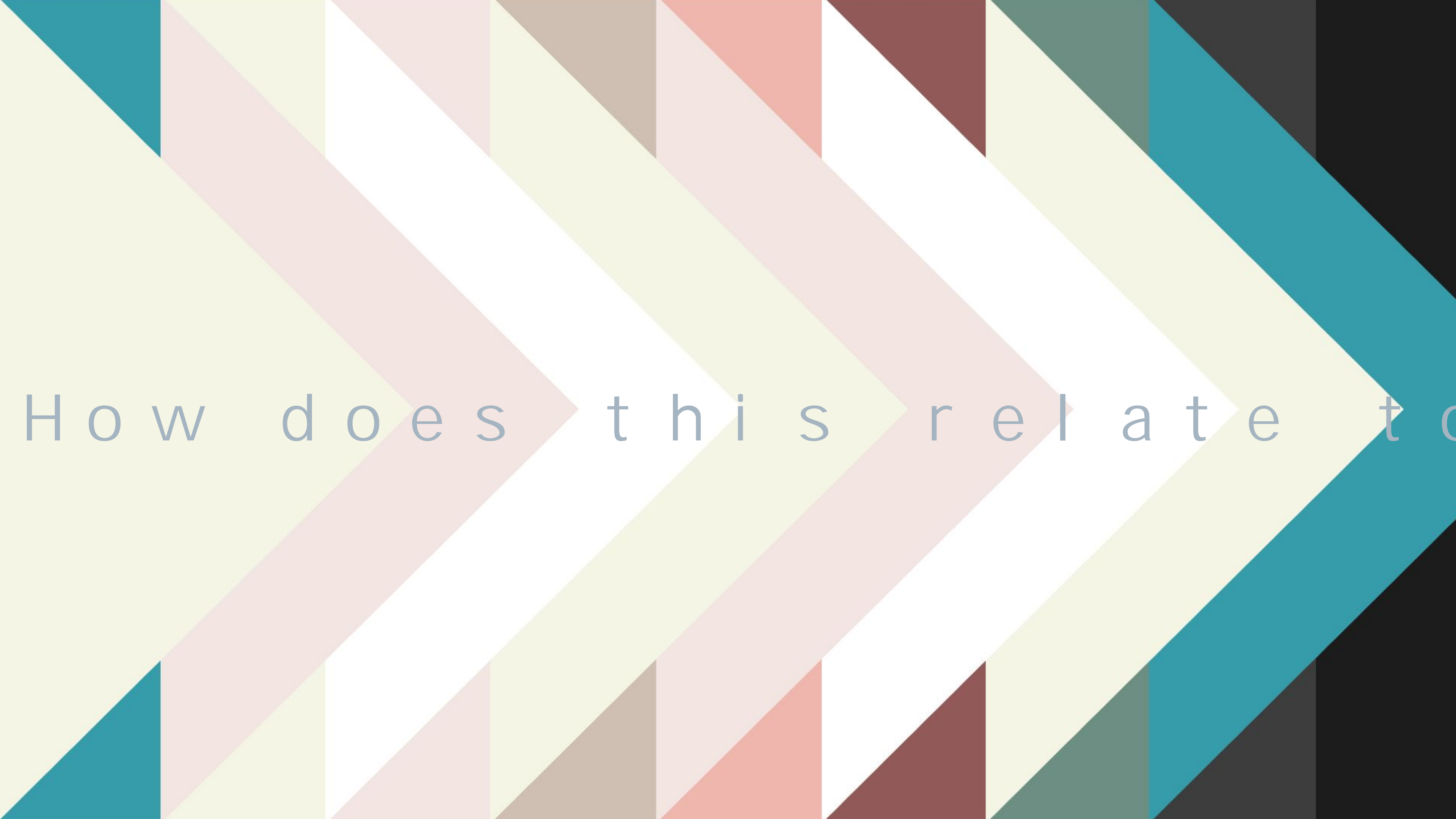
7.6 Optimising the use of available technologies

From the analysis of how the technology solutions are adopted in practice, the PTF-RNFRO outline below the many ways that technology solutions can play a crucial role in creating information consistent with the qualitative characteristics of the Practices Evaluation Approach (see [Chapter 2](#)). In particular:

Materiality/relevance

- Use of AI including NLP technologies to identify evidence of interest, relevance, and impact in relevant sources (corporate reports, regulations, standards, news, social media), ensuring a data-driven and auditable approach.
- The implementation of data management systems and related procedures enable the measurement and management of issues identified as material.





How does this relate to



Client

IMPROVING EXECUTIVE
OVERSIGHT

Story

"The Datamaran platform
engagement internally and
knowledge of ESG across
and our senior management



Bill Cooper
Manager, Corporate Res
at Nutrien



T h a n k y o u

Get in touch with us!



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