

# Performance Analysis of Sustainability Disclosure and Human Capital Development



August 2025

---

**S&P Global**

# Table of Contents

Executive Summary	3
Measuring Sustainability Performance	4
Human Capital Management Disclosure: Summary of the Guidelines set by Cabinet Office of the Japanese Government	6
Human Capital in the CSA	10
Guide to Read the Bar Charts and Box Plots	15
Research Universe	17
<b>Focus Topics</b>	
Corporate Governance	21
Risk & Crisis Management	29
Business Ethics	31
Supply Chain Management	36
Transparency and Reporting	38
Climate Change	39
Biodiversity	47
Human Rights	49
Labor Practices	55
Human Capital Management	61
Glossary	65
References	75
Disclaimer	76

# Executive Summary

This report offers a sustainability evaluation of large and mid cap companies in the developed markets with regional breakdown of North America, Europe, Asia-Pacific (Ex-Japan) and Japan (regional details are specified in the following section), developed for the Government Pension Investment Fund (GPIF). Sustainable practices become increasingly important to investors, regulators and other stakeholders like Non-Governmental Organizations, employees and customers. S&P Global leverages its Corporate Sustainability Assessment (CSA)<sup>1</sup> to shed light on corporates' sustainability preparedness to strategically manage material sustainability topics, transparency towards stakeholders and performance in key environmental, social, and governance (ESG) areas.

The CSA is a key element of the analysis in this report, evaluating a company's understanding of global sustainability trends and its handling of ESG opportunities and challenges. This assessment provides a robust framework for ESG performance assessment, collecting and validating data on various material topics for effective peer benchmarking and comparison by region or industry (See Appendix for GICS sector analysis). This enables data analysis by industry, geography or selected groups of companies.

The report examines two sustainability practices: i) transparency (or disclosure) in ESG and, ii) the progress corporations have made in developing and managing human capital risks and opportunities. The environmental section assesses the portfolio's readiness for climate change, biodiversity, and emissions management. The social component focuses on human capital, looking at enterprise value enhancement activities and risk management along the value chain. Governance analysis evaluates the effectiveness and accountability of management practices and associated risks oversights.

International and Japanese disclosure standards promote transparency in sustainability indicators, which is seen as influential in enterprise value creation. Japan's Financial Services Agency, through its panel of experts, plays a central role in the transition toward sustainable economic growth through policy and regulatory frameworks to promote sustainable finance, improve ESG reporting and foster responsible investment practices<sup>2</sup>. The two main documents in this context are the Japan's Stewardship Code<sup>3</sup> for responsible institutional investors and the Japan's Corporate Governance Code<sup>4</sup> outlining key principles for effective corporate governance and encouraging listed companies to adopt measures for sustainable growth.

The CSA metrics included in this report are selected based on materiality across industries, relevance to international reporting standards and alignment with GPIF's ESG focus themes. These themes include corporate governance, climate strategy, biodiversity, emissions management, diversity and inclusion, labor practices, human capital development, health and safety, human rights and business ethics. CSA metrics related to human capital opportunities and risks management follow the Guidelines set by Cabinet Office of the Japanese Government<sup>5</sup>, which aims to give hints for Japanese corporates to integrate human capital strategy with business strategy to increase their enterprise value and enhance risk management capability.

Similarly, the CSA materiality analysis highlights sustainability factors, such as human capital management and labor practices, that could influence enterprise value. This makes it useful for selecting metrics to explore and compare how companies manage human capital opportunities and risks, aligning with the purpose and spirit of the analysis included in this report.

## Sources:

1. CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)
2. Financial Services Agency (FSA), Sustainable Finance, [https://www.fsa.go.jp/en/refer/councils/sustainability\\_disclose\\_wg/index.html](https://www.fsa.go.jp/en/refer/councils/sustainability_disclose_wg/index.html)
3. Financial Services Agency (FSA), Japan's Stewardship Code, <https://www.fsa.go.jp/en/refer/councils/stewardship/20200324/01.pdf>
4. Financial Services Agency (FSA), Japan Exchange Group, Japan's Corporate Governance Code, <https://www.fsa.go.jp/en/news/2021/20210611/06.pdf>
5. Japan's Government Cabinet Office, Guidelines for Human Capital Visualization, <https://www.cas.go.jp/jp/houdou/pdf/20220830shiryouti.pdf>

# Measuring Sustainability Performance

At S&P Global Sustainability Research, we have always believed that financial analysis is incomplete if it ignores material extra-financial factors. Sustainability trends such as resource scarcity, climate change or an aging population continuously reshape a company's competitive environment. We are convinced that companies that can adapt to such challenges in material topics through innovation, quality and productivity enhance their ability to generate long-term enterprise value.

S&P Global Sustainable1<sup>1</sup> defines a sustainability issue as material if it presents a significant impact on society or the environment and a significant impact on the company's value drivers, competitive positioning, and long-term shareholder value creation. The Corporate Sustainability Assessment (CSA) was developed more than 20 years ago in order to identify companies that are better equipped to recognize and respond to emerging sustainability opportunities and challenges presented by global and industry trends<sup>2</sup>.

## Main Objective of the S&P Global CSA

The S&P Global Corporate Sustainability Assessment (CSA) evaluates a company's awareness of global sustainability trends and its management of ESG opportunities and challenges. The CSA provides a comprehensive framework for assessing ESG performance, enabling companies to identify improvement areas and align their strategies with best practices. The CSA not only helps companies to focus on sustainability issues that are more directly linked to their success as a business, but it also provides results that are particularly relevant for investors for evaluation and security selection.

## Double Materiality Analysis as Starting Point for the CSA

The double materiality analysis helps identify the sustainability factors that drive social and environmental impact as well as business value. Close attention is paid to the interrelation between external impact and internal impact on enterprise value creation. Over time external impacts on society and environment translate into internal impact on a company itself, including its financial value drivers. These impacts may be positive or negative, direct or indirect, including ripple effects through the value chain, upstream or downstream.

The materiality analysis considers global megatrends and industry-specific value drivers that contextualize company performance. It leverages on quantitative research, data sources, and pays attention to both risks and opportunities closely associated with financial performance in the short, medium and long-term.

## Focus of S&P Global ESG Research

In line with our belief at S&P Global Sustainability Research that material nonfinancial factors contribute to better-informed investment decisions, the methodology focuses on long-term sustainability factors that are relevant to each industry, material to the company's financial performance and under-researched in conventional financial analysis.

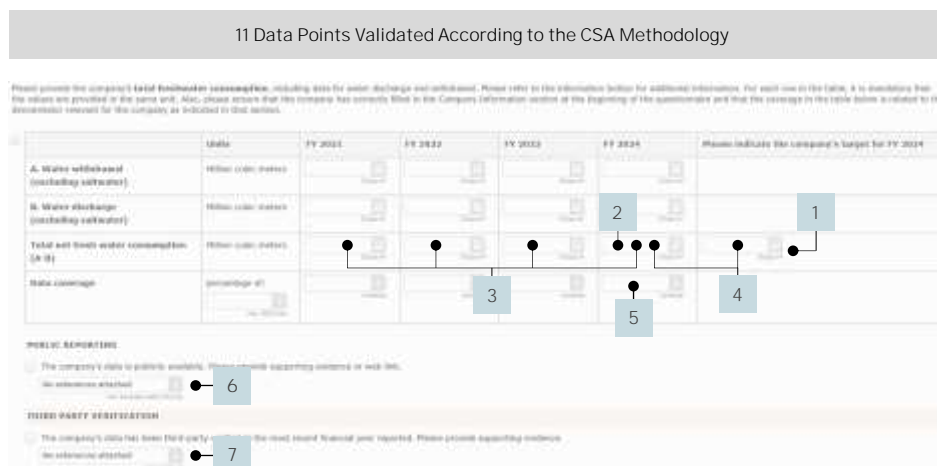
Within each criterion, we look for evidence of a company’s awareness of sustainability issues and for indications that it has implemented strategies to address them. We also evaluate the company’s progress in implementing such strategies as well as the quality of its reporting on these issues. Therefore, the questions within each criterion are structured to capture and evaluate the following elements:

- Awareness of the importance of these factors to its financial success
- Determination of the potential impact in business value as well as social and environmental impact
- Implementation of strategies to manage these sustainability risks or to capitalize on related opportunities in a manner that is consistent with its business models
- Measurement of results in relation to stated Key Performance Indicators (KPI) to evaluate the effectiveness of its sustainability strategy
- Validation or external audit of stated results
- Transparent communication of its corporate sustainability strategies and extent to which stated targets have been met.

This framework for evaluating corporate sustainability performance enables S&P Global Sustainability Research to develop a more robust understanding of a company’s quality of management.

### Example of Data Collection in the CSA

A consistent, rule-based methodology allows S&P CSA analysts to check, analyze and validate datapoints submitted by a company, the number of datapoints collected and validated for each company is on average one thousand. A data point is an information collected in the CSA. Below as an example the list of data points collected and validated for Water Consumption in the CSA.



In the example above, data points collected include, among others, water withdrawal and total net freshwater consumption over the last four fiscal years, target set for freshwater consumption, coverage (perimeter considered) for the water consumption data, information on where the information can be found in the public domain and if the data provided is verified by a third party. Once this information is validated by CSA analysts, it can be used for analytical and benchmarking (industry peer comparison) purposes.

# Human Capital Management Disclosure: Summary of the Guidelines Set by Cabinet Office of the Japanese Government

## Introduction

Japan has rapidly advanced its regulatory and policy framework for human capital management (HCM) disclosure, reflecting both global investor expectations and the need to improve mutual understanding on human capital development among stakeholders (i.e. executives, employees, and investors). The Japan Government Cabinet Office's "Guidelines for Human Capital Visualization" (人的資本可視化指針, August 2022) form the core reference for Japanese companies, especially listed firms, on what, how, and why to disclose regarding human capital. These guidelines provide an opportunity for Japanese companies to consider human capital management, in terms of both enterprise valuation enhancement and risk management perspectives. The framework expects listed companies to disclose information across 19 items spanning 7 domains, as described in the following pages, integrating human capital strategies with business strategies to drive sustainable corporate value creation.

## Strategic Relevance

### Balancing Uniqueness and Comparability

The guidelines emphasize the importance of balancing company-specific disclosures that reflect unique business strategies with standardized metrics that enable investor comparison. It is important that companies avoid generic, boilerplate reporting while ensuring transparency and benchmarkability.

### Long-term Value Creation Focus

The framework positions human capital as a strategic investment rather than an operational cost, requiring companies to demonstrate clear linkages between human capital initiatives and financial performance metrics such as ROE (Return on Equity) and ROIC (Return on Invested Capital).

## International Alignment and Best Practices

The Japanese guidelines consider its relationship with global standards including IFRS S1/ISSB frameworks, SASB standards, and EU CSRD requirements, facilitating international investment evaluation while maintaining relevance to Japanese business contexts. This consideration could help Japanese companies to effectively communicate their human capital strategies to both domestic and international stakeholders.

## Core Principles and Framework

### Dual Disclosure Approach

The aim of the guideline is to encourage companies to disclose human capital metrics built upon two foundational perspectives:

#### Strategic Enterprise Value Enhancement (価値向上の観点)

This focuses on how human capital investments and management contribute to long-term corporate value creation, innovation generation, productivity enhancement, and competitiveness reinforcement. Companies are expected to demonstrate how strategic human capital initiatives drive business outcomes and sustainable growth.

#### Risk Management Perspective (リスクマネジメントの観点)

This addresses how human capital policies and practices identify, mitigate and disclose risks that could negatively impact business continuity, reputation, compliance or stakeholder trust. Companies are likely to articulate their risk assessment frameworks and mitigation strategies.

### Strategic Integration Requirement

The guidelines indicate that human capital disclosure should be linked to business strategy rather than serving as a mere compliance exercise. Companies are supposed to explain how their human capital management aligns with their business model, strategic objectives and value creation story.

### Structured Disclosure Framework: Four Elements

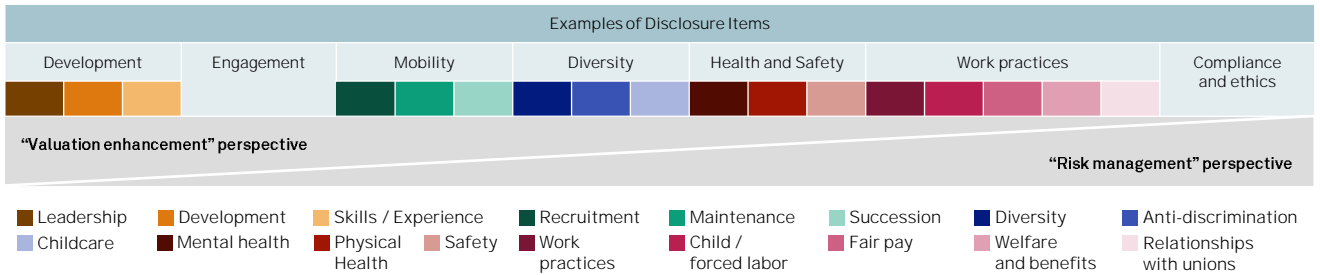
The guidelines recommend structuring disclosures according to four elements (mirroring TCFD/ISSB/IFRS S1 frameworks), as the reporting structure is widely accepted by investors as well as because the four elements, listed in the table below, are expected to be adopted by mandatory securities reporting framework (有価証券報告書):

Element	Description
Governance	Board oversight and management responsibility for human capital-related risks and opportunities
Strategy	Impact of human capital on business strategy and financial planning, including value creation pathways
Risk Management	Processes for identifying, assessing, and managing human capital-related risks and opportunities
Metrics & Targets	Quantitative and qualitative KPIs, targets and progress tracking mechanisms

Source: Created and translated by S&P Global Inc. referring to the Guidelines for Human Capital Visualization.

## Seven Domains and 19 Key Disclosure Items

The guidelines present disclosure across seven domains encompassing 19 key items, balancing comparability with company-specific relevance. Below is the Conceptual Representation of the Levels of Human Capital-related Metrics (From the Perspectives of Valuation Enhancement and Risk):



Source: Created and translated by S&P Global Inc. referring to the Guidelines for Human Capital Visualization.

### Domain 1: Development (育成)

- Leadership development programs
- Employee training and skill development initiatives
- Skills and experience enhancement programs

### Domain 2: Engagement (エンゲージメント)

- Employee satisfaction and engagement metrics
- Organizational culture and values alignment
- Employee motivation and retention strategies

### Domain 3: Mobility (流動性)

- Recruitment strategies and talent acquisition
- Employee retention and turnover management
- Succession planning for critical positions

### Domain 4: Diversity (ダイバーシティ)

- Gender, age, nationality and other diversity metrics
- Non-discrimination policies and practices
- Childcare leave and family support programs

### Domain 5: Health & Safety (健康・安全)

- Mental and physical health programs
- Workplace safety and incident prevention
- Employee well-being initiatives

### Domain 6: Work Practices (労働慣行)

- Labor agreements and union relations
- Prevention of child, forced and other anti-human rights employments
- Wage fairness and benefits programs

### Domain 7: Compliance/Ethics (コンプライアンス・倫理)

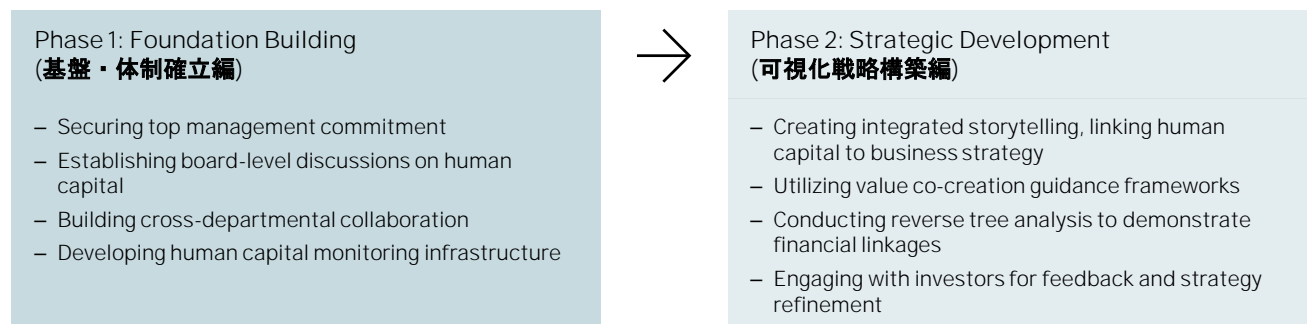
- Ethics training and compliance programs
- Grievance mechanisms and incident reporting
- Code of conduct, including supply chain and behavioural standards

Source: Created and translated by S&P Global Inc. referring to the Guidelines for Human Capital Visualization.

## Implementation Approach

### Step-by-Step Methodology

The guidelines suggest a phased implementation approach, recognizing that achieving high-quality human capital visualization requires time and iterative improvement:



Source: Created and translated by S&P Global Inc. referring to the Guidelines for Human Capital Visualization.

## Wrap-up

The Cabinet Office's Human Capital Visualization Guidelines represent a comprehensive framework that transforms human capital from a compliance obligation into a strategic communication tool. By emphasizing both enterprise value enhancement and risk management perspectives, companies can demonstrate how human capital investments drive sustainable business performance, while managing associated risks. The structured approach, with its focus on integration with business strategy and iterative improvement, provides a practical pathway for companies to enhance their human capital disclosure and, ultimately, their competitive advantage in the global marketplace. The guidelines' emphasis on "step-by-step" implementation acknowledges the complexity of this transformation, while providing clear direction for companies seeking to excel in human capital management and disclosure. As companies implement these guidelines, they are expected to move beyond mere compliance toward strategic human capital management that drives both social value and business success.

#### Sources:

Japan's Government Cabinet Office, Guidelines for Human Capital Visualization, <https://www.cas.go.jp/jp/houdou/pdf/20220830shiryout1.pdf>

ITO Report for Human Capital Management, [https://www.meti.go.jp/english/policy/economy/human\\_resources/pdf/0825\\_ITO\\_Report\\_for\\_HCM.pdf](https://www.meti.go.jp/english/policy/economy/human_resources/pdf/0825_ITO_Report_for_HCM.pdf)

Human Capital Management, The Tokyo Foundation, <https://www.tokyofoundation.org/research/detail.php?id=989>

Considering The Investor's Point of View in Regard to Management Conscious of Cost of Capital and Stock Price, JPX Group, <https://www.jpjx.co.jp/english/news/1020/u5j7e50000001bqd-att/240201en.pdf>

Nomura Asset Management, Responsible Investment Report 2023, [https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023\\_06.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023_06.pdf)

World Intellectual Capital/Asset Initiative, [https://wici-global.com/index\\_ja/wp-content/uploads/2024/04/Features\\_of\\_Human\\_Capital\\_Governance\\_EN.pdf](https://wici-global.com/index_ja/wp-content/uploads/2024/04/Features_of_Human_Capital_Governance_EN.pdf)

PERSOL Group Human Capital Report, [https://www.persol-group.co.jp/wp-content/uploads/2024/10/report\\_HR\\_2024-1.pdf](https://www.persol-group.co.jp/wp-content/uploads/2024/10/report_HR_2024-1.pdf)

# Human Capital in the CSA

## Parallels with Japan’s Human Capital Visualization Guideline

### Guideline

Human capital is crucial for creating enterprise value and plays a key role in the CSA. Good human capital management involves hiring, developing, managing performance and rewarding employees, ensuring they have the skills needed to excel. By offering flexible work arrangements and well-being programs, companies can boost employee engagement and retention. Promoting diversity, inclusion and equality through strong labor practices builds a positive culture and ensures compliance with labor standards. Protecting human rights in operations and supply chains reduces risks from negative impacts, while focusing on health and safety lowers workplace injuries and improves employee well-being. Together, these aspects of human capital enhance efficiency, strengthen reputation and support long-term sustainability, driving enterprise value.

The following tables describe the selection of the CSA datapoints associated with the examples highlighted in the Japan’s Human Capital Visualization Guideline. The CSA datapoints analyzed (and presented) in this report are selected based on materiality across industries, relevance to international reporting standards, and alignment with GPIF’s ESG focus themes. Therefore, not all the CSA datapoints listed in the following tables are part of the analysis in this report.

#### Human Capital Development (Domain 1)

CSA Criteria	CSA Question	CSA Datapoints (selected based on the metrics highlighted in the <b>Japan’s Human Capital Visualization Guideline</b> )
Human Capital Management	Training & Development Inputs	Average amount spent per FTE (Full-Time Equivalent) on training and development in the last fiscal year
		Average hours per FTE of training and development in the last fiscal year
	Type of Performance Appraisal	Performance management appraisals used to measure employees’ performance
		Appraisal frequency shows how often the company carried out performance appraisal per year.
		Agile conversations is a type of performance management approach used to measure employees’ performance.
		Management by objective is a type of performance management approach used to measure employees’ performance.
		Multidimensional performance appraisal is a type of performance management approach used to measure employees’ performance.
	Team-based performance appraisal is a type of performance management approach used to measure teams’ performance.	
	Employee Development Programs	Quantitative business benefits of employee development program 1
		Quantitative business benefits of employee development program 2

## Employee Engagement (Domain 2)

CSA Criteria	CSA Question	CSA Datapoints (selected based on the metrics highlighted in the <b>Japan's Human Capital Visualization Guideline</b> )
Human Capital Management	Trend of Employee Well-being	Company conducts an annual employee survey
		Results of surveys are publicly available
		Percentage of employee survey respondents
		Employee metrics survey includes the aspect of happiness
		Employee metrics survey includes the aspect of job experience
		Employee metrics survey includes the aspect of purpose (internal motivation)
		Employee metrics survey includes the aspect of stress
		Percentage of employees with top level of engagement, satisfaction, well-being or employee net promoter score (eNPS) is reported.
		Target is reported for the latest fiscal year for % of employees with top level of engagement, satisfaction, well-being or employee net promoter score (eNPS).
Type of employee surveys reported with percentage of employees that are for example highly engaged, with highly positive experience or a high level of well-being.		

## Employee Mobility (Domain 3)

CSA Criteria	CSA Question	CSA Datapoints (selected based on the metrics highlighted in the <b>Japan's Human Capital Visualization Guideline</b> )
Human Capital Management	Employee Turnover Rate	Total annual turnover rate
		Total annual voluntary turnover rate
	Hiring	Total number of new employee hires data is publicly available
		Total number of new employee hires
		Average hiring cost per FTE in the last fiscal year
		New employee hire rates and the percentage of open positions filled by internal candidates
		Percentage of open positions filled by internal candidates; data is publicly available
		Percentage of open positions filled by internal candidates in the last fiscal year

Diversity (Domain 4)		
CSA Criteria	CSA Question	CSA Datapoints (selected based on the metrics highlighted in the <b>Japan's Human Capital Visualization Guideline</b> )
Labor Practices	Gender Pay Indicators	Average management level female salary (base salary + other cash incentives, e.g., bonus)
		Average management level female salary (base salary only)
		Average management level male salary (base salary + other cash incentives, e.g., bonus)
		Average management level male salary (base salary only)
		Average non-management level female salary (base salary only)
		Average non-management level male salary (base salary only)
	Workforce Breakdown: Gender	Share of women in all management positions, including junior, middle and top management (as a percentage of total management positions)
		Share of women in junior management positions, i.e., first level of management (as a percentage of total junior management positions)
		Public target share of women in junior management positions, i.e., first level of management (as a percentage of total junior management positions)
Human Capital Management	Employee Support Programs	Number of paid leaves for the primary caregiver in weeks
		Number of paid leaves for the non-primary caregiver in weeks
		The company provides childcare facilities or contributions

Health and Safety (Domain 5)

CSA Criteria	CSA Question	CSA Datapoints (selected based on the metrics highlighted in the <b>Japan’s Human Capital Visualization Guideline</b> )
Occupational Health & Safety	OHS Policy	Consultation with and participation of workers, and, where they exist, workers’ representatives
		Continually improve the performance of the OHS management system
		Endorsement to the implementation of the OHS policy
		Ensuring compliance with relevant OHS international standards and regulations, voluntary programs and/or collective agreements on OHS
	OHS Programs	Company has independent external verification of health, safety and well-being in place
		Company has Occupational Safety and Health (OSH) action plans with quantified targets for business unit managers
		Company reviews work-related incidents against targets
		OHS risk and hazards assessments to identify what could cause harm in the workplace
Human Capital Management	Employee Support Programs	Company has programs and policies in place to provide special training and/or measures to foster employees' health and well-being
		The company provides employee benefits for workplace stress management.

## Labor Practices and Compliance and Ethics (Domain 6 and Domain 7)

CSA Criteria	CSA Question	CSA Datapoints (selected based on the metrics highlighted in the <b>Japan's Human Capital Visualization Guideline</b> )
Human Rights	Human Rights Commitment	Company has a publicly available policy for commitments to human rights
	Human Rights Due Diligence Process	Human rights due diligence process covers risk identification in own operations
		Human rights due diligence process covers risk identification in the value chain or activities related to the business
		Human rights due diligence process covers third-party contracted labor
Human Rights Mitigation and Remediation	Company publicly discloses its human rights commitments	
Labor Practices	Freedom of Associations	Company's employees represented by an independent trade union or covered by collective bargaining agreements
Business Ethics	Reporting on Breaches	Number of incidents of discrimination and harassment reviewed in the last fiscal year
		Total number of conflict of interest cases in the past fiscal year

# Guide to Reading Bar Charts in this Report

## 1. Understanding the Axes

### Y-Axis (Vertical Axis)

- Represents the percentage of companies that fulfil the specified requirement (e.g., disclosing Scope 1 carbon dioxide (GHG) emissions). Values range from 0% at the bottom to 100% at the top.
- Each bar’s height corresponds to the proportion of companies meeting the requirement out of the total companies in the selected group.

### X-Axis (Horizontal Axis)

- Displays different categories representing a breakdown of companies by industry, region and selected peer group.
- This axis helps readers compare how different groups perform relative to the requirement.

## 2. Interpreting the Bar Height

- The taller the bar, the higher the percentage of companies in that group fulfilling the requirement.
- Readers can easily see which categories (industry or region) have higher or lower percentages of companies fulfilling the requirement by comparing bar heights.

## 3. Structure of the descriptive information, sitting next to the charts on the right

To support a clear and consistent interpretation, each chart is accompanied by structured descriptive information. Each section of the descriptive information supports different aspects of chart interpretation:

### Key Takeaways

A concise summary of the main insight from the chart. This highlights notable differences in the metric across regions or industries.

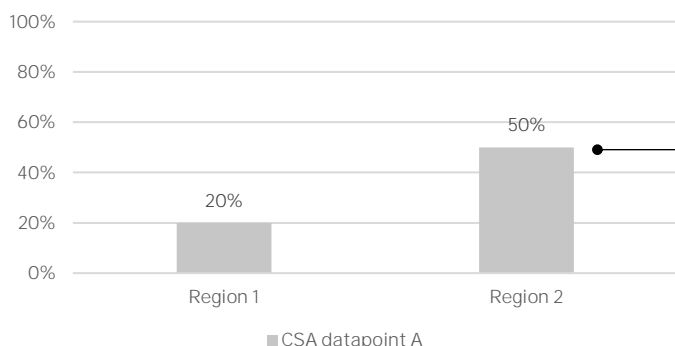
### CSA Expected Practices

A reference to what CSA methodology considers best practice or expected disclosure for the specific metric shown.

### Potential Causality

A qualitative explanation of why the differences shown in the chart may exist. This may include contextual, structural, regulatory or policy-driven reasons for sectoral or regional variance.

A sample bar chart to illustrate these points:



### Key Takeaway

Region 2 has a higher value than Region 1.

### CSA Expected Practice

This section mentions what CSA consider good practices.

### Potential Causality

Potential Reasons behind the chart shape.

# Guide to Reading Box Plots in this Report

## 1. Understanding the Axes

### Y-Axis (Vertical Axis)

- Represents the value of the selected datapoint disclosed by companies (e.g., women's share in all management position).
- Values increase from bottom to top, allowing readers to compare performance or disclosure levels across different groups.

### X-Axis (Horizontal Axis)

- Displays different categories, such as industry sectors and regions.
- This axis allows comparison of how the selected metric varies across different groups of companies.

## 2. Interpreting the Box Plot Comments

Each box plot visualizes the distribution of the selected metric within a group:

### Minimum (Lower Whisker)

The lowest observed value (excluding outliers) for the metric in that group.

### First Quartile (Q1 - Bottom of Box)

25% of companies in the group have values below this level.

### Median (Middle Line in Box)

Half of the companies fall below this value and half above. It represents the midpoint of the data.

### Third Quartile (Q3 - Top of Box)

75% of companies have metric values below this level.

### Maximum (Upper Whisker)

The highest observed value (excluding outliers) for the metric in that group.

### Box Height (Interquartile Range, or IQR)

A taller box indicates a wider spread of values among the middle 50% of companies. A shorter box suggests more consistency within the group.

### Median Line Position

Helps assess where most companies in the group are concentrated. If the median is closer to the bottom or top of the box, the data may be skewed.

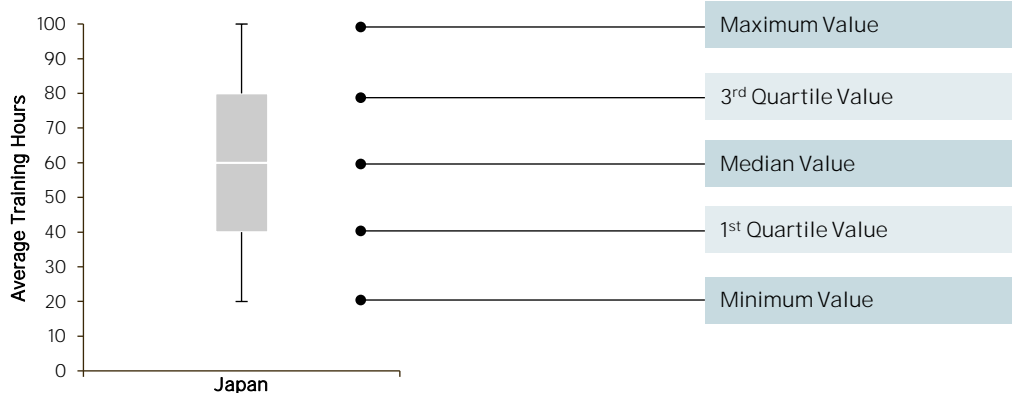
### Whiskers

Whiskers show the range of typical values.

### Outliers

Points outside the whiskers (if shown) are considered outliers. These are the values that differ significantly from other observations in the dataset. In this report, certain outliers are excluded from the analysis. When outliers have been excluded, this is explicitly indicated in the corresponding notes on the analysis page.

A sample box plots to illustrate these points:



# Research Universe

The research universe for this report is a group of companies based on the S&P Developed LargeMidCap Index (hereunder, “the index”), which is published by S&P Dow Jones Indices, with following two adjustments: Exclusion of Israel shares and Inclusion of China-H shares (hereunder, “the research universe”).

Two adjustments made to the index:

- Exclusion of Israel share companies: Companies that are domiciled and listed in Israel have been excluded from the research universe since the focus of the analysis is to perform regional comparison for the companies in North America, Europe, Asia-Pacific (Ex-Japan) and Japan as per the table below.
- Inclusion of China H-share companies: Companies that are incorporated in mainland China but listed on the Hong Kong Stock Exchange and traded in Hong Kong dollar are included in the universe and reflected under APAC region.

Following this adjustment, the refined set of index constituents was mapped against the universe of companies assessed under the CSA methodology. The CSA-reported data for the matched companies serves as the primary source of sustainability-related insights in this report.

The index is designed to capture the performance of large- and mid-capitalization equities across developed markets, representing approximately 85% of the float-adjusted market capitalization in each included country. It offers broad and diversified exposure to companies across the global developed equity landscape.

## Market Capitalization by Region

Understanding the distribution of market capitalization across regions provides insight into the concentration of value and scale of companies within each geographical area. The table below summarizes the total constituents of the research universe, total and market cap values per region and Companies Assessed by CSA methodology within the research universe:

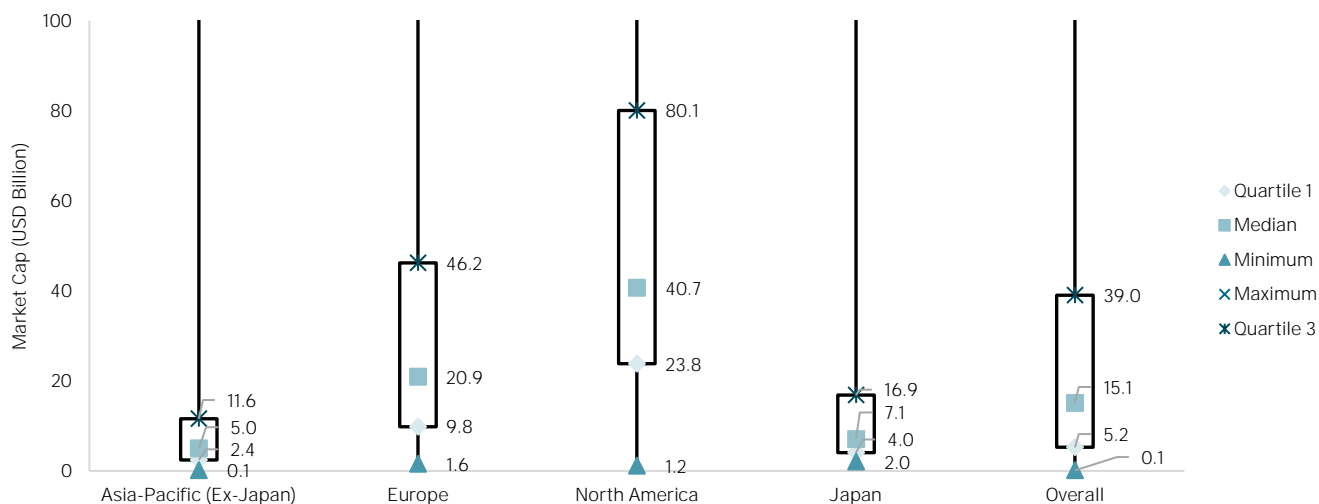
### Regional Breakdown of Companies (As of March 31, 2025)

*Note: The regional classification reflects the location of each company's domicile.*

Region	Total Constituents of the Research Universe	Market Capitalization (USD billion)	Companies Assessed by CSA Methodology
APAC (Ex-Japan)	543	6,516	490
Europe	402	15,077	379
North America	491	49,432	483
Japan	335	5,285	333
Grand Total	1,771	76,310	1,685

### Market Capitalization Distribution by Region (Box Plot, as of March 31, 2025)

Note: The regional classification reflects the location of each company's domicile.



Market Capitalization (USD billion)	Asia-Pacific (Ex-Japan)	Europe	North America	Japan	Overall
Quartile 1	2.4	9.8	23.8	4.0	5.2
Median	5.0	20.9	40.7	7.1	5.1
Minimum	0.1	1.6	1.2	2.0	0.1
Maximum	586.3	324.5	3,336.9	276.3	3,336.9
Quartile 3	11.6	46.2	80.1	16.9	39.0
Number of Companies Analyzed	490	379	483	333	1,685

## GICS Sector Breakdown of Companies (As of March 31, 2025)

GICS Sector	Total Constituents of the research universe	Companies Assessed by CSA Methodology
Communication Services	95	89
Consumer Discretionary	195	180
Consumer Staples	143	133
Energy	71	70
Financials	279	269
Health Care	160	151
Industrials	353	333
Information Technology	165	160
Materials	127	118
Real Estate	93	92
Utilities	90	90
Grand Total	1,771	1,685

# Focus Topics

Corporate Governance

Risk & Crisis Management

Business Ethics

Supply Chain Management

Transparency & Reporting

Climate Strategy

Biodiversity

Human Rights

Labor Practices

Human Capital Management

# Corporate Governance

## Rationale

Corporate governance systems are designed to ensure that a company is managed in the interests of shareholders (including minority shareholders).

An appropriately constituted and effective board of directors serves as the cornerstone of sound corporate governance. The board is tasked with overseeing managerial performance, ensuring alignment with the corporation's established objectives, adhering to relevant laws and regulations, and safeguarding the rights and interests of shareholders.

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- Checks, balances, and appropriate governance practices that enable the Board of Directors to have appropriate control and oversight responsibilities and accountability mechanisms.
- Management incentives should be structured to ensure alignment between management's interests and those of shareholders.
- Full transparency: all the information and practices related to corporate governance should be available in the public domain.

## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

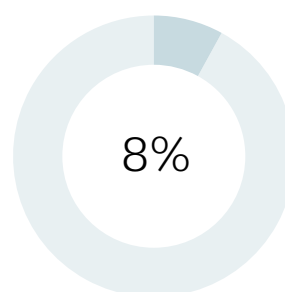
- Board independence: public disclosure of independence statement for the board of directors
- Board type: reporting of board type and share of independent directors
- Board composition: diversity policy, gender diversity, average tenure of the board members
- Board effectiveness: meeting attendance, regular self-assessment of board performance
- CEO Compensation: success metrics, long-term performance alignment, CEO-to-Employee Pay Ratio

## Understanding the Materiality of the Topic

Corporate Governance refers to the system of rules, structures and processes used to direct a company. This is done in the interest of the corporation and its stakeholders, including its owners or shareholders. It implies particular duties, responsibilities and capacities of board directors and executive management. Good corporate governance practices promote accountability, responsibility and transparency. It encompasses systems of checks and balances, incentives for aligned behavior, policies for board composition and effectiveness.

Impact on Enterprise Value Creation: Risk Exposure, Growth, Profitability

CSA 2024 criterion average weight across the applicable CSA industries (62/62)



CORPORATE GOVERNANCE

# Board Independence: Public Disclosure of Independence Statement for the Board of Directors



## Rationale

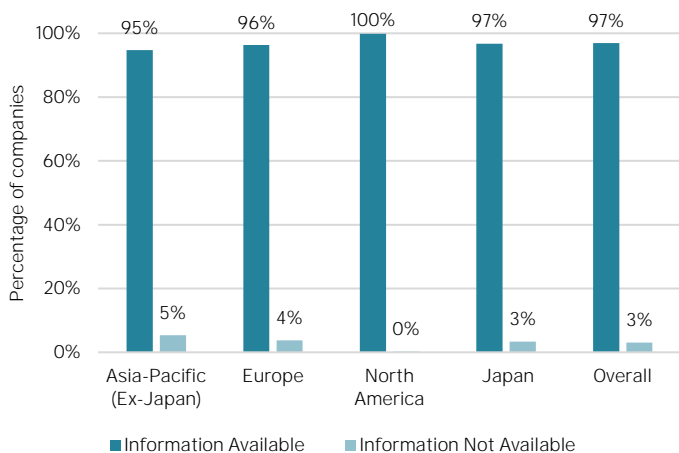
An independent director is a member of the company's board of directors that is brought in from outside the organization. Independent directors can bring new insights and balance that improve the performance of a company through their objective view of the company's health and operations. At times, they can also bring specific expertise from their experience as well as provide additional accountability.



## Focus

Extent to which companies have made explicit statements about their definitions of and requirements with respect to board members' independence

### Company has a publicly available independence statement for the Board of Directors - CSA 2024



#### Key Takeaways

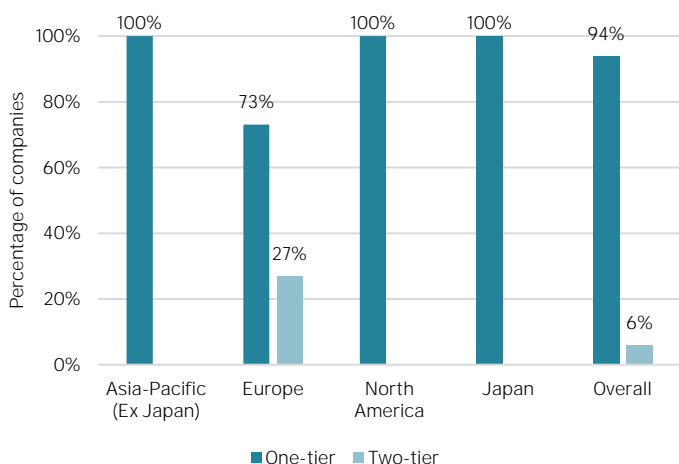
High level of disclosure across the regions within the research universe

**CSA Expected Practice** Public reporting on independence requirements or corporate governance code or stock exchange rule that the company complies with

→ **Potential Causality:** overall high level of public disclosure. The extensive disclosure across the regions is likely influenced by national corporate governance codes and stock exchange requirements in developed countries, which mandate public disclosure of independence definitions and criteria.

# Board Type: Public Disclosure on One-Tier or Two-Tier System

### Company reports on Board type - CSA 2024



#### Key Takeaways

All the companies in the universe of the analysis can be allocated to a board system.

**CSA Expected Practice** Public reporting on board type, choosing between One- and Two-Tier systems

→ **Potential Causality:** overall high level of public disclosure. For most of the cases the board system used by companies depends primarily on governance practice of the country of domicile (OECD guideline<sup>1</sup>). From the chart, the One-Tier system is more diffused than the Two-Tier system. Anyway, each company is attributed to one of the two systems, as it is the case for the universe of the analysis.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Corporate Governance, OECD, <https://www.oecd.org/en/topics/corporate-governance.html>

CORPORATE GOVERNANCE

# Board Type



## Rationale

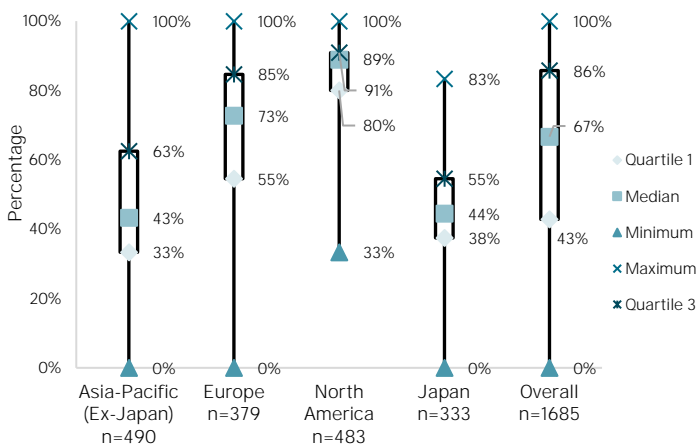
An effective board of directors, properly constituted, is the linchpin of good corporate governance. Boards are responsible for managerial performance, meeting the corporation's stated objectives, complying with applicable laws and regulations, and protecting shareholder rights and interests.



## Focus

Composition of the board, proportion of independent members, and overall size, as empirical studies show that oversized boards are counter-productive to performance.

### Percentage share of non-executive independent directors on the Board - CSA 2024



### Key Takeaways

Regional differences in board composition, with cultural and regulatory factors influencing the proportion of independent directors

**CSA Expected Practice** The CSA practice views a high proportion of independent directors positively.

- Potential Causality: median percentage in Asia is lower than rest of world  
Business culture, particularly in Asia, could favor non-independent directors. Additional factors such as concentrated corporate ownership structures or a preference for more experienced directors might lead to lower % of independent directors in Asia, compared to those in Europe or North America.
- Additionally, Asia faces less stringent regulatory requirements for board independence and experiences lower pressure from domestic institutional investors compared to other regions.

In Japan, the Tokyo Stock Exchange<sup>1</sup> did the first explicit requirement for at least one independent director back in 2009. With the introduction of the Japan Corporate Governance Code in 2015, the requirement increased to two independent directors (or explain if not the case). The revision of the code in 2021, increased the requirement to at least one-third of their board.

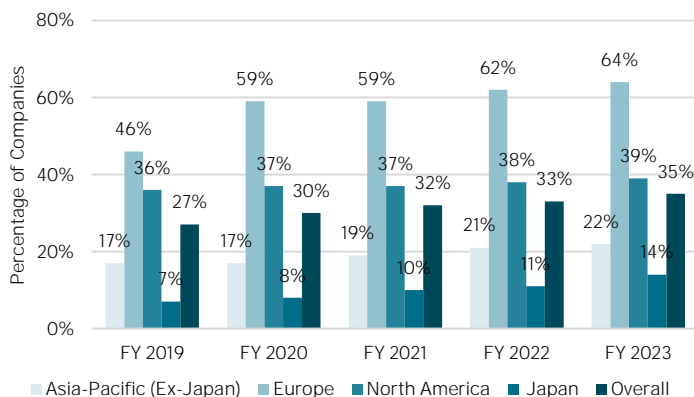
### Non-Executive Chairperson/Lead Director



## Rationale

International consensus favors the separation of the roles of chairperson and CEO. If the board of directors opts to appoint one person fulfilling both roles, it must build in the necessary checks and balances to avoid potential abuse of power.

### Independence status of Board Chairman/Lead Director - The Chairperson is non-executive and independent - CSA 2024



### Key Takeaways

Upward trend in independent chairpersons, with varied regional progress influenced by governance regulations and market pressures

**CSA Expected Practice** Chairman of the board is a non-executive and independent director.

- Potential Causality: % in Japan is lower  
Business culture, particularly in Japan and Asia, could traditionally favor executive directors for their business knowledge. In Japan, the corporate governance code<sup>2</sup> was introduced in 2015, later than Europe and US, but impact starting to become visible.
- Potential Causality: general upward trend of the % of companies with independent chairperson  
The upward trend may be driven by efforts to enhance accountability and confidence to shareholders. (Japan introduced the Stewardship Code, Principles for Responsible Institutional Investors, in 2014 and revised in 2017 and 2020.)

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Independent Directors, JPY Group, <https://www.jpj.co.jp/english/equities/listing/ind-executive/index.html>

2. Japan's Corporate Governance Code, JPY Group, <https://www.fsa.go.jp/en/news/2021/20210611/06.pdf>

CORPORATE GOVERNANCE

# Board Average Tenure



## Rationale

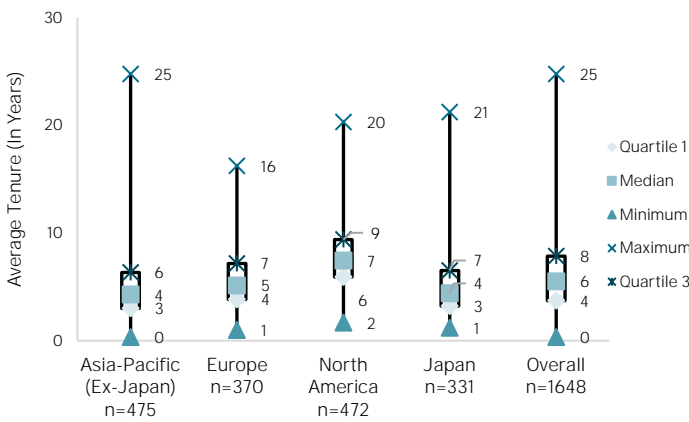
Boards are the direct representatives of the stakeholders and form one of the most important components of corporate governance. It is therefore important that the board members selected have the right experience and skills, are sufficiently independent, and act in the best interests of all stakeholders. Board tenure reflects retention and continuity on one hand, and refreshment of skills and perspectives, and independence on the other.



## Focus

Public disclosure of the average tenure of the board.

### Average tenure of Board of Directors - CSA 2024



#### Key Takeaways

Regional variations in board tenure, influenced by regulatory and structural factors

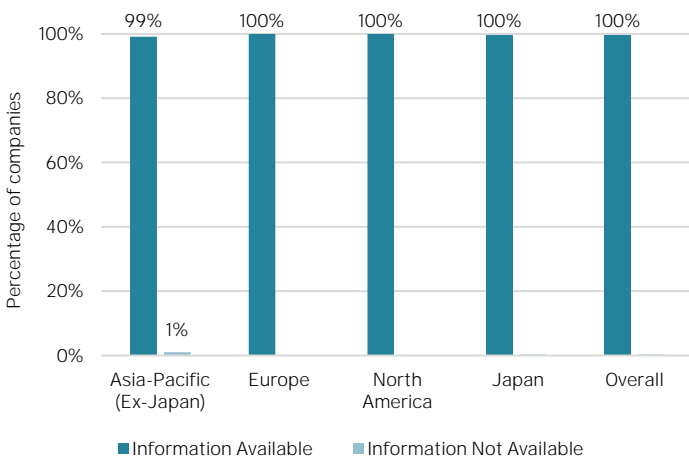
#### CSA Expected Practice

Average tenure of directors on the company's board lies between 7-12 years.

- Potential Causality: median tenure in Japan and Asia lower than Europe and North America
- Factors influencing board tenure may include changes in the regulatory environment that might require companies to consider setting targets for metrics like board diversity, proportion of independent directors, or board member experience. Achieving targets might have generate a board refreshment, especially in Asia.
- Investor pressure and ownership structure changes or succession planning might also generate turnover at board level increasing the number of outside directors.

### Board Average Tenure - Transparency

#### Company publicly discloses average tenure of Board of Directors - CSA 2024



#### Key Takeaways

High transparency in board tenure disclosure, with limited differentiation due to common practices

#### CSA Expected Practice

Public disclosure of the average tenure of directors on the company's board

- Potential Causality: high level of public disclosure on board average tenure
- High investor pressure together with regulatory reforms and governance changes made the public disclosure of average board tenure widespread across the analyzed regions.

Data universe: All companies included in the scope of the analysis, n=1653. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.  
 Note: The data analysis only includes companies for which this question has been considered as applicable.  
 Source: CSA 2024, as of June 2025

CORPORATE GOVERNANCE

# Board Diversity Policy



## Rationale

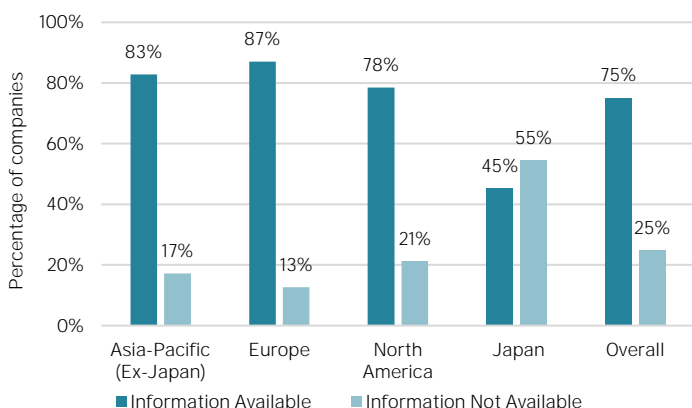
Diversity adds value to the board through differences in perspectives and experience. Diverse boards will be able to assess problems from a broader point of view and are more likely to consider the best interests of all stakeholders. Furthermore, studies have shown a positive correlation between gender diversity on boards and companies' financial performance.



## Focus

Policy on board diversity that clearly requires diversity factors such as gender, race, ethnicity, country of origin, nationality or cultural background in the board nomination process

### Company has a formal publicly available Board diversity policy – CSA 2024



#### Key Takeaways

Regional disparities in board diversity policy disclosure, possibly influenced by diverse regulatory and market expectations

**CSA Expected Practice** Public reporting on board nomination policy, covering diversity factors such as gender, race or ethnicity, nationality, country of origin or cultural background

→ Potential Causality: low % of disclosure in Japan compared to Europe, Asia-Pacific (Ex-Japan) and North America

These variations may reflect differing regulatory frameworks and market expectations on board diversity.

Voluntary codes on diversity metrics, more frequent in Asia-Pacific (Ex-Japan), seem to have an impact on their inclusion in board nomination policies and on disclosure.

This metrics are highly valued and scrutinized by regulators, investors and other stakeholders.

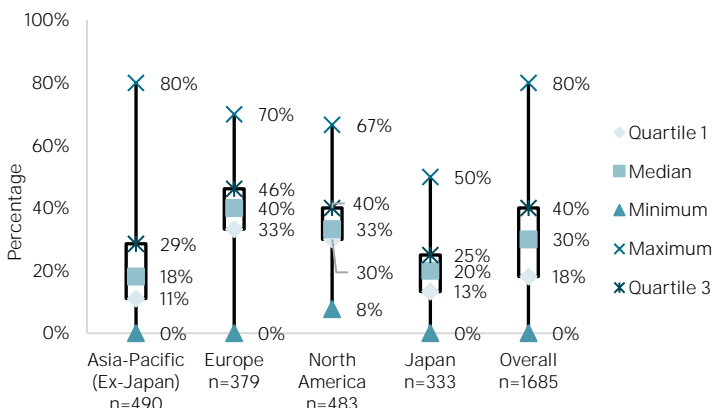
# Board Gender Diversity



## Rationale

Assessment whether the board reflects the diversity of the workforce and marketplace, thereby ensuring that a variety of viewpoints are heard and factored into corporate decision-making. A commitment to diversity at all levels can help companies attract employees, create goodwill with consumers, and better compete in diverse markets globally, which in turn benefits long-term shareholder value.

### Percentage share of female directors on the Board - CSA 2024



#### Key Takeaways

Regional differences in female board representation, influenced by cultural, economic, and policy factors

**CSA Expected Practice** Percentage of women directors on the board lies between 40% and 60%.

→ Potential Causality: low % of women on the board in Japan and Asia-Pacific (Ex-Japan)

Several factors might explain the differences:

- Asian countries rely in many cases on voluntary codes, and enforcement is often weak. Nevertheless, few Asian countries are moving toward mandatory requirements and other providing non-binding target quotas.

- In Japan, Japan Exchange Group (JPX)<sup>1</sup>, in line with government policies<sup>2</sup>, set targets (non-binding) for at least one female director by 2025 and 30% by 2030 for Prime Market.

- Corporate culture, women representation in management roles, STEM (science, technology, engineering, mathematics) positions or revenue-generating positions, are additional factors that might explain a lower presence of women in Asian boards.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Revision to the Listing Rules Regarding the Appointment of Female Directors in Prime Market, JPX Group, <https://www.jpjx.co.jp/english/equities/follow-up/b5b4pj000004yqcc-att/uorri50000004bnu.pdf>

2. The Basic Policy on Gender Equality and Empowerment of Women 2024, [https://www.gender.go.jp/english\\_contents/pdf/241001.pdf](https://www.gender.go.jp/english_contents/pdf/241001.pdf)

CORPORATE GOVERNANCE

# Board Effectiveness



## Rationale

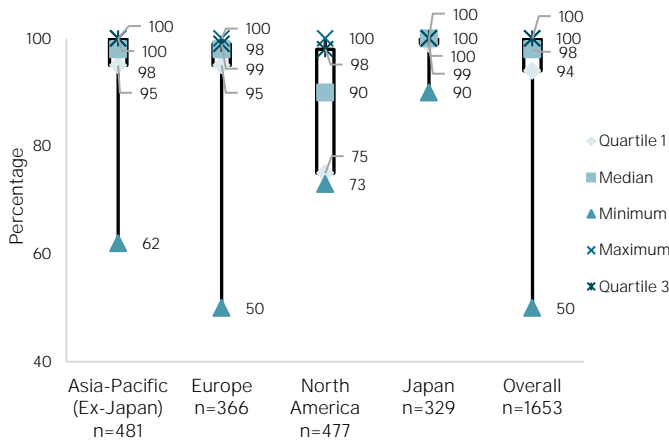
An effective board of directors is vital for good corporate governance. Several studies have found that companies with specific procedures and practices designed to ensure the accountability of their board and a close alignment with shareholders' interests perform better than those that do not.



## Focus

Parameters used as a proxy for the overall effectiveness of the board: meeting attendance, number of external directorships held by board members, regular performance assessment, frequency of board members election and structure of the election process.

### Average percentage of Board meetings attended by Board of Directors/Supervisory Board - CSA 2024



#### Key Takeaways

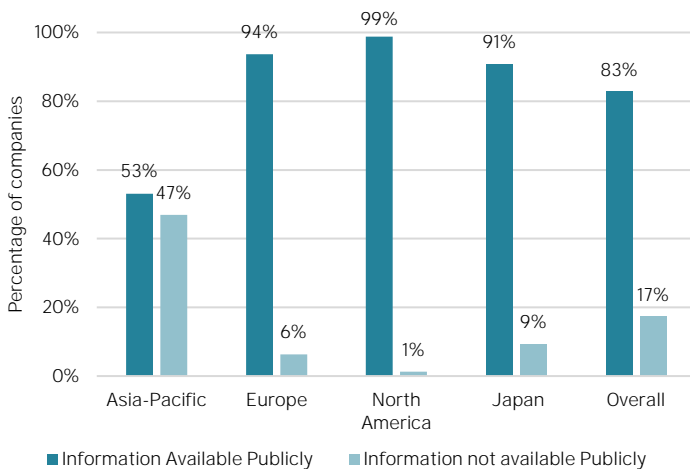
High board meeting attendance globally, driven by formal policies and investor expectations

**CSA Expected Practice** Average attendance in board meetings is equal to or higher than 75%.

- Potential Causality: high level of attendance within the developed markets universe
- Factors influencing attendance include formal company policies setting minimum participation levels and heightened market expectations, with increased investor scrutiny on board members' supervisory roles diligence and engagement.
- Governance codes and stock exchanges define minimum typical attendance rate and require companies to be transparent about this metric.
- Ownership structure and concentrated ownership might also be an incentive for board members to attend meetings.

# Board Effectiveness

### Regular self-assessment of Board performance - CSA 2024



#### Key Takeaways

Regional disparities in board self-assessment practices, possibly influenced by governance culture and regulatory context

**CSA Expected Practice** Regular self assessment of board performance

- Potential Causality: lower disclosure or adoption in Asia-Pacific (Ex-Japan)
- Codes across Asia-Pacific (Ex-Japan) recommend or require board evaluations, but the level of details disclosed is limited. Investor pressure and proxy advisor scrutiny might be less intense than elsewhere.
- Potential Causality: high level of disclosure in Japan
- Japan's revised Corporate Governance Code<sup>1</sup> promotes regular board performance self-assessments and detailed public reporting. Companies might discuss board performance appraisal in their annual corporate governance report.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Japan's Corporate Governance Code, JPX Group, <https://www.fsa.go.jp/en/news/2021/20210611/06.pdf>

CORPORATE GOVERNANCE

## CEO Compensation – Success Metrics



### Rationale

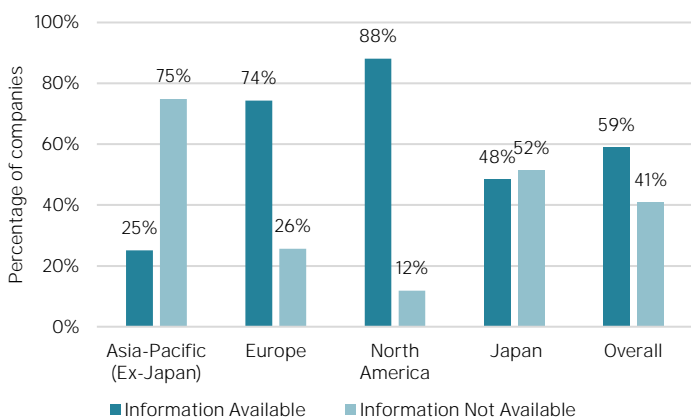
The use of financial metrics to evaluate management performance has become ubiquitous as the benefits of aligning incentives with company performance have been established. Our research shows that the use of revenue, operating profit, and EPS are common practices. Differentiation is now only observed in a few aspects, including the use of return metrics (capital efficiency) and relative metrics which compare the company to peers.



### Focus

Corporate performance indicators used to determine CEO variable compensation; considering only financial returns or relative financial metrics.

Company's predefined & publicly available financial returns/metrics relevant for CEO's variable compensation - CSA 2024



### Key Takeaways

The chart underscores regional disparities in CEO compensation transparency.

**CSA Expected Practice** Public reporting on pre-defined financial return metrics and relative financial metrics relevant for CEO's variable compensation

→ Potential Causality: lower % of companies disclosing the metrics in Japan and Asia-Pacific (Ex-Japan) compared to Europe and North America

Rules, norms and regulations in North America and Europe require granular reporting on financial performance metrics behind the CEO compensation.

In Japan regulations mandate disclosure on executive compensation, payment type, policies determining pay and encourage to link executive pay to mid- and long-term performance. Reporting on detailed financial metrics might not always happen (voluntary basis).

In Asia-Pacific (Ex-Japan), regulations may require less detailed disclosure, with cultural factors and lower investor pressure influencing transparency.

## CEO Compensation – Long-Term Performance Alignment



### Rationale

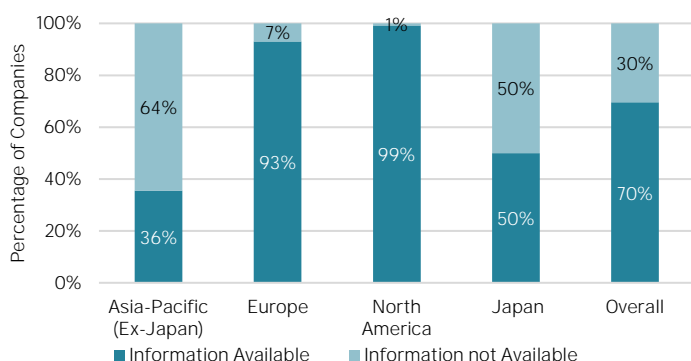
The economic alignment of management with the long-performance of the company is an essential component executive compensation. This alignment can be achieved several ways, including deferral of short-term compensation, time vesting, and long-term performance periods.



### Focus

Focus on timevesting and performance period used for determining the CEO's variable compensation, and deferral of short-term bonus.

Company's guidelines on deferred bonus, time vesting, and performance period for the CEO's variable compensation available publicly - CSA 2024



### Key Takeaways

Regional disparities in CEO compensation transparency, influenced by regulatory, cultural, and investor expectations

**CSA Expected Practice** Public disclosure on percentage of ST bonus paid in deferred shares, longest performance period covered by CEO compensation plan, clawback provision, longest time vesting period for CEO compensation

→ Potential Causality: low % of companies disclosing this information in Asia; Japan better but lagging Europe and North America

In Japan, the Corporate Governance Code (2015 and revisions)<sup>1</sup> together with global investors pressures might have contributed to foster public disclosure on incentives parameters. Asian countries on the other hand lack mandatory disclosure requirements and reporting is less granular.

Data universe: All companies included in the scope of the analysis, n=1654. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Japan's Corporate Governance Code, JPX Group, <https://www.fsa.go.jp/en/news/2021/20210611/06.pdf>

CORPORATE GOVERNANCE

# CEO-to-Employee Pay Ratio



## Rationale

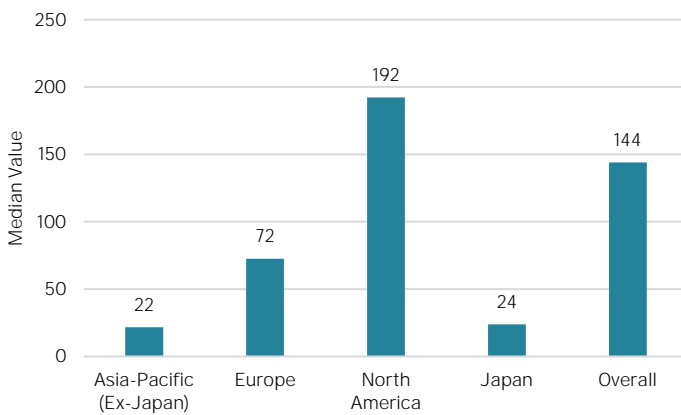
Transparent reporting on CEO compensation and the mean or median compensation of other employees provides a basis for understanding the "pay gap" and addresses concerns from investors and stakeholders whether executive compensation is justified. Transparency is vital to keep trust among shareholders, employees, customers and other stakeholders, and hence improve corporate reputation.



## Focus

Disclosure of the CEO-to-Employee Pay Ratio calculated by dividing the total annual compensation of the CEO by either the median or mean employee compensation (excluding the CEO or any equivalent position).

Ratio of annual median employee compensation to total annual CEO compensation - CSA 2024



### Key Takeaways

Regional disparities in CEO-to-employee pay ratios

CSA Expected Practice	Public disclosure of total CEO compensation, mean/median compensation of all employees and its ratio
-----------------------	--

- Potential Causality: lower ratio in Japan and Asia, very high in North America
- Regulations around the world require or encourage disclosure of the ratio but do not directly regulate ratios.
- Corporate culture in Asia, including Japan, putting more emphasis on collective benefits and long-term employment might be a factor explaining the lower ratio.
- Corporate ownership (family or government) might influence the approach to executive pay in Asia and Europe.
- Fairness principles and employee representation on boards, such as in two-tier systems, may help moderate pay gaps.

Data universe: All companies included in the scope of the regional analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

# Risk & Crisis Management

## Rationale

Risk and crisis management refers to the governance structures and internal control processes implemented by companies for the effective management of shorter and longer term or emerging risks. It includes the establishment of an effective risk identification process and risk culture strategies, as well as the identification of emerging risks.

Risk management is preventive and crisis management corrective, responding to an unforeseen event. Companies need to implement internal control processes to comply with existing regulations and proactively develop control mechanisms.

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- Appropriate risk governance, clear responsibilities and reporting lines, independence from the business lines
- Effective risk management procedures are characterized by risk awareness, concern, and management that originate from the company's senior management and board of directors
- Strong risk culture throughout the organization to ensure that the importance of risk is understood by all employees
- Reporting on long-term emerging risks, their impact on business, and mitigating actions taken.

## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

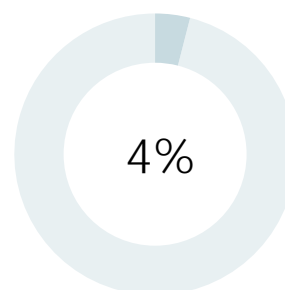
- Risk Governance: framework consisting of board level risk oversight and operational management functions.
- Risk Governance: framework with dedicated role or committee at board level for risk oversight.

## Understanding the Materiality of the Topic

Risk and Crisis Management refers to governance structures and internal control processes for the effective management of shorter and longer term or emerging risks. It requires the cultivation of an effective risk culture, the use of sensitivity analyses and stress testing. Risk management is preventative and crisis management corrective, responding to an unforeseen event. Proper risk management procedures and practices, including appropriate controls and culture, will enable an organization to deal with a crisis or emergency more effectively.

Impact on Enterprise Value Creation: Risk Exposure, Growth

CSA 2024 criterion average weight across the applicable CSA industries (62/62)



RISK & CRISIS MANAGEMENT

# Risk Governance



## Rationale

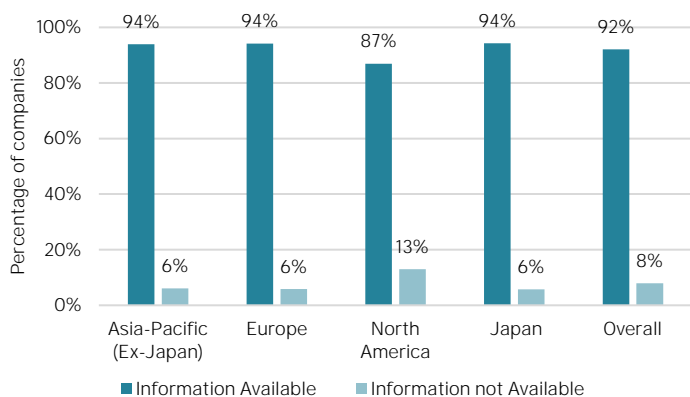
While the board of directors is ultimately responsible for risk management, it is up to senior management to take the board's strategic direction and turn it into appropriate policies and procedures, and to effectively implement, execute, and monitor these policies. The three lines of defense model is a recognized governance framework for managing risks. It lays out clear risk management responsibilities and accountabilities to ensure a company's risk-related objectives are achieved.



## Focus

Effectiveness of a company's risk governance framework: risk awareness and risk management involvement of the board of directors and senior management, implementation of the three lines of defense model

### Company has a risk governance framework (publicly available) - CSA 2024



#### Key Takeaways

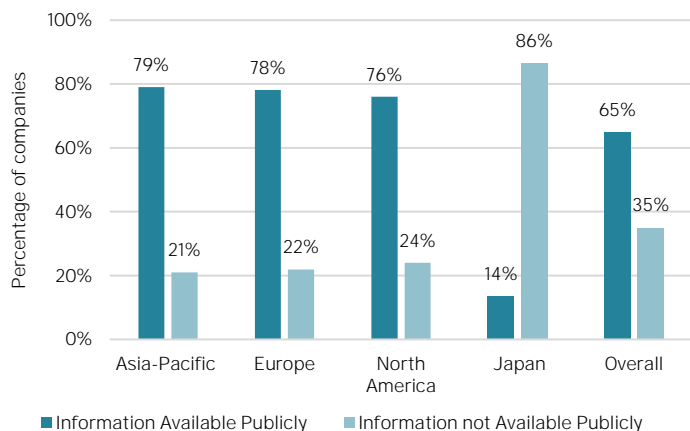
High levels of risk governance transparency, driven by regulatory and market expectations

CSA Expected Practice: Public disclosure of the risk governance framework

- Potential Causality: high level of transparency on risk governance framework
- An increasing numbers of regulations and reporting standards (especially in Europe and Japan) mandate or strongly encourage transparency and might be one of the main drivers for the high percentage of companies reporting publicly on risk governance. In Asia-Pacific (Ex-Japan), the regulatory approach is not always mandatory.
- Investor and market pressure could be another factor impacting positively public disclosure. Clarity on the risk governance framework might be incorporated in investment or proxy voting decisions, especially by some leading pension funds.

# Risk Governance

### Company has a risk governance framework with dedicated role or committee at Board level for risk oversight - CSA 2024



#### Key Takeaways

While Asia-Pacific (Ex-Japan) leads with 79% of companies disclosing board-level risk oversight, Japan recommends but does not mandate such practices, resulting in only 14% disclosure.

CSA Expected Practice: Dedicated role or committee at board level for risk oversight (independent and/or non-executive board members)

- Potential Causality: low percentage of companies in Japan
- The low percentage of companies in Japan adopting these practices could be because this may be out of mandatory requirements. Additionally, the board's structure in Japan, characterized by a low percentage of independent directors and the role of statutory auditors, might also be an explanation. Companies might have a board level risk committee but not 100% of the members might be independent and/or non-executive.
- Institutional investors might expect board level accountability.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

# Business Ethics

## Rationale

Business ethics are fundamental to a well-functioning organization. By fostering integrity across business lines and among employees, a company not only builds trust with key stakeholders but also protects its employees and the general public.

This refers to the ability of businesses to operate within recognized values, principles and norms of responsible business conduct.

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- Business ethics and compliance covers voluntary commitments and mandatory requirement including:
  - Codes of conduct
  - Anti-bribery & Anti-corruption policy
  - Whistleblowing mechanism
  - Measures to ensure fair business practices and transparent reporting on breaches
- Full transparency: all the information and practices related to business ethics should be available in the public domain.

## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

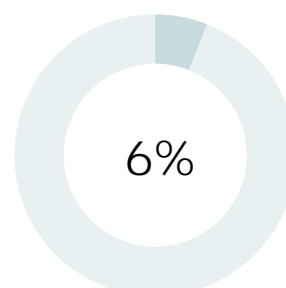
- UN Global Compact Membership
- Reporting on Breaches: Public reporting on the number of breaches against codes of conduct/ethics for all aspects covered.

## Understanding the Materiality of the Topic

Ethics and responsible business conduct covers codes of conduct, anti-corruption policies, whistleblowing procedures, and measures to ensure fair business practices.

Impact on Enterprise Value Creation: Risk Exposure

CSA 2024 criterion average weight across the applicable CSA industries (62/62)



BUSINESS ETHICS

# UN Global Compact Membership



## Rationale

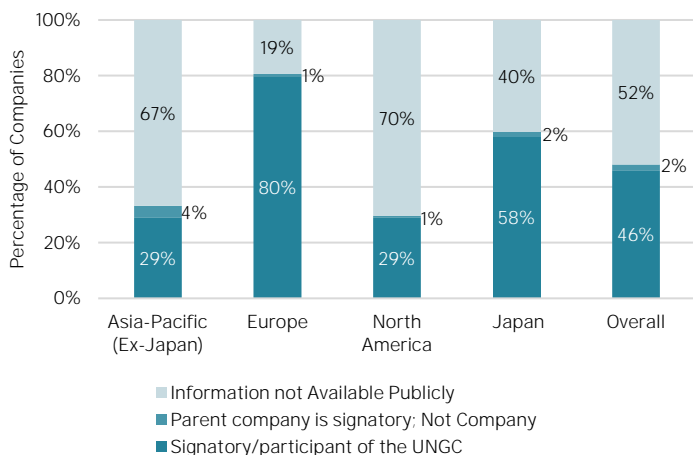
The UN Global Compact (UNGC) is a reference point for investors to apprehend which companies are truly committed to sustainable growth. Indeed, being a participant/signatory of the UNGC requires a public commitment of the company's CEO and the yearly release of a Communication on Progress.



## Focus

Public disclosure whether the company is a signatory/participant to the UN Global Compact

The company is a signatory/participant of the United Nations Global Compact - CSA 2024



## Key Takeaways

Regional disparities in UNGC participation, driven by regulatory, cultural, and stakeholder expectations

**CSA Expected Practice** The company is a signatory/participant of the United Nations Global Compact.

- **Potential Causality: low adoption in North America and Asia**  
Variations may be influenced by differing sustainability prerequisites in global regulatory frameworks and diverse business mindsets. The UNGC's requirement<sup>1</sup> for public CEO commitment and Communication on Progress may contribute to these differences and might be a factor in Asia-Pacific (Ex-Japan) and North America.
- **Potential Causality: high adoption in Europe and Japan**  
European and Japanese executives appear more willing to publicly commit to the UNGC, likely due to stronger stakeholder expectations for sustainable business practices.  
In Japan established Corporate Social Responsibility (CSR) culture might facilitate an engagement with the UNGC.  
In Europe the adoption of CSRD<sup>2</sup> and Corporate Sustainability Due Diligence Directive (CSDDD)<sup>3</sup> might also support UNGC participation.

Data universe: All companies included in the scope of the analysis, n=1678. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. United Nations Global Compact (UNGC), <https://unglobalcompact.org/what-is-gc/mission/principles>

2. Corporate Sustainability Reporting Directive (CSRD), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>

3. Corporate Sustainability Due Diligence Directive (CSDDD), [https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence\\_en](https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en)

BUSINESS ETHICS

# Reporting on Breaches



## Rationale

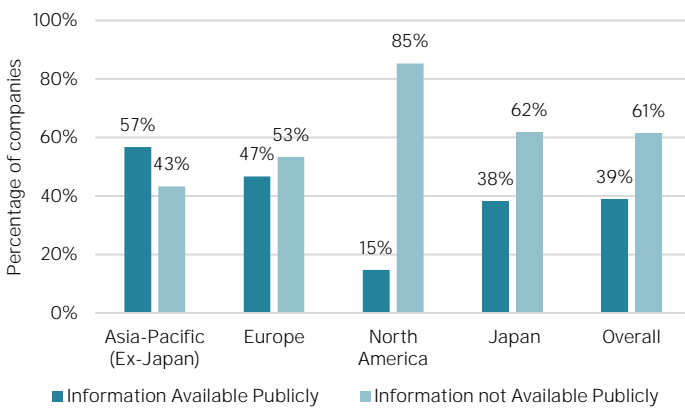
Organizations are increasingly expected by the marketplace, international norms and stakeholders to demonstrate their adherence to integrity, governance and good business practices. While reporting to authorities is mandatory in many countries, our questions look for evidence of transparent corporate reporting to all stakeholders.



## Focus

Transparency towards stakeholders: public disclosure of the breaches of the codes of conduct or anti-corruption and bribery policies, in terms of both the occurrence of incidents and the company response.

Percentage of companies publicly reporting on the total number of **corruption & bribery** cases in the last fiscal year - CSA 2024



### Key Takeaways

Varying levels of transparency in reporting corruption and bribery cases, possibly influenced by stringent anti-corruption laws

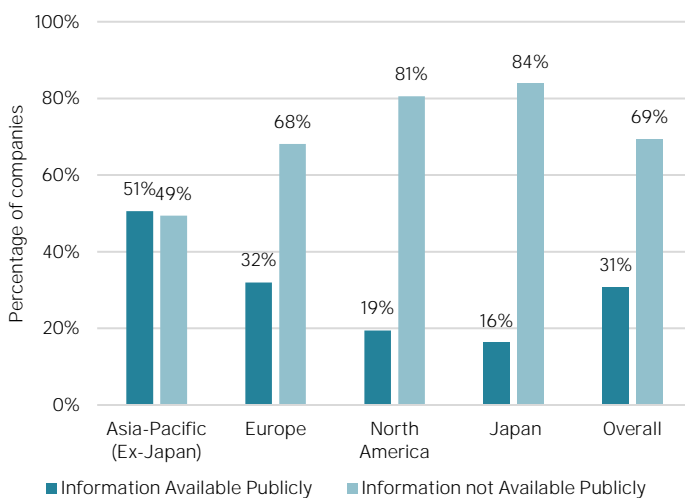
#### CSA Expected Practice

Public reporting on breaches related to corruption & bribery

- Potential Causality: low level of public disclosure in North America  
Stringent anti-corruption law mandating public reporting on breaches might not be enough to ensure a specific reporting for corruption and bribery cases, considering potential reputational and legal implications.
- Potential Causality: reporting behavior in Asia  
Besides the potential impact of regulatory variance in recommend public reporting for this specific topic, peer behavior, cultural and societal elements might affect public disclosure and could explain different level of transparency of the countries within the region.

# Reporting on Breaches

Percentage of companies publicly reporting on the total number of **privacy** cases in the last fiscal year- CSA 2024



### Key Takeaways

The chart highlights regional variations in privacy breach reporting, driven by robustness of local privacy laws and the need for accountability.

#### CSA Expected Practice

Public reporting on breaches related to privacy

- Potential Causality: higher public disclosure rates in Asia-Pacific (Ex-Japan) and Europe  
Disclosure rates are higher in Asia-Pacific (Ex-Japan), followed by Europe, possibly due to more robust privacy laws in these regions (General Data Protection Regulation GDPR<sup>1</sup> in Europe for instance) that encourage public reporting.
- Potential Causality: low public disclosure rates in Japan and North America  
Besides the variegated regulatory environment that do not require a mandatory public reporting on privacy breaches, business and reputational concerns (eroding customer trust) might be a factor limiting reporting.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spiglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spiglobal.com/survey/documents/CSA_Handbook.pdf)

1. General Data Protection Directive (GDPR), <https://gdpr-info.eu/>

BUSINESS ETHICS

# Reporting on Breaches



## Rationale

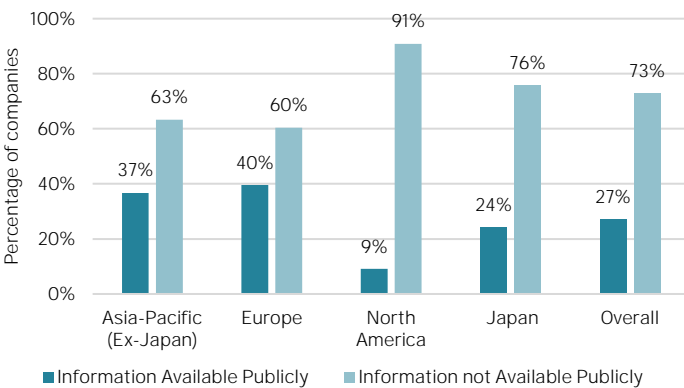
Organizations are increasingly expected by the marketplace, international norms and stakeholders to demonstrate their adherence to integrity, governance and good business practices. While reporting to authorities is mandatory in many countries, our questions look for evidence of transparent corporate reporting to all stakeholders.



## Focus

Transparency towards stakeholders: public disclosure of the breaches of the codes of conduct or anti-corruption and bribery policies, in terms of both the occurrence of incidents and the company response.

Percentage of companies publicly reporting on the number of incidents of **discrimination and harassment** reviewed in the last fiscal year- CSA 2024



### Key Takeaways

The chart highlights regional disparities in reporting discrimination and harassment incidents, influenced by regulatory requirements and stakeholder expectations.

#### CSA Expected Practice

Public reporting on breaches related to discrimination and harassment

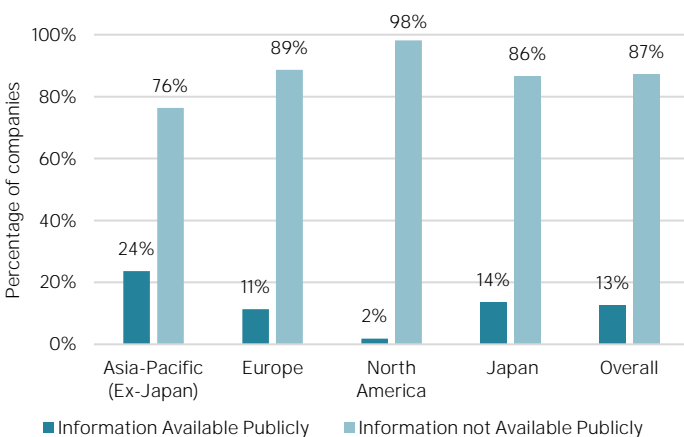
→ Potential Causality: lower level of transparency in North America

Laws in North America on discrimination and harassment are stringent. This might have an impact on public disclosure of the number of cases due to the high risk of litigation and regulatory scrutiny.

In general, despite strict global regulatory requirements for reporting breaches related to discrimination and harassment, many companies may not yet publicly report these incidents as a distinct category. Cultural and social factors might also play a role in the reporting behavior.

# Reporting on Breaches

Percentage of companies publicly reporting on the total number of **money laundering or insider trading** cases in the last fiscal year - CSA 2024



### Key Takeaways

The chart highlights limited public disclosure of money laundering and insider trading cases, influenced possibly by regulatory focus and industry perceptions.

#### CSA Expected Practice

Public reporting on breaches related to money laundering or insider trading

→ Potential Causality: low generalized public reporting

Regulatory requirements in certain countries may focus on reporting to authorities rather than requiring detailed public disclosure. While detailed public reporting on money laundering or insider trading breaches applies across industries, it may be perceived as more pertinent to the financial sector.

Strict confidentiality on these type of investigations in certain countries might limit transparency.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

BUSINESS ETHICS

# Reporting on Breaches



## Rationale

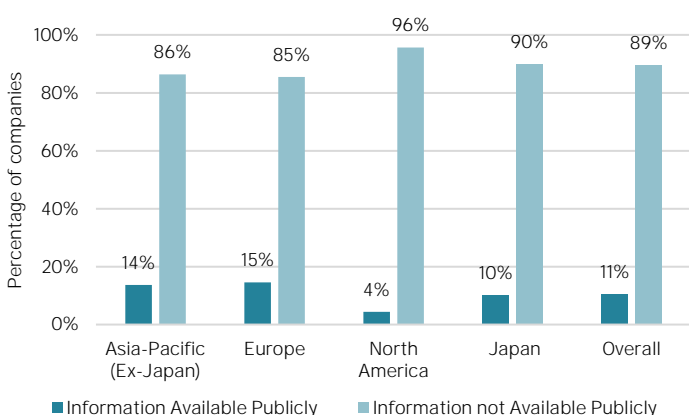
Organizations are increasingly expected by the marketplace, international norms and stakeholders to demonstrate their adherence to integrity, governance and good business practices. While reporting to authorities is mandatory in many countries, our questions look for evidence of transparent corporate reporting to all stakeholders.



## Focus

Transparency towards stakeholders: public disclosure of the breaches of the codes of conduct or anti-corruption and bribery policies, in terms of both the occurrence of incidents and the company response.

Percentage of companies publicly reporting on the total number of **Conflict of Interest** cases in the last fiscal year - CSA 2024



### Key Takeaways

Low public disclosure of conflict of interest cases, possibly influenced by company policies and industry type

**CSA Expected Practice** Public reporting on breaches related to conflict of interest

- **Potential Causality:** low generalized public reporting
- The low number of companies reporting distinctively on conflict of interest breaches to codes of conduct may depend on company policies or industry type. The financial industry may be more inclined to report compared to peers in other sectors.
- Public reporting might be limited on this specific topic to avoid undermining corporate governance principles and company's reputation.

# Reporting on Breaches

Potential causality for public reporting on breaches to the Codes of Conduct

### Key Takeaways

#### → Potential Causality

- Companies may choose to report breaches to codes of conduct in an aggregated manner rather than by specific aspects. Reporting breaches for each area could promote transparency, aligning business conduct principles with breach disclosures and enhancing stakeholder trust.
- Breaches might be reported to authorities as required by law, but detailed public disclosure by area may not occur.
- Laws and regulations may be stricter for certain topics, influencing the level of detail in the public disclosure.
- Global standards and initiatives often mandate high conduct standards, including breach reporting. However, adoption of these standards varies across regions.
- Stakeholder pressures from investors, customers, and civil society demand accountability and transparency, requiring companies to demonstrate adherence to their codes of conduct. Expectations may vary regionally.
- In managing reputation, proactively disclosing breaches publicly can impact stakeholder perceptions of a company's commitment to ethical practices. Disclosure granularity may vary based on topic and regional sensitivities.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

# Supply Chain Management

## Rationale

When a company outsources its production, services or business processes, it also outsources corporate responsibilities and reputational risks. This means that companies need to find new strategies to manage the associated risks and opportunities which differ from the traditional risk and opportunity management with the company's production or services in-house. Organizations face the imperative to optimize costs and reduce delivery times to meet customer demand and enhance profitability, all while maintaining product quality and avoiding significant environmental or social costs. Investors are increasingly recognizing the critical importance of effective supply chain risk management and the adverse implications of inadequate management in this area.

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- Identify companies with lower supply chain risk profiles, either through supply chain characteristics or through appropriate management of existing risks
- Identify companies that are using sustainable supply chain management as an opportunity to improve their long-term financial performance
- Disclosure of supplier screening process and subsequent assessment and development process
- Majority of the information and practices should be available in the public domain

## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

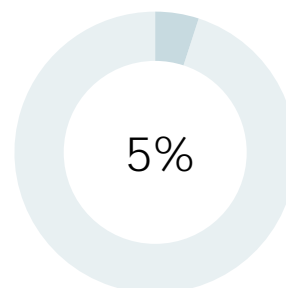
- Supplier Code of Conduct: publicly available supplier code of conduct
- Supplier ESG Programs: Systems/Procedures in place to ensure effective implementation of company's supplier ESG programs required to identify and address material risks and impacts

## Understanding the Materiality of the Topic

Supply Chain Management refers to the procurement policies, systems and practices of companies to manage the sourcing, processing and transformation of resources to deliver products and services. Key priorities include resource optimization and reducing risk exposure, along with the integration of ESG standards beyond own operations. Supply chain risks can relate to for example political unrest, economic misconduct, social impact or environmental harm. It may require supplier collaboration, training, assessments, audits and reporting related to sourcing issues such as conflict minerals.

Impact on Enterprise Value Creation: Risk Exposure, Profitability

CSA 2024 criterion average weight across the applicable CSA industries (54/65)



SUPPLY CHAIN MANAGEMENT

# Supplier Code of Conduct



## Rationale

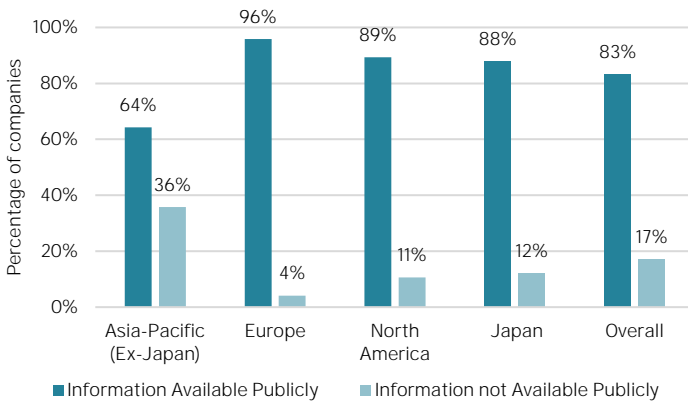
Companies not only outsource production, services, and business processes but responsibilities, risks, and opportunities as well. On one hand, outsourcing generally tends to increase a company's flexibility, but on the other hand, supply chain risks might become less apparent, new dependencies may arise, and the identification, monitoring, and management of risks and opportunities in the supply chain may become more difficult. A general supplier code of conduct summarizes and represents the basic commitments a company requires from its suppliers. It also serves as a first information source for prospective suppliers.



## Focus

Availability and public disclosure of the supplier code of conduct covering human rights and labor, environment and ethics.

## Company's publicly available Supplier Code of Conduct - CSA 2024



### Key Takeaways

Global variations in granular supplier code of conduct transparency, possibly influenced by regulatory frameworks and industry scrutiny

#### CSA Expected Practice

Publicly available supplier code of conduct covering human rights and labor, environment and business ethics issues

→ Potential Causality: low level of transparency in Asia-Pacific (Ex-Japan)

Regulatory drivers in the region might be less stringent compared to other part of the world or focusing on specific issues only, such as human rights or bribery.

Lower levels of stakeholders' pressure in Asia-Pacific (Ex-Japan), compared to Europe, North America and Japan, might also impact the attitude of companies towards public reporting.

In general, industries facing increased scrutiny over supply chain management (such as consumer goods, textiles, materials, technology, ...) may be more inclined to enhance transparency to mitigate perceived business risks.

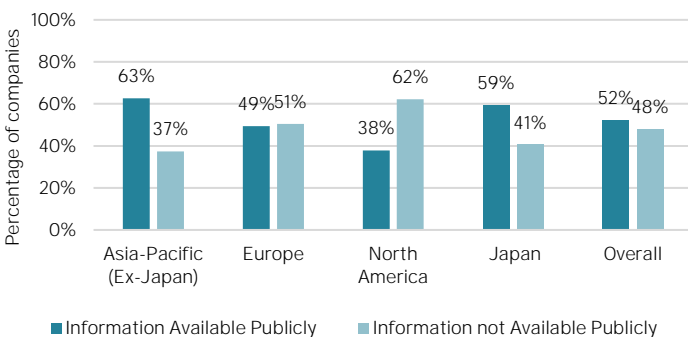
# Supplier ESG Programs



## Rationale

Clear and structured governance, together with internal communication and training, are needed to ensure the correct plan, implementation, and improvement cycles. Organizations not only need to have systems/procedures in place to track the impact of ESG along their supply chains, but they also need to ensure that these practices are routinely reviewed to ensure that their business demands, and expectations, are in line with established ESG requirements.

## Systems/procedures to ensure implementation of company's supplier ESG programs required to identify and address material risks and impacts - CSA 2024



### Key Takeaways

Lower disclosure levels for the implementation of Supplier ESG Programs, compared to Supplier Code of Conduct

#### CSA Expected Practice

Public disclosure on systems and procedures to implement supplier ESG programs to identify and address material risks

→ Potential Causality: half of the companies report; lower % in North America

Factors influencing disclosure may include regulatory requirements, market pressures (societal awareness, investor demands), and industry scrutiny. More robust regulatory framework in Europe, Japan and Asia might explain the higher transparency compared to North America might rely more on voluntary standards, with disclosures driven by market demand, often focusing on high-profile issues.

Data universe: : All companies included in the scope of the analysis for Supplier Code of Conducts, n=1276 and all companies included in the scope of the analysis for Supplier ESG Programs n=1275. For more details on the scope or the analysis please refer Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

# Transparency & Reporting

## Rationale

To confidently use sustainability-related data and reports produced by companies, stakeholders must be able to rely on accurate information that has been collected, elaborated and presented in a transparent manner.

Focus is on how companies set and communicate the reporting boundaries associated to their sustainability disclosure, whether they certify the quality and accuracy of the disclosed data through third-party verification and assurance processes, and whether they define eligibility and/or alignment of their business activities to relevant sustainable finance taxonomies.

Impact on Enterprise Value Creation: Risk Exposure and Growth

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- Assess how companies set and communicate the reporting boundaries associated to their sustainability-disclosure.
- Companies' transparency on certification of the quality and accuracy of the disclosed data through third-party verification and assurance processes
- Eligibility and/or alignment of the company's business activities to relevant sustainable finance taxonomies
- All the information and practices related to transparency and reporting should be available in the public domain.

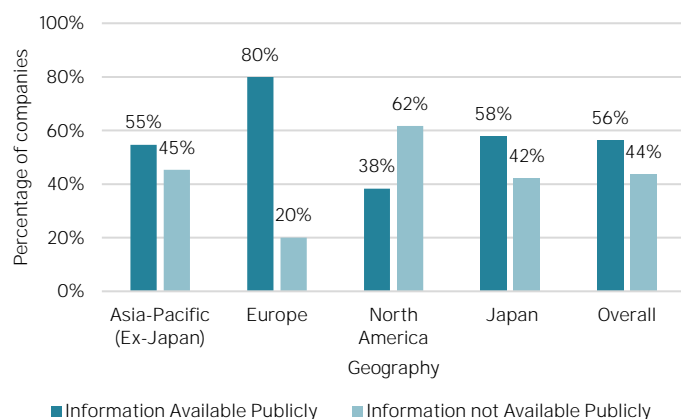
## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

- Sustainability Reporting Assurance: the company's sustainability reporting is externally assured.

## Sustainability Reporting Assurance

Company's external assurance about sustainability reporting – CSA 2024



Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report. Note: The data analysis only includes companies for which this question has been considered as applicable.

Sources: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Corporate Sustainability Reporting Directive (CSRD), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>

2. Sustainability Standards Board of Japan (SSBJ), [https://www.ssbj.jp/en/ssbj\\_standards/2025-0305.html](https://www.ssbj.jp/en/ssbj_standards/2025-0305.html)

### Key Takeaways

Regional disparities in sustainability reporting assurance, influenced by regulatory requirements and investor pressures

**CSA Expected Practice** Public disclosure of the auditor's assurance of the company's sustainability reporting

→ **Potential Causality:** low level of disclosure in Asia-Pacific (Ex-Japan) and North America

Lower levels of disclosure may result from varying maturity levels of sustainability reporting frameworks and less stringent mandatory assurance requirements.

While regulations are less demanding, larger companies might often seek assurance to enhance credibility and meet market demands.

→ **Potential Causality:** Europe

In Europe, regulations often mandate assurance, especially for larger companies, as seen with the CSRD<sup>1</sup>. A culture of compliance and stakeholder engagement might further influence assurance practices.

→ **Potential Causality:** Japan

Japan's regulatory approach, shifting towards more prescriptive requirements, might be prompting companies to adapt accordingly. The gradual adoption of SSBJ<sup>2</sup> might positively impact assurance of sustainability data.

# Climate Strategy

## Rationale

Most industries will be impacted by climate change, albeit to a varying degree. The need for robust strategies to meet the scale of the challenge is growing ever more significant. There is increasing focus not only on identifying the risks and opportunities of climate change but also managing these risks, setting targets and ensuring appropriate governance and oversight at all levels of the business.

As the number of climate-related mandatory and voluntary disclosure frameworks and standards increase, companies must remain vigilant at not only assessing their own exposure to climate but also documenting this in a way that meets disclosure requirements.

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- Climate Strategy refers to the risks and opportunities presented by climate change and the transition to a low-carbon economy.
- It focuses on disclosure of different emissions to assess the overall trend and on strategies for the management of climate associated risks and impacts as reported based on climate disclosure recommendations and regulations.
- Majority of the information and practices should be available in the public domain.

## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

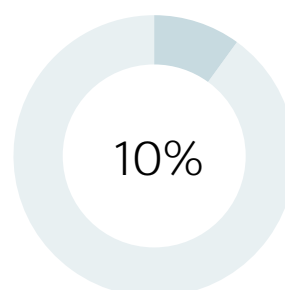
- Direct Greenhouse Gas Emissions (Scope 1) and Indirect Greenhouse Gas Emission (Scope 2 and 3)
  - Public Reporting
  - Third Party Verification (most recent FY reported)
- TCFD Disclosure: Integration of the TCFD framework in risk management
- Climate-related scenario analysis: qualitative, quantitative or both
- Climate Risks Management: integration of Climate Change Strategy
- Net-Zero Emissions commitment and reduction targets

## Understanding the Materiality of the Topic

Climate Transition refers to the risks and opportunities presented by climate change and the transition to a low-carbon economy. It focuses on strategies for the management of climate associated risks and impacts as well as energy transition goals. Climate Transition implies regulatory, market and technology developments, including climate solutions and business response throughout the value chain. While Physical Risk exposure is location and company specific, transition risks and opportunities are associated with specific industries and sectors.

Impact on Enterprise Value Creation: Risk Exposure, Profitability, Growth

CSA 2024 criterion average weight across the applicable CSA industries (62/62)



CLIMATE STRATEGY

# Direct Greenhouse Gas Emissions (Scope 1)



## Rationale

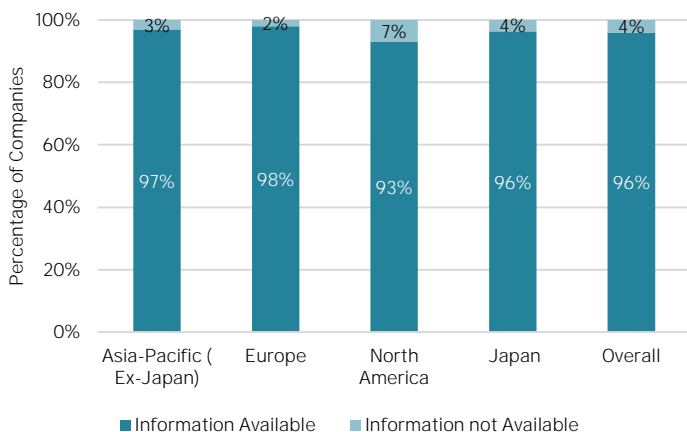
Emissions are a critical indicator of a company's impact on the climate. Increasingly, the disclosure of emissions is expected from investors, and growing regulatory pressure has led to the mandatory disclosure of certain emissions. By disclosing emissions, investors and stakeholders can ascertain a company's climate risks and identify trends in emissions reduction to benchmark against competitors.



## Focus

Assessment of the company's direct greenhouse gas (Scope 1) emissions and their overall trend.

### Public reporting: direct GHG emissions (Scope 1) data is publicly available - CSA 2024



#### Key Takeaways

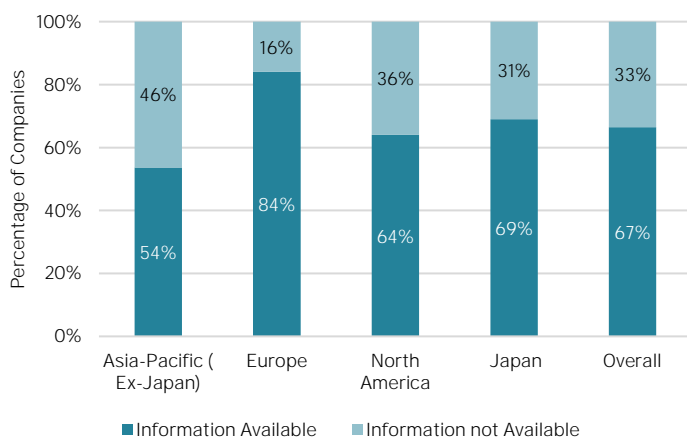
Mandatory regulations and investor pressures drive high transparency in Scope 1 GHG emissions reporting globally

**CSA Expected Practice** Scope 1 GHG emissions data is publicly reported.

- **Potential Causality: very high transparency**  
Regulatory drivers might be the most significant causal factor for public reporting on Scope 1 emissions: reporting is mandatory in Europe and Japan and widely adopted in Asia-Pacific (Ex-Japan) and North America.  
Market and investor pressure might also have impacted the reporting behavior by making transparency on climate metrics a prerequisite for investment and incorporated into voting policies.  
Additionally, heightened societal awareness of climate change has increased scrutiny on company emissions.

# Direct Greenhouse Gas Emissions (Scope 1)

### Third-party verification: direct GHG emissions (Scope 1) verified by third party in the most recent fiscal year reported - CSA 2024



#### Key Takeaways

Europe leads in third-party verification of Scope 1 emissions.

**CSA Expected Practice** Scope 1 GHG emissions data verified by a third party

- **Potential Causality: high % of in Europe**  
Robust regulatory frameworks (CSRD, EU Taxonomy) increasingly mandating assurance might encourage companies pursue third-party verification.
- **Potential Causality: lower disclosure in Asia**  
Varied individual country regulations with differing assurance requirements could contribute to lower verification rates.
- **Potential Causality: Japan**  
In Japan, voluntary adoption of international frameworks and listing requirements have led to higher external verification rates, although the regulatory framework is yet to be binding.
- **Potential Causality: general**  
Stakeholders might increasingly demand not just disclosure, but high-quality, assured, and comparable data.

Data universe: All companies included in the scope of the analysis, n=1684. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. EU Taxonomy for Sustainable Activities, [https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities\\_en](https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en)

CLIMATE STRATEGY

# Indirect Greenhouse Gas Emissions (Scope 2)



## Rationale

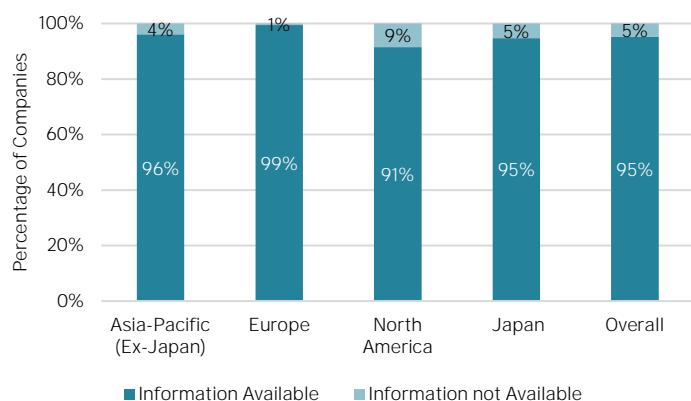
Emissions are a critical indicator of a company's impact on the climate. Increasingly, the disclosure of emissions is expected from investors, and growing regulatory pressure has led to the mandatory disclosure of certain emissions. By disclosing emissions, investors and stakeholders can ascertain a company's climate risks and identify trends in emissions reduction to benchmark against competitors.



## Focus

Assessment of the company's indirect greenhouse gas (Scope 2) emissions and their overall trend.

Public reporting: indirect GHG emissions (Scope 2) data is publicly available (location-based or market-based) - CSA 2024



### Key Takeaways

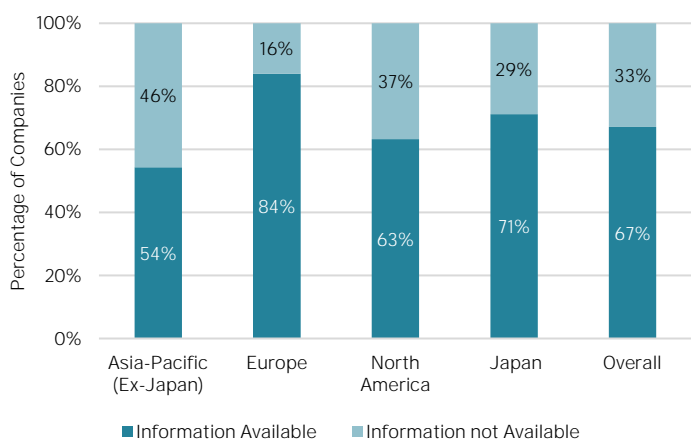
Regulatory mandates and investor pressures drive widespread Scope 2 emissions reporting

**CSA Expected Practice** Scope 2 GHG emissions data is publicly reported.

- **Potential Causality: all regions**  
The high level of public reporting of Scope 2 emissions in developed markets can be attributed to regulatory mandates, which are particularly strong in Europe and Japan. The convergence of global reporting standards, such as CSRD and ISSB, alongside investor and stakeholder pressures, also play a significant role. Asset managers and pension funds might use Scope 2 data to assess climate transition risks and portfolio carbon intensity.
- **Potential Causality: North America**  
In North America, regulations on reporting might be less stringent, often mandating voluntary disclosure. However, pressure from institutional investors remains high and contributes to the substantial level of reporting observed.

# Indirect Greenhouse Gas Emissions (Scope 2)

Third-party verification: indirect GHG emissions (Scope 2) verified by third party in the most recent fiscal year reported - CSA 2024



### Key Takeaways

Europe leads in Scope 2 emissions verification.

**CSA Expected Practice** Scope 2 GHG emissions data third-party verified by a third party

- **Potential Causality: high % in Europe**  
In Europe, regulatory frameworks like the CSRD drive widespread third-party verification, particularly among large and listed companies where assurance is mandatory.
- **Potential Causality: Japan**  
Japan's regulation alignment with international standards and prescriptive requirements might have encouraged companies to report and verify Scope 2 emissions, enhancing investor confidence.
- **Potential Causality: Asia-Pacific (Ex-Japan) and North America**  
In Asia and North America, climate disclosure rules emphasize voluntary components, which may affect the rate of third-party data verification. Globally, stakeholders are increasingly demanding not just disclosure, but high-quality, assured, and comparable data.

Data universe: All companies included in the scope of the analysis, n=1670. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

CLIMATE STRATEGY

# Indirect Greenhouse Gas Emissions (Scope 3)



## Rationale

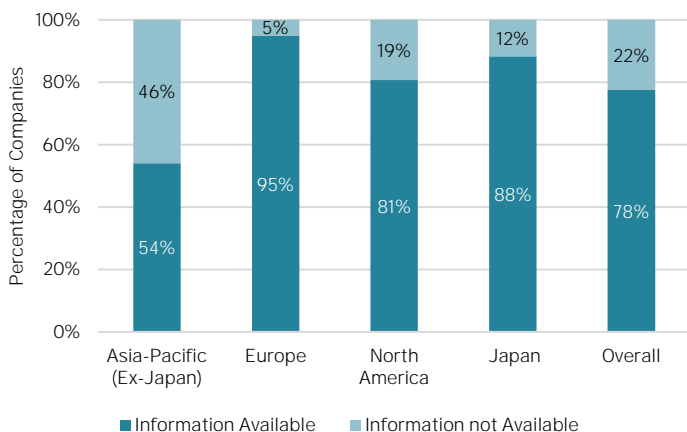
Scope 3 emissions represent most emissions for the majority of industries, so it is crucial for companies to measure all relevant sources of Scope 3 emissions in their value chain to identify climate risks and opportunities, provide transparency to the markets and comply with regulatory requirements..



## Focus

Assessment of the company's indirect emissions from the value chain (Scope 3 emissions) and assess its overall trend.

### Public reporting: indirect GHG emissions (Scope 3) data is publicly available - CSA 2024



#### Key Takeaways

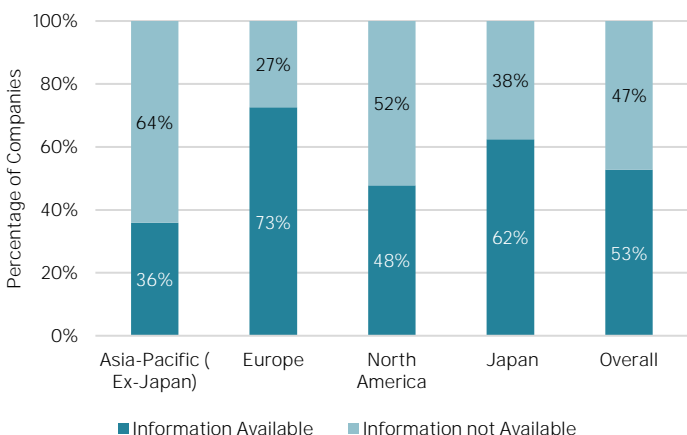
Europe leads in Scope 3 emissions reporting.

**CSA Expected Practice** Scope 3 GHG emissions data is publicly reported (either total Scope 3 emission value for the last financial year or for at least 3 out of the 15 Scope 3 categories).

- **Potential Causality: very high level of reporting in Europe**  
Europe's high level of Scope 3 emissions reporting could in part be attributed to regulatory requirements such as the CSRD and SFDR, which mandate disclosure. A mature sustainability reporting culture further supports this trend.
- **Potential Causality: lower transparency in Asia-Pacific (Ex-Japan)**  
In Asia, voluntary regulatory requirements and lower stakeholder pressure might contribute to the lower percentage of companies publicly reporting Scope 3 emissions.
- **Potential Causality: common factors**  
Challenges in collecting and validating Scope 3 data due to technological constraints can limit disclosure. Additionally, pressure from large corporations for supply chain emissions disclosure may encourage companies to report.

# Indirect Greenhouse Gas Emissions (Scope 3)

### Third-party verification: indirect GHG emissions (Scope 3) verified by third party in the most recent fiscal year reported - CSA 2024



#### Key Takeaways

Europe leads in Scope 3 emissions verification.

**CSA Expected Practice** Scope 3 GHG emissions data third-party verified by a third party

- **Potential Causality: regulatory drivers might be a relevant factor explaining regional differences**  
European regulatory frameworks encourage third-party assurance of the data reported to ensure reliability and might explain the high percentage of European companies verifying Scope 3 data.  
Japan's evolving regulatory framework and adoption of international standards might heighten company awareness and drive validation of reported data for reliability.  
In North America and Asia-Pacific (Ex-Japan), regulatory requirements for Scope 3 assurance are more voluntary, which may account for the lower verification rates. However, investor expectations and reputational risk management could significantly influence adoption.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

CLIMATE STRATEGY

# TCFD Disclosure



## Rationale

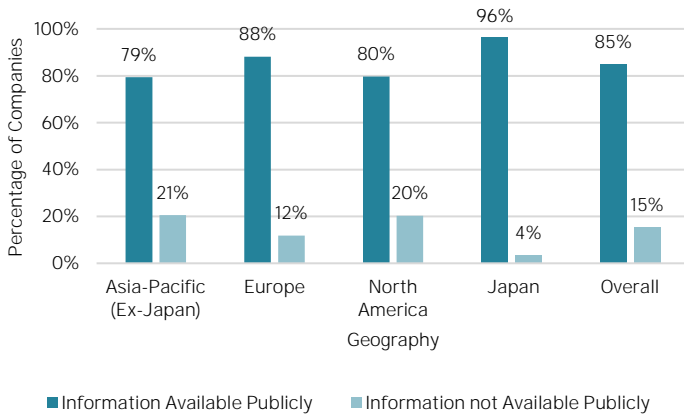
Demand for climate-related disclosure from investors has increased significantly since the release of the TCFD's recommendations in 2017<sup>1</sup>. In addition, public sector leaders have noted the importance of transparency on climate-related issues within financial markets. Many national governments and public sector organizations formally support the TCFD, and some have started to issue regulations that make TCFD disclosure mandatory.



## Focus

The company applies the framework of the Task Force on Climate-related Financial Disclosures (TCFD) in the management of climate-related risks and opportunities.

### Company integrates the TCFD framework in its risk management - CSA 2024



#### Key Takeaways

Japan and Europe lead in TCFD integration.

**CSA Expected Practice** Public reporting on how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

- **Potential Causality: high level of integration in Japan**  
Japan's regulatory framework on climate-related disclosure is aligned with the TCFD framework, and companies are encouraged to integrate climate risks into enterprise risk management. These factors, along with institutional investor expectations for best practices in climate risk management, contribute to the high level of public disclosure.
- **Potential Causality: other regions**  
In Europe, the regulatory landscape mandates disclosure of climate-related risks and their integration into risk management frameworks, leading to high levels of disclosure.  
The regulatory framework in North America and Asia-Pacific (Ex-Japan) is less binding. Market factors might explain the rather high level of integration.

# Climate-Related Scenario Analysis



## Rationale

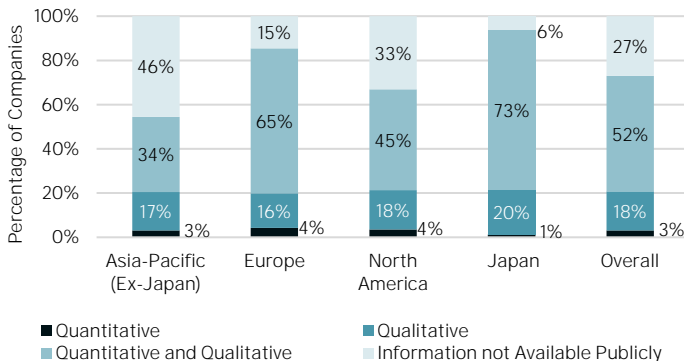
Companies need to consider a broad range of assumption uncertainties, and potential future states to understand potential effects of climate change on their businesses, strategies, and financial performance across different time horizons and temperature pathways. One way to do this through conducting climate-related scenario analysis.



## Focus

Focus on disclosure on the resilience of the organization's strategy, taking into consideration different climate-related scenarios.

### If the company has conducted climate related scenario analysis : qualitative, quantitative or both - CSA 2024



#### Key Takeaways

Japan and Europe excel in climate scenario analysis.

**CSA Expected Practice** Quantitative (or qualitative & quantitative) scenario analysis related to climate change is conducted.

- **Potential Causality: high % in Japan and Europe**  
In Japan (as the largest TCFD signatory country since the launch), the widespread adoption of the TCFD framework encourages companies to conduct climate-related scenario analyses as part of TCFD requirements.  
Similarly, in Europe, the CSRD regulatory framework mandates scenario analysis with detailed requirements for both qualitative and quantitative disclosures.  
Institutional investors and pension funds in these regions may also require robust climate scenario analyses.
- **Potential Causality: other regions**  
In North America and Asia-Pacific (Ex-Japan), regulatory frameworks are less stringent regarding climate scenario analysis, which may contribute to lower adoption rates.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report. Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Task Force on Climate-Related Financial Disclosures (TCFD), <https://www.fsb-tcfd.org/>

CLIMATE STRATEGY

# Climate Risk Management



## Rationale

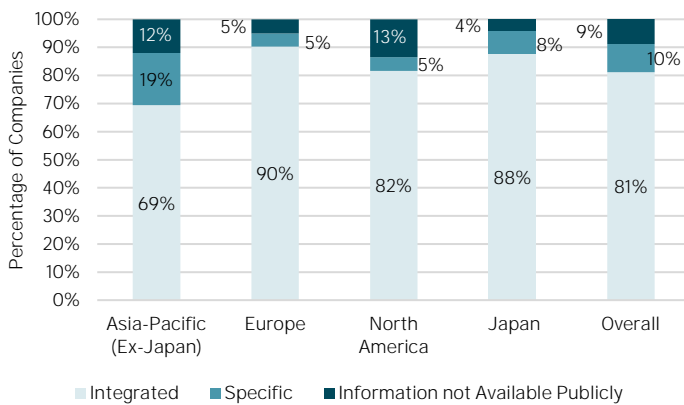
Although nearly all organizations are affected by climate change-related risks, the most significant effects of climate change are likely to emerge over the medium to longer term, while the precise timing and magnitude of these impacts remain uncertain. Climate risk assessments covering different climate risk types, different value chain stages and time-horizons can be helpful to understand the potential effects of climate change on companies' businesses, strategies, and financial performance.



## Focus

Assessment whether the company has a climate risk management process which is a process for identifying, assessing, and responding to climate-related risks.

### Evidence of climate change strategy integrated into multi-disciplinary company-wide risk management processes or a specific climate change risk management process - CSA 2024



### Key Takeaways

Regulations and Board engagement drive integration of climate strategy into risk management.

**CSA Expected Practice** Public reporting on risk management procedures about climate change risks and opportunities integrated into (or separated) from multi-disciplinary company-wide risk management processes.

**Definitions**  
**Integrated** into multi-disciplinary company-wide risk management process: documented process where climate change risks and opportunities are integrated into the company's centralized enterprise risk management program covering all types/sources of risks and opportunities.  
**Specific** climate change risk management process: documented process that consider climate change risks and opportunities separated from other business risks and opportunities.

- **Potential Causality: regulations**  
Regulatory and policy drivers might significantly impact the integration of climate strategy into enterprise risk management. These factors are like those influencing the integration of the TCFD framework into risk management.
- **Potential Causality: corporate governance**  
The level of board engagement on climate risk may also affect the adoption of integrated risk management practices. Boards with dedicated sustainability or risk committees overseeing climate risk integration may facilitate these practices.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

CLIMATE STRATEGY

# Net-Zero Commitment



## Rationale

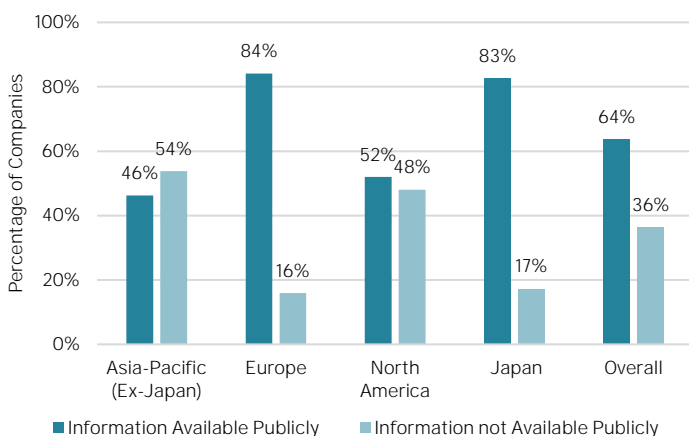
Companies are increasingly adopting net-zero targets to align their activities with the aim of limiting the rise of global temperature to 1.5 degrees C above preindustrial levels. Due to the lack of common understanding of the definition of net-zero, the Science Based Targets initiative (SBTi) developed a global science-based standard for companies to set net-zero targets.



## Focus

Assess if the company has made a net-zero commitment, how well it is aligned with the science-based targets and what activities are planned to reach the target.

## Company's public commitment to reach net-zero emissions - CSA 2024



### Key Takeaways

Regulations and investor demands drive net-zero commitments in Europe and Japan.

**CSA Expected Practice** Public commitment to reach net-zero emissions across the value chain, covering target time frame, target scope and related emission reduction target, target validation by SBTi<sup>1</sup>.

- **Potential Causality: high % of public commitment in Europe and Japan**  
Regulatory frameworks are likely the primary factor driving high levels of public disclosure on net-zero commitments in Europe.  
In Japan companies seem inclined to include net-zero information in their reporting and risk management initiatives.  
Additionally, capital market pressures are significant in these regions, with global asset managers bound to EU regulations demanding transparency.
- **Potential Causality: other regions**  
In North America and Asia-Pacific (Ex-Japan), regulatory drivers are less prominent. Instead, pressure from international investors might require companies to be transparent about their net-zero commitments.

Data universe: All companies included in the scope of the analysis, n=1416. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Science Based Target Initiative (SBTi), <https://sciencebasedtargets.org/>

CLIMATE STRATEGY

# Net-Zero Commitment



## Rationale

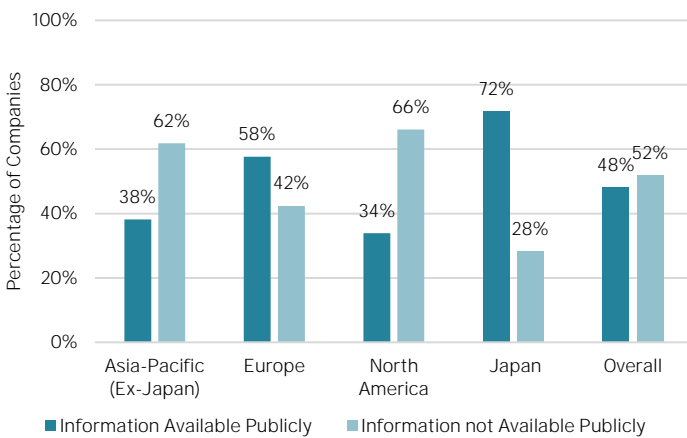
Companies are increasingly adopting net-zero targets to align their activities with the aim of limiting the rise of global temperature to 1.5 degrees C above preindustrial levels. Due to the lack of common understanding of the definition of net-zero, the Science Based Targets initiative (SBTi) developed a global science-based standard for companies to set net-zero targets.



## Focus

Assess if the company has made a net-zero commitment, how well it is aligned with the science-based targets and what activities are planned to reach the target.

### Programs or activities to achieve the emission reduction targets defined or implemented covers Scope 1 & 2 emissions - CSA 2024



#### Key Takeaways

Japan leads in disclosure.

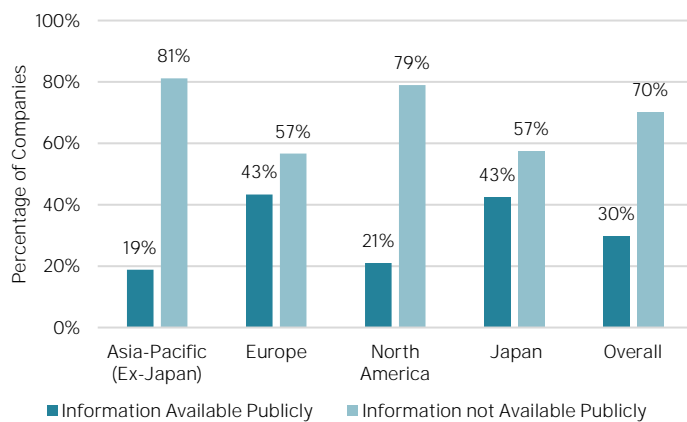
CSA Expected Practice	Public disclosure of defined or already implemented programs or activities to achieve the scope 1 & 2 emission reduction targets
-----------------------	--

→ Potential Causality: Japan leading on public disclosure on programs or activities  
 Japan leads in public disclosure of programs or activities, likely due to its robust regulatory framework on climate change.  
 Furthermore, the Japanese government net-zero by 2050 target might have catalyzed corporates to act and disclose. Size of the firms might be a factor influencing disclosure behavior of companies.  
 Institutional investors requirements might impact disclosure.

→ Potential Causality: other regions  
 Factors contributing to lower reporting in other regions may include less binding regulations, inconsistent investor demand, and capacity constraints among companies addressing this aspect.

# Net-Zero Commitment

### Programs or activities to achieve the emission reduction targets defined or implemented covers Scope 3 emissions - CSA 2024



#### Key Takeaways

Regulatory and investor pressures influence disclosure.

CSA Expected Practice	Public disclosure of defined or already implemented programs or activities to achieve the scope 3 emission reduction targets
-----------------------	--

→ Potential Causality: lower disclosure on programs/activities in Asia-Pacific (Ex-Japan) and North America  
 Relevant factors that might explain the difference in the adoption might refer to regulatory stringency, market and investors pressure as well as scrutiny from the civil society.  
 The commitment of global asset managers and institutional investors to net-zero targets may increase pressure on companies to enhance transparency.  
 A generally lower percentage of companies in both regions disclosing a net-zero commitment together with the challenges in collecting and validating Scope 3 data might have an impact on the disclosure of programs or activities to achieve Scope 3 emissions reduction targets.

Data universe: All companies included in the scope of the analysis, n=1416. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

# Biodiversity

## Rationale

Biodiversity forms the foundation for all of life. It plays a critical role in maintaining the quality, quantity, and resilience of ecosystems and provides services that the planet relies upon. Businesses have long utilized nature's resources and services without having to pay a full price for the privilege.

The externalities of these actions have led us to a critical juncture: we can either maintain our elevated levels of dependency on and impact on nature or pursue a more holistic approach. The world faces the risk of collapse if we continue to exceed the limits of nature.

An option is a transformative path where businesses deeply consider their relationship with nature and work collaboratively with stakeholders to achieve mutually beneficial outcomes.

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- It emphasizes the capacity of companies to acknowledge the significance of biodiversity, along with the associated impact and dependency risks and opportunities
- Risks identification to alleviate pressure on ecosystems and to help them thrive, while working within the parameters of business operations
- It also seeks a high-level of industry collaboration with external stakeholders
- Majority of the information and practices should be available in the public domain.

## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

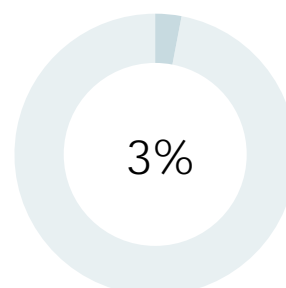
- Biodiversity commitment
  - Public policy or commitment on biodiversity
  - Target for net positive impact in the biodiversity commitment

## Understanding the Materiality of the Topic

Companies impact Biodiversity through their operations and value chains. Land use can be seen as proxy for the level of impact. Biodiversity involves ecosystem diversity, species diversity and genetic diversity. It implies the impact and dependency of companies on different ecosystem services. It reflects a systems view, versus considering different natural resources separately. Damage can involve biodiversity loss through for example deforestation. The management of these includes the avoidance of activities near sensitive sites, and the application of mitigation hierarchy approaches to minimize losses and achieve net positive impact.

Impact on Enterprise Value Creation: Risk Exposure, Profitability

CSA 2024 criterion average weight across the applicable CSA industries (49/62)



BIODIVERSITY

# Biodiversity Commitment



## Rationale

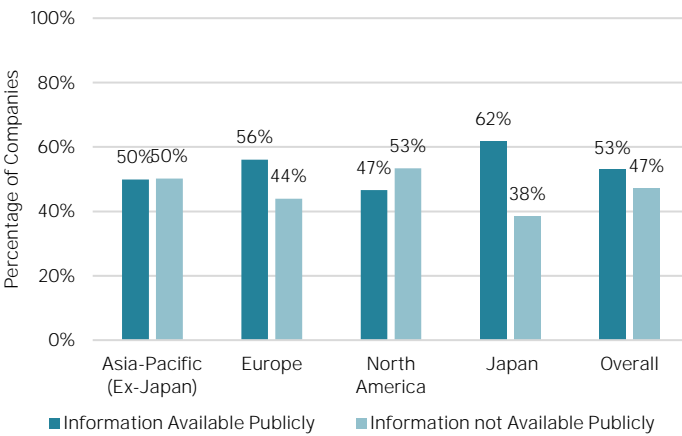
A biodiversity commitment should cover aspects to systematically address its dependency and impact-related biodiversity risks. This includes commitments to engage with stakeholders, conduct risk assessments, disclose identified priorities and set targets to work toward no net loss. Companies are expected to disclose the mitigating actions they take and set a long-term net positive impact commitment. All aspects covered are expected to be applied to a company's entire value chain and be endorsed by either a member of the board of directors or executive management.



## Focus

Disclosure of a company's public policy or commitment to biodiversity, covering aspects to systematically address its dependency and impact-related biodiversity risks

### Company has a public policy or commitment on biodiversity - CSA 2024



#### Key Takeaways

In Japan and Europe, companies are more likely to publicly commit to biodiversity policies, influenced by regulatory frameworks and cultural attitudes.

**CSA Expected Practice** The company has a publicly available policy or commitment in place on biodiversity.

→ **Potential Causality:** higher frequencies of public commitments in Japan and Europe

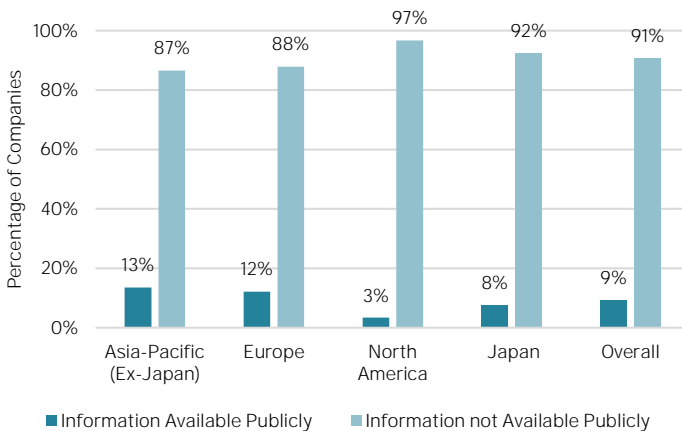
The higher % of public commitments in Japan and Europe may be attributed to regulatory frameworks. In Europe, the CSRD and SFDR<sup>1</sup> require large companies to disclose biodiversity impacts, management practices, and performance metrics.

Japan's government alignment with international frameworks and cultural environmental awareness may also drive higher disclosure rates on biodiversity policy content.

Additionally, institutional investors are increasingly integrating biodiversity into their investment decisions, viewing it mainly as a risk management factor.

# Biodiversity Commitment

### Biodiversity commitment includes a target for net positive impact - CSA 2024



#### Key Takeaways

Few companies set targets for net positive impact (NPI) on biodiversity.

**CSA Expected Practice** Achievement of a net positive impact (NPI) on biodiversity along with a target year

→ **Potential Causality:** few companies setting targets for net positive impact (NPI)

Factor that might potentially impact the adoption of an NPI target are regulations, NGO and investor activism, reputational risk, operational dependencies on ecosystem services.

Europe defined a biodiversity policy with targets on restoration and protection for 2030. Investors in Europe might be more sensitive on the biodiversity topic.

In Japan the government set-up a strategic and action plan on biodiversity considering, among the strategies, the realization of nature positive economies<sup>2</sup>. Companies appear to currently focus less on setting NPI targets, but rather on risk mitigation.

There might be challenges on defining metrics for NPI outcomes and verification.

Data universe: All companies included in the scope of the analysis, n=1140. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Sustainable Finance Disclosure Regulation (SFDR), <https://www.eurosif.org/policies/sfdr-sustainable-finance-disclosure-regulation/>

2. The National Biodiversity Strategy and Action Plan of Japan 2023-2030, <https://www.env.go.jp/content/000280507.pdf>

# Human Rights

## Rationale

Businesses must support and uphold human rights. They should avoid contributing to and actively prevent any negative impacts on human rights. Companies must protect human rights within their operations, supply chains, and business relationships. They also pledge to prevent human trafficking, forced labor, and child labor, among other responsibilities.

Respecting human rights means actively avoiding actions that cause or contribute to negative impacts, addressing such impacts when they occur, and taking steps to prevent or mitigate adverse effects from both their operations and business relationships.

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- Active commitment to respect human rights and meet the implementation requirements of the UN Guiding Principles for Business and Human Rights.
- Systematic identification and management of human rights risks across the value chain and business partners
- This includes:
  - Statement of policy commitment
  - Due diligence process
  - Processes for remediation
  - HR Mitigation & Remediation
  - Human rights disclosure
- Public disclosure

## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

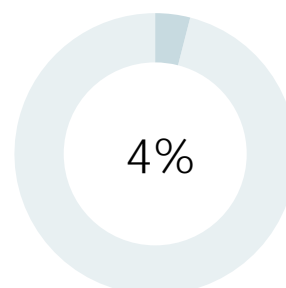
- Human Rights Commitment
  - Publicly available policy for commitments to human rights
  - Human rights policy covers commitments in accordance with internationally accepted principles
  - Human rights policy includes requirement for suppliers
- Human Rights Due Diligence Process
  - Due diligence process covers risk identification in own operations
  - Due diligence process covers risk identification in the value chain or activities related to the business
- Human Rights Assessment

## Understanding the Materiality of the Topic

It is recognized that business enterprises should support and respect Human Rights. Related responsibilities include the need to avoid contributing to and seeking to prevent adverse human rights impacts. It requires the protection of Human Rights in own operations, supply chains, and business relationships. Companies commit to, among others, prevent human trafficking, forced labor and child labor. At stake is the rights of not only employees, but all citizens including vulnerable groups. Business action includes due diligence, assessments, mitigation and remediations.

Impact on Enterprise Value Creation: Risk Exposure, Growth, Profitability

CSA 2024 criterion average weight across the applicable CSA industries (62/62)



HUMAN RIGHTS

# Human Rights Commitment



## Rationale

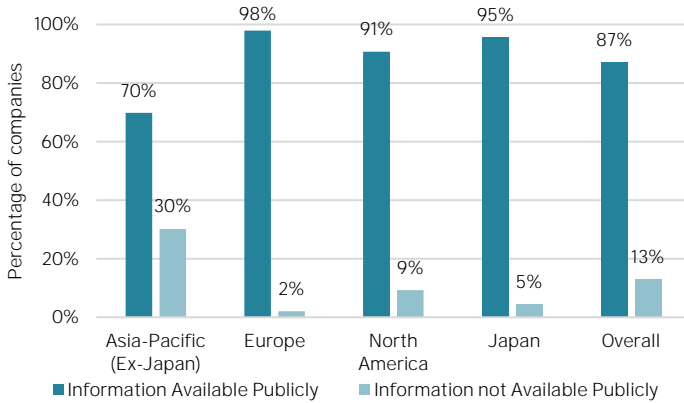
Companies are expected to have an active commitment to respect human rights in their business relationships in line with the UN Guiding Principles or another internationally accepted standard. The policy needs to be company-specific with a company-wide commitment and not just for a single site, business unit, or project. The policy should specify the human rights issues considered and specify the requirements for own operations, suppliers and partners.



## Focus

Disclosure of a company's public policy on its commitment to respect human rights at company wide level, to build trust with different stakeholders and demonstrating international good business practices.

### Company has a publicly available policy for commitments to human rights - CSA 2024



#### Key Takeaways

Regulations and activism drive human rights policy disclosure.

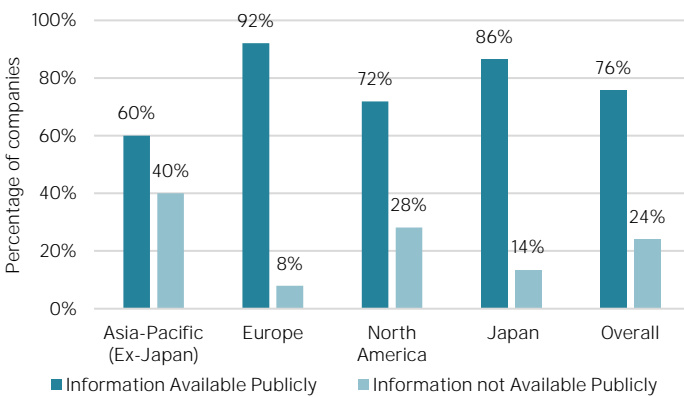
#### CSA Expected Practice

The company has a publicly available policy on its commitment to respect human rights at a company wide level.

- Potential Causality: high % of companies disclosing in Europe, Japan  
Regulatory frameworks like CSRD in Europe mandate public reporting on human rights policies, possibly leading to high disclosure rates. In Japan, government guidelines on business and human rights (Japan's National Action Plan on Business and Human Rights<sup>1</sup>) might have contributed to high level of transparency.  
Investor activism and civil society engagement could further encourage public disclosures.
- Potential Causality: North America  
Voluntary frameworks and state-level regulations encourage transparency, but investor expectations might be the primary driver for reporting..
- Potential Causality: lower % in Asia-Pacific (Ex-Japan)  
The absence of a comprehensive human rights reporting framework results in lower disclosure rates. Voluntary adoption of international frameworks, driven by multinational supply chain requirements, could be driver for commitment.

# Human Rights Commitment

### Human rights policy covers commitment to respect human rights in accordance with internationally accepted principles - CSA 2024



#### Key Takeaways

Europe and Japan lead in human rights commitments.

#### CSA Expected Practice

A statement of commitment to respect human rights in accordance with internationally accepted standards

- Potential Causality: high % in Europe and Japan  
Binding regulatory frameworks in Europe and quasi-mandatory guidelines in Japan very often reference international standards on human rights. Companies aligning to the regulations might be well equipped to also explicitly commit to respect HR in accordance with internationally accepted standards.
- Potential Causality: North America  
Fragmented voluntary frameworks might encourage companies to align with international principles, addressing at the same time investor and civil society demands for transparency.
- Potential Causality: lower % in Asia-Pacific (Ex-Japan)  
International investor expectations and supply chain requirements are the primary drivers for companies committing to international human rights standards.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report. Note: The data analysis only includes companies for which this question has been considered as applicable.  
Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)  
1. National Action Plan on Business and Human Rights, <https://www.mofa.go.jp/files/100173319.pdf>

HUMAN RIGHTS

# Human Rights Commitment



## Rationale

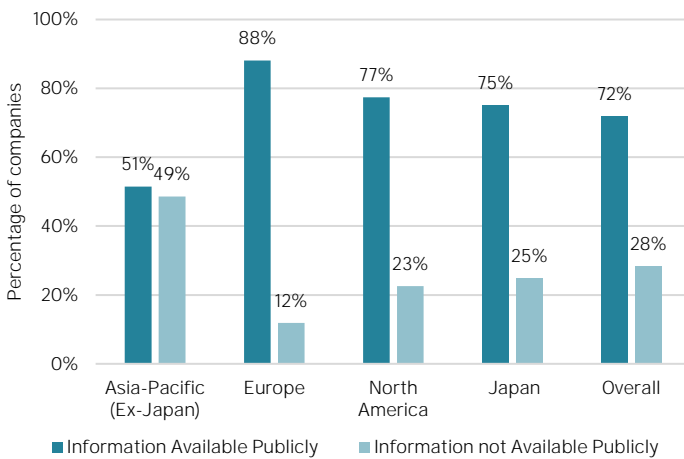
Companies are expected to have an active commitment to respect human rights in their business relationships in line with the UN Guiding Principles or another internationally accepted standard. The policy needs to be company-specific with a company-wide commitment and not just for a single site, business unit, or project. The policy should specify the human rights issues considered and specify the requirements for own operations, suppliers and partners.



## Focus

Disclosure of a company's public policy on its commitment to respect human rights at company wide level, to build trust with different stakeholders and demonstrating international good business practices.

### Human rights policy includes requirement for suppliers - CSA 2024



#### Key Takeaways

Regulatory frameworks might drive supply chain inclusion in the human rights policy.

**CSA Expected Practice** Publicly available human rights policy covers requirements for the company's suppliers.

- **Potential Causality: high % in Europe, North America and Japan**  
 In Europe, regulatory frameworks like CSRD and CSDDD mandate the identification, prevention, and mitigation of adverse human rights impacts in the value chain, supported by national laws.  
 Japan: government's formalized guidelines on Human Rights Due Diligence put emphasis on the inclusion of the supply chains in the Human Rights policy (Ministry of Economy, Trade and Industry; Japan's Guidelines on Respecting Human Rights in Responsible Supply Chains).  
 Regulation in North America focus on specific human rights (forced labor, child labor for example) in the supply chain and might impact disclosure.
- **Potential Causality: lower % in Asia-Pacific (Ex-Japan)**  
 Inclusion of requirements of suppliers in the HR policy happens more on voluntary basis, and this might explain the lower adoption.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. Guidelines on Respecting Human Rights in Responsible Supply Chains, METI, [https://www.meti.go.jp/english/press/2022/0913\\_001.html](https://www.meti.go.jp/english/press/2022/0913_001.html)

HUMAN RIGHTS

# Human Rights Due Diligence Process



## Rationale

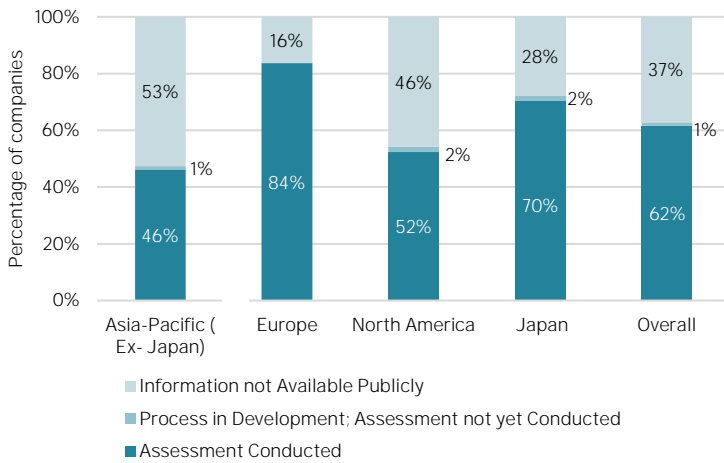
Companies are expected to have a due diligence process to proactively and systematically identify potential human rights impacts and where they could occur. A passive approach, such as a whistle-blowing or confidential reporting system, is not sufficient.



## Focus

Disclosure of the scope of the due diligence risk identification process, whether it covers only the company's own operations or also its value chain and other activities, and whether a human rights due diligence process is performed before entering new business relationships (mergers, acquisitions, joint ventures, etc.).

Company's human rights due diligence process - CSA 2024



### Key Takeaways

Regional differences in human rights due diligence reflect regulatory frameworks and investor pressures.

**CSA Expected Practice** Publicly available and implemented human rights due diligence process

→ Potential Causality: high % of companies with a due diligence process in Europe and Japan

In Europe and Japan, a significant number of companies have established due diligence processes, likely influenced by strong regulatory frameworks like the UN Guiding Principles on Business and Human Rights and OECD guidelines<sup>1</sup>.

In Europe active civil society engagement might be more visible, which could drive transparency and comprehensive risk assessments.

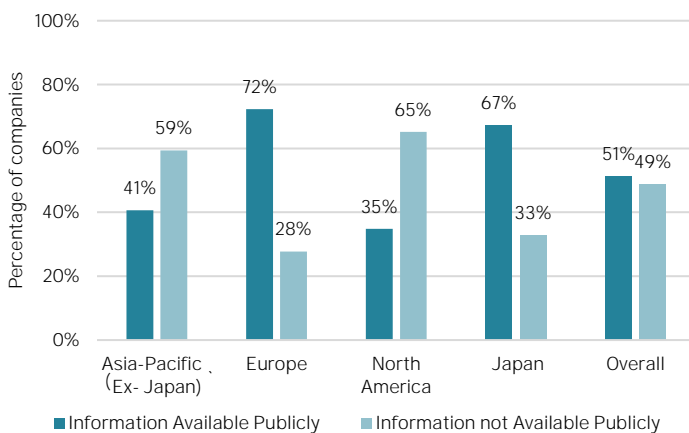
Investors might also screen for robust Human Rights due diligence disclosure as part of their investment mandates to understand investment risks.

→ Potential Causality: lower % of companies in North America and Asia-Pacific (Ex-Japan)

Although investor and civil society pressure exist, they might not as intense as in Europe and Japan, and the regulatory frameworks tend to be more voluntary.

# Human Rights Due Diligence Process

Human rights due diligence process covers risk identification in own operations - CSA 2024



### Key Takeaways

Regional adoption possibly shaped by regulations and societal pressures

**CSA Expected Practice** Publicly available human rights due diligence process is implemented covering risk identification in own operations.

→ Potential Causality: high % of adoption in Europe and Japan

In Europe, a significant number of companies might adopt these processes due to stringent regulatory frameworks and potential pressures from civil society and investors. This approach could help businesses mitigate liabilities, avoid reputational damage, and enhance transparency.

In Japan, the presence of clear government guidelines and international business expectations might similarly encourage widespread adoption, reflecting a commitment to responsible business conduct akin to Europe's.

→ Potential Causality: lower % in Asia-Pacific (Ex-Japan) and North America

In Asia-Pacific (Ex-Japan) and North America, the adoption rates might be lower. Here, the absence of binding regulations could mean companies are more influenced by investor pressures and reputational considerations.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. OECD Responsible Business Conduct, <https://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm>

HUMAN RIGHTS

# Human Rights Due Diligence Process



## Rationale

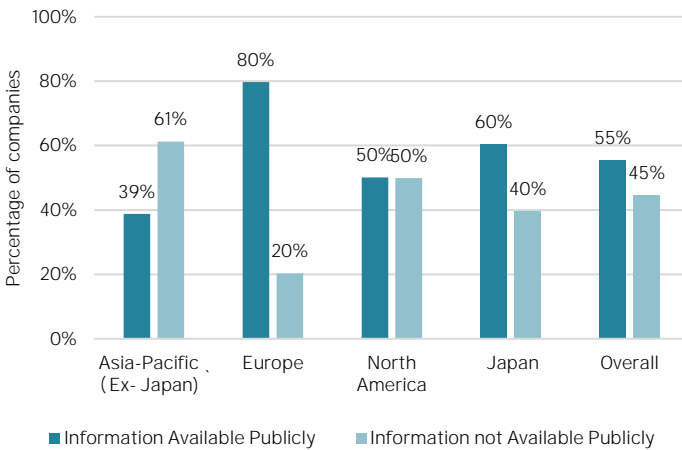
Companies are expected to have a due diligence process to proactively and systematically identify potential human rights impacts and where they could occur. A passive approach, such as a whistle-blowing or confidential reporting system, is not sufficient.



## Focus

Disclosure of the scope of the due diligence risk identification process, whether it covers only the company's own operations or also its value chain and other activities, and whether a human rights due diligence process is performed before entering new business relationships (mergers, acquisitions, joint ventures, etc.).

### Human rights due diligence process covers risk identification in the value chain or activities related to the business - CSA 2024



### Key Takeaways

Human rights due diligence adoption in value chains varies by region

**CSA Expected Practice** Publicly available human rights due diligence process is implemented covering risk identification in the value chain or other activities related to the business.

- **Potential Causality: high % in Europe**  
In Europe, a high percentage of companies might adopt these practices due to regulatory frameworks, such as the Corporate Sustainability Due Diligence Directive (CSDDD), which could encourage companies to perform a value chain due diligence to mitigate potential liabilities.
- **Potential Causality: Japan**  
In Japan, despite a detailed regulatory framework that is not binding, HRDD adoption in the value chain may be influenced by pressures from clients, public procurement, and investors.
- **Potential Causality: lower % in North America and Asia-Pacific (Ex-Japan)**  
Conversely, in North America, the lack of a unified, mandatory framework and sector-specific measures might impact HRDD adoption. In Asia-Pacific (Ex-Japan), adoption could be driven by requirements from multinational clients.

Data universe: All companies included in the scope of the analysis, n=1685. For more details on the scope or the analysis please refer Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

HUMAN RIGHTS

# Human Rights Assessment



## Rationale

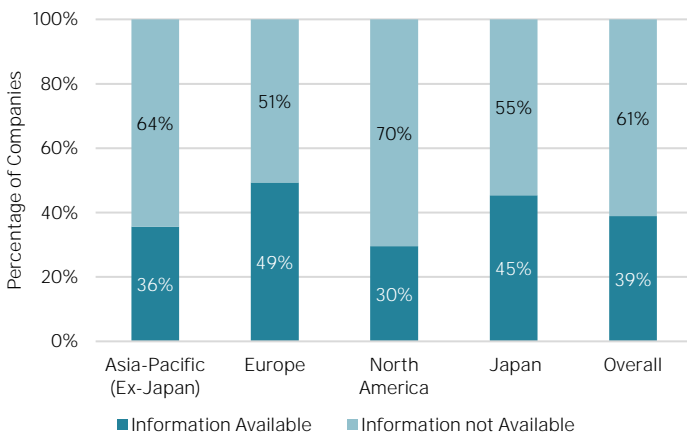
Companies are expected proactively identify where human rights risks occur and manage them. The process should consider the countries where contexts in which the organization operates, the potential and actual human rights impacts resulting from the organization's activities, and the relationships connected to those activities.



## Focus

Disclosure about the execution of an assessment of potential human rights issues in the last three years, indicating the portion of activities where risks have been identified, and the portion of activities with mitigation actions taken.

### Company's Human Rights Assessment - CSA 2024



#### Key Takeaways

Transparency in human rights assessments conducted varies.

CSA Expected Practice	Human rights assessment conducted within the last 3 years
-----------------------	---

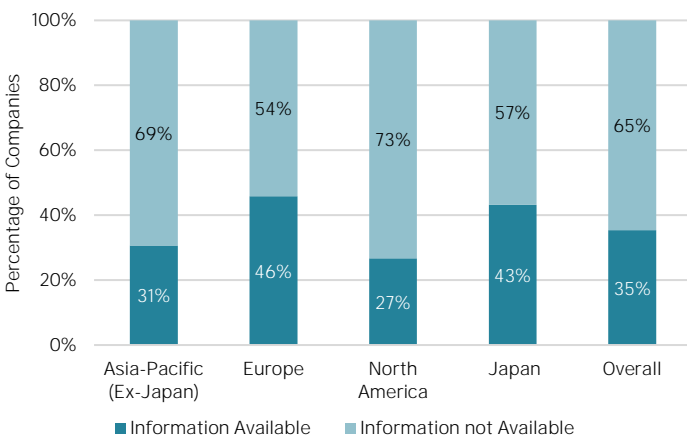
- Potential Causality: higher adoption in Europe and Japan  
In Europe, companies often adhere to regulatory frameworks requiring them to identify and assess human rights impacts across the value chain, potentially driving transparency in disclosing risks and mitigation actions.  
In Japan, while the regulatory approach is less binding, expectations from global business partners might encourage companies to be transparent about their human rights assessments.

- A lower % of companies is transparent on Human Rights Assessments  
Globally, the percentage of companies providing detailed information on human rights assessments is lower than those with established human rights policies and due diligence processes. This disparity might be influenced by the maturity of reporting systems, affecting confidence in disclosing detailed information about the scope and number of assessments conducted.

Note: in the chart "Information not Available" indicates that no human rights assessment might have been conducted in the past 3 years.

# Human Rights Assessment

### Company has conducted an assessment of potential human rights issues for its tier 1 suppliers - CSA 2024



#### Key Takeaways

The assessment of potential human rights issues among tier 1 suppliers shows notable regional differences.

CSA Expected Practice	Human rights assessment of potential human rights issues for tier 1 suppliers conducted within the last 3 years
-----------------------	---

- Potential Causality: regional differences  
Regional frameworks and supply chain pressures shape human rights assessments in tier 1 suppliers:
  - In Europe, regulatory frameworks designed to encompass the entire value chain might explain why a higher percentage of companies include these suppliers in their human rights assessments.
  - In Japan, anticipation of tightening regulations might be another factor influencing companies to extend their assessments to tier 1 suppliers.
  - For North America and Asia-Pacific (Ex-Japan), constraints from possible global supply chains disruptions related to human rights risks could drive companies to focus on supplier assessments.

However, it's important to note that data availability among smaller and medium-sized suppliers might pose challenges for comprehensive assessments.

Note: in the chart "Information not Available" indicate that no human rights assessment for tier 1 suppliers might have been conducted in the past 3 years.

Data universe: All companies included in the scope of the analysis, n=1684. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

# Labor Practices

## Rationale

Employees are among a company's most valuable assets. Fostering positive relationships with employees is crucial for the success of business operations, especially in industries where organized labor is prevalent.

Beyond providing a safe and healthy working environment, companies should support fair treatment practices such as guaranteeing diversity, ensuring equal remuneration and supporting freedom of association.

In alignment with international labor and human rights standards, companies are increasingly expected to consistently implement and uphold these standards across all operations within the organization.

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- The primary focus is on companies' policies for managing labor relations, associated key performance indicators (KPIs), equal employment and development opportunities, as well as human rights and the freedom of association.
- Majority of the information and practices related to transparency and reporting should be available in the public domain.

## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

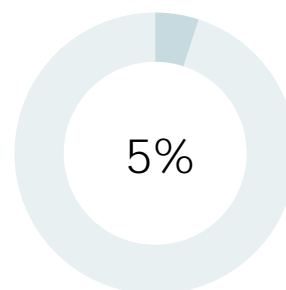
- Workforce Breakdown: Gender
  - Share of women in all management positions
  - Public target share of women in all management positions
  - Share of women in junior management positions
  - Public target share of women in junior management positions
- Gender Pay Indicators
  - Company's gender pay indicators: type of analysis
  - Gender pay gap analysis

## Understanding the Materiality of the Topic

Labor Practices concern relations and practices performed within, by and behalf of companies. It includes the promotion of diversity, inclusion and equality. Central are core labor standards such as respecting freedom of association and the right to collective bargaining, as well as fair working conditions and social protection. Efforts to eliminate discrimination require, among others, assessment of the composition of the workforce and equal pay. Critical in some industries is the living wage considering working hours and the basic needs of workers and their families.

Impact on Enterprise Value Creation: Risk Exposure, Growth, Profitability

CSA 2024 criterion average weight across the applicable CSA industries (62/62)



LABOR PRACTICES

# Workforce Breakdown: Gender



## Rationale

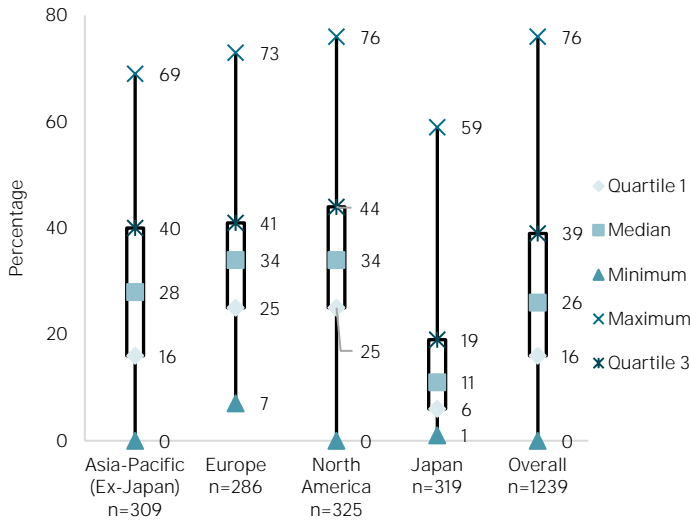
Gender diversity can improve a company's performance as it increases the likelihood of bringing people with different types of knowledge, views and perspectives together. This diversity results in better innovative and problem-solving skills, improves talent attraction and retention, increases employee engagement, and results in higher efficiency. Several initiatives have already been taken by shareholders and governments to increase the share of women in the workforce and leadership positions. Therefore, companies who are early adopters of inclusive hiring and retention practices will benefit from positive recognition and lower compliance costs in the future.



## Focus

Assessment of workforce gender diversity using various gender diversity KPIs.

Share of women in all management positions, including junior, middle and top management (as a percentage of total management positions) - CSA 2024



### Key Takeaways

Regulatory and cultural factors shape gender diversity in management globally.

CSA Expected Practice Public reporting on share of women in all management positions (as a % of total management positions)

→ Potential Causality: high % of companies with a due diligence process in Europe and Japan

In Europe and North America (to a lesser extent), regulatory efforts promoting gender diversity (starting at board level) may contribute to higher percentages of women in management roles.

In Europe, parental leave and supportive work-life balance corporate policies could further boost women's presence in management.

→ Potential Causality: lower representation in Japan

Conversely, Japan, cultural and societal norms might contribute to lower representation of women in management positions. Limited support for work-life balance could also be a factor influencing these trends.

For all regions, increased female participation in managerial tracks, revenue-generating, or STEM positions might enhance future representation at management level

LABOR PRACTICES

# Workforce Breakdown: Gender



## Rationale

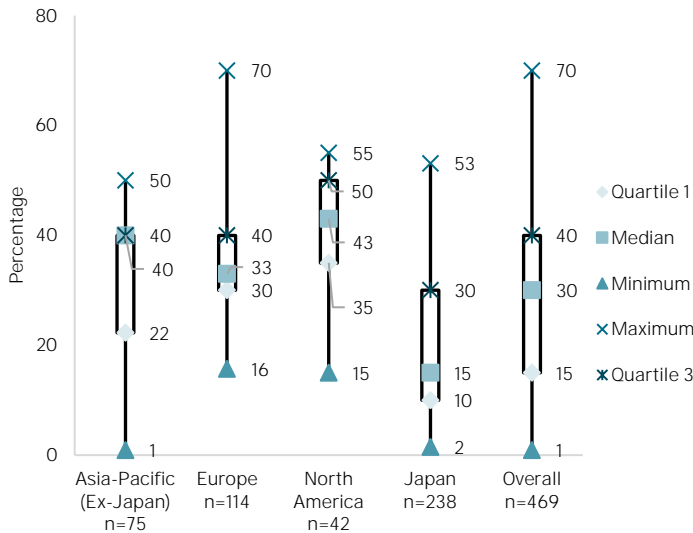
Gender diversity can improve a company's performance as it increases the likelihood of bringing people with different types of knowledge, views and perspectives together. This diversity results in better innovative and problem-solving skills, improves talent attraction and retention, increases employee engagement, and results in higher efficiency. Several initiatives have already been taken by shareholders and governments to increase the share of women in the workforce and leadership positions. Therefore, companies who are early adopters of inclusive hiring and retention practices will benefit from positive recognition and lower compliance costs in the future.



## Focus

Assessment of workforce gender diversity using various gender diversity KPIs.

Public target share of women in all management positions, including junior, middle and top management (as a percentage of total management positions) - CSA 2024



### Key Takeaways

Global gender diversity targets in management influenced by policies and societal norms

**CSA Expected Practice** Public reporting on target share of women in all management positions (as a % of total management positions)

→ Potential Causality: high % of adoption in Europe and Japan

In Europe, regulatory frameworks and policies actively promote gender diversity by setting clear expectations for targets in management roles.

In North America, gender diversity targets tend to be voluntary, with investor pressure playing a significant role. For this reason, targets indicated might therefore be higher than the actual quota.

Japan and Asia-Pacific (Ex-Japan) have limited or non-binding regulations. In Japan, the government has set a target of 30%<sup>1</sup> for women in managerial roles, reflecting a proactive approach.

→ Potential Causality: society and labor market dynamics

Societal and labor market dynamics also impact target setting, particularly in Japan, where traditional gender roles and employment practices, like non-regular employment, may contribute to lower targets.

Data universe: All companies included in the scope of the analysis, n=1645. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

1. The Japan Times, <https://www.japantimes.co.jp/business/2024/09/17/companies/japan-female-managers/>

LABOR PRACTICES

# Workforce Breakdown: Gender



## Rationale

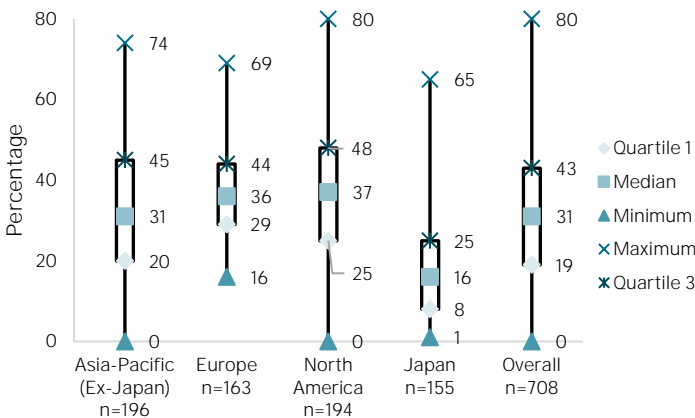
Gender diversity can improve a company's performance as it increases the likelihood of bringing people with different types of knowledge, views and perspectives together. This diversity results in better innovative and problem-solving skills, improves talent attraction and retention, increases employee engagement, and results in higher efficiency. Several initiatives have already been taken by shareholders and governments to increase the share of women in the workforce and leadership positions. Therefore, companies who are early adopters of inclusive hiring and retention practices will benefit from positive recognition and lower compliance costs in the future.



## Focus

Assessment of workforce gender diversity using various gender diversity KPIs.

Share of women in junior management positions, i.e. first level of management (as a percentage of total junior management positions) - CSA 2024



## Key Takeaways

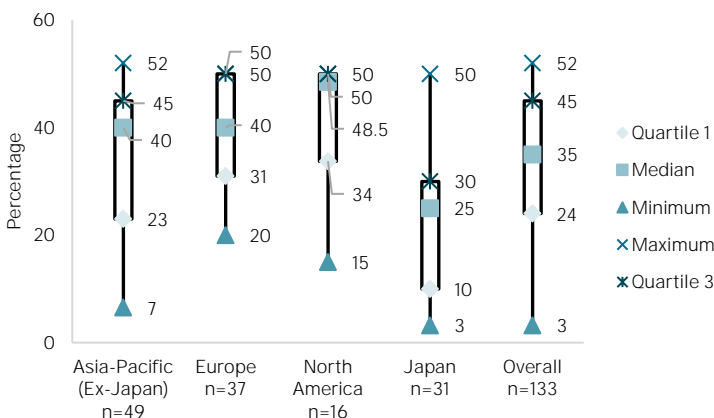
The share of women in junior management positions, representing the first level of management, is a critical metric reflecting gender diversity within organizations.

**CSA Expected Practice** Public reporting on share of women in junior management positions (as a % of total junior management positions)

- Potential Causality: low women representation in Japan  
The notably low representation of women in junior management in Japan may be influenced by entrenched cultural and societal norms. Factors such as a corporate culture that emphasizes long working hours and a seniority-based promotion system could contribute to this disparity. By mandating disclosure of this metric, companies may feel encouraged to set and communicate ambitious goals for improvement.
- Potential Causality: other regions higher  
In contrast, regions with progressive gender norms and robust anti-discrimination legislation may foster an environment where companies not only disclose their gender diversity metrics but also actively pursue enhancements in representation. This proactive approach could lead to a more equitable workplace.

# Workforce Breakdown: Gender

Public target share of women in junior management positions, i.e. first level of management (as a percentage of total junior management positions) - CSA 2024



## Key Takeaways

Public targets for women's representation in junior management are higher than actual figures across all regions.

**CSA Expected Practice** Public reporting on target share of women in junior management positions (as a % of total junior management positions)

- Potential Causality: target ambitions depend on the region  
Regulatory influence: various regulatory frameworks, whether binding or voluntary, play a crucial role in guiding organizations in their target-setting endeavors. These frameworks often reference established targets, encouraging companies to aim for ambitious goals.  
The role of stakeholders: in environments where regulations are voluntary, the pressure from investors and stakeholders can be a significant motivator for companies to establish and pursue gender diversity targets.  
Industry structure of an economy and organizational inertia might slow-down target achievement.  
The availability of information and confidence in the data can impact decision-making and target attainment

Data universe: All companies included in the scope of the analysis for share of women in junior management positions, n=1653 and all companies included in the scope of the analysis for public target share, n=1651. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.  
Note: The data analysis only includes companies for which this question has been considered as applicable.  
Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

LABOR PRACTICES

# Gender Pay Indicators – Gender Pay Gap Analysis



## Rationale

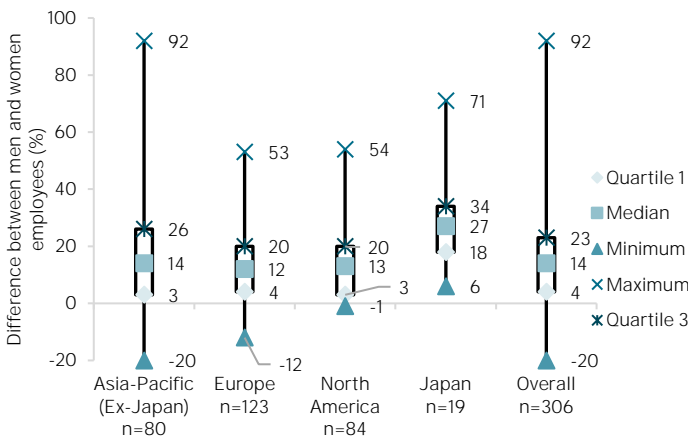
An increasing number of countries are adopting regulations that require companies to conduct pay assessments and disclose the results, making this topic of high strategic importance. Furthermore, unequal pay and gender pay gaps threaten a company's ability to attract and retain women employees, lower employee engagement and can cause reputational damage..



## Focus

Assessment of a company's pay practices by evaluating the results of its gender pay assessments.

Difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees - CSA 2024



### Key Takeaways

Gender Pay Gap: Regional differences indicating a larger disparity in Japan compared to the other regions

CSA Expected Practice: Low median gender pay gap

→ Potential Causality: high % gap in Japan

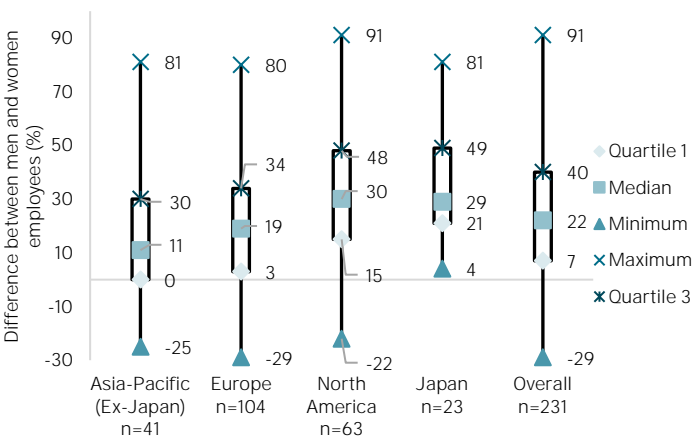
The chart illustrates the disparity in median hourly pay between male and female full-pay employees. This difference may arise from various factors, including job segregation, labor force participation, career interruptions, part-time work, seniority, and promotion rates.

In Japan, non-regular employment could contribute to lower pay, fewer benefits, and limited career advancement for women. Part-time working arrangements could be a factor limiting women representation in management positions and affecting gender pay gap. Additionally, the traditional seniority-based pay system may disadvantage women due to career breaks and fewer promotions to managerial roles. Cultural norms regarding gender roles may also influence labor force participation and career progression, particularly when caregiving responsibilities occur.

The Asia-Pacific region, excluding Japan, displays a varied landscape, with some countries experiencing smaller pay gaps and others, like Japan, showing larger disparities.

# Gender Pay Indicators – Gender Pay Gap Analysis

Difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees - CSA 2024



### Key Takeaways

Gender Bonus Gap: median values indicate disparities in all the regions, more evident in North America and Japan.

CSA Expected Practice: Low median bonus gap

→ Potential Causality: higher % gap compared to base salary gap, besides for Asia-Pacific (Ex-Japan)

This metric may be more susceptible to subjective biases.

Factors such as occupational segregation, including gender concentration in industries, roles, and hierarchy, could impact bonus pay disparities. In Japan, women's representation in management positions might contribute to the gap, while in North America and Europe, women may be underrepresented in high-bonus roles.

Subjectivity in performance assessments could disadvantage women, especially when variable compensation is not tied to objective outcomes.

Work patterns and career interruptions may also affect women's eligibility for bonus schemes.

In Asia-Pacific, excluding Japan, industry segregation and lower bonus prevalence might explain the reduced disparity.

Data universe: All companies included in the scope of the analysis, n=1653. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

LABOR PRACTICES

# Gender Pay Indicators



## Rationale

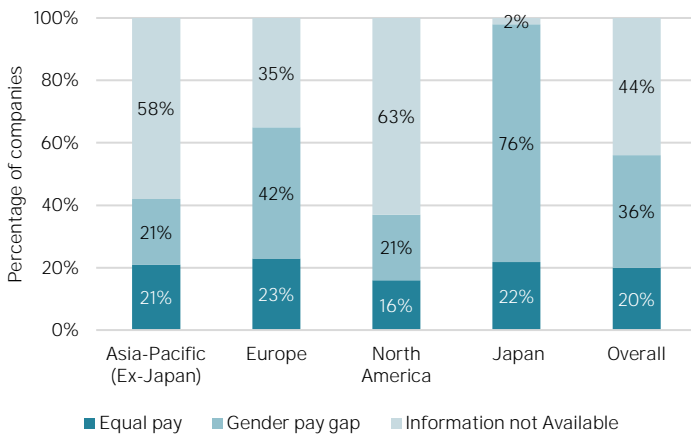
An increasing number of countries are adopting regulations that require companies to conduct pay assessments and disclose the results, making this topic of high strategic importance. Furthermore, unequal pay and gender pay gaps threaten a company's ability to attract and retain women employees, lower employee engagement and can cause reputational damage.



## Focus

Assessment of a company's pay practices by evaluating the results of its gender pay assessments.

Company's gender pay indicators: type of analysis - CSA 2024



## Key Takeaways

Exploring gender pay disclosure practices

**CSA Expected Practice** Companies are expected to conduct a gender pay assessment using either an Equal Pay Analysis or a Gender Pay Gap Analysis and disclose the outcome.

- **Potential Causality: high level of transparency in Japan**  
In Japan, since 2022, companies with over 300 employees are required to disclose their annual gender pay gap data, potentially increasing transparency.
- **Potential Causality: lower level of transparency in the other regions**  
In Europe, public reporting expectations differ by country, with efforts at the EU level to harmonize reporting and enhance accountability.  
In Asia-Pacific (Ex-Japan) regulatory pressure to disclose is lower, possibly affecting transparency.  
North America faces a similar situation, with some U.S. states mandating reporting while others offer it on a voluntary basis.  
Market and investor pressure may also drive voluntary disclosure.

Data universe: All companies included in the scope of the analysis, n=1653. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

# Human Capital Management

## Rationale

Human capital makes up a significant part of a company's intangible assets and for many industries, human capital development is one of the most financially material sustainability factors.

Considering the drivers of technological disruption and innovation, demographic shifts, and societal developments, companies must prioritize the development of their human capital. It is essential to ensure that employees possess the necessary skill sets to perform effectively and execute the business strategy successfully.

## CSA Approach

CSA frameworks assess the following aspects through this criterion:

- The company's comprehensive approach to identifying skill gaps, measuring human capital management, and developing systems to share knowledge across the company.
- Effective management of human capital:
  - Recruitment
  - Development
  - Performance management and compensation
- Talent attraction and retention related employee support programs
- Employee Well-being
- Majority of the information and practices should be available in the public domain.

## Aspects Analyzed

Focus of the transparency or performance analysis included in the report:

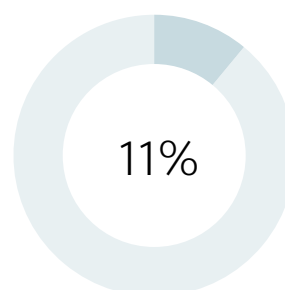
- Type of Performance Appraisal
  - Performance Appraisal Frequency
- Trend of Employee Well-being
  - Company conducts an annual employee survey
- Employee Turnover Rate
  - Total annual turnover rate
  - Voluntary annual turnover rate

## Understanding the Materiality of the Topic

Human Capital Management is about the effective management of human capital, a critical part of the intangible assets of any company. Human capital management areas range from recruitment and development to performance management and compensation. Development activities include education, training and coaching, ensuring employees have the necessary abilities and skill sets to perform well. The topic also encompasses talent attraction and retention, related employee support programs such as flexible working arrangements and stress management, as well as employee surveying to track core employee well-being metrics.

Impact on Enterprise Value Creation: Growth, Profitability

CSA 2024 criterion average weight across the applicable CSA industries (62/62)



HUMAN CAPITAL MANAGEMENT

# Type of Performance Appraisal



## Rationale

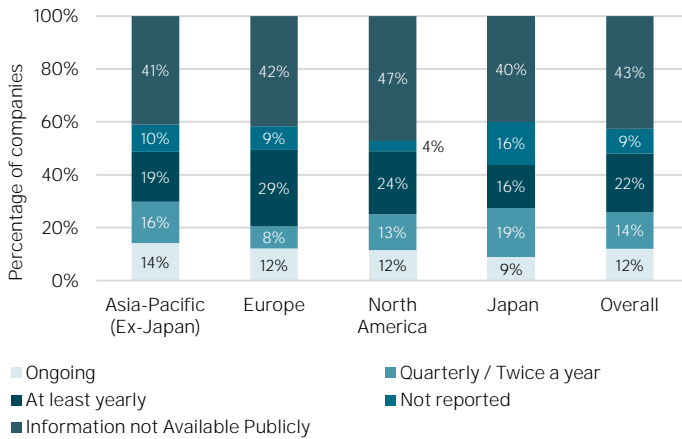
Appraisals aid the personal development of employees and ensure a holistic approach to team management. They also contribute to skills management and the development of human capital within the organization. Regular performance and career development reviews can also enhance employee satisfaction, which correlates with improved business performance.



## Focus

Various methods (management by objectives, multidimensional appraisal, agile conversations, ...) that companies use to measure performance and how often performance appraisal take place.

### Appraisal frequency shows how often the company carried out performance appraisal per year - CSA 2024



### Key Takeaways

Performance appraisal: global frequency trends

CSA Expected Practice	Execution of performance appraisals on an ongoing basis
→	Potential Causality: higher % of more frequent appraisals in Japan and Asia-Pacific (Ex-Japan)

Continuous improvement management philosophy: This approach may require frequent feedback and developmental discussions supporting engagement and adaptability in changing business environment. It might also consider skill development if a gap might be identified during the feedback. Frequent appraisals can also enhance transparency and trust by aligning expectations.

→ Potential Causality: yearly appraisals more frequent in Europe and North America

Annual appraisals are more common, often formalized with a focus on documentation and compliance, making them easier to manage.

Cultural norms around confidentiality and privacy regulations, such as GDPR in Europe, may limit the granularity of disclosed information.

The frequency of appraisals may affect employee productivity, engagement, and satisfaction.

There might be a connection between pay gap analysis and appraisal frequency, as addressing performance issues earlier could support fairer pay decisions.

HUMAN CAPITAL MANAGEMENT

# Trend of Employee Well-being



## Rationale

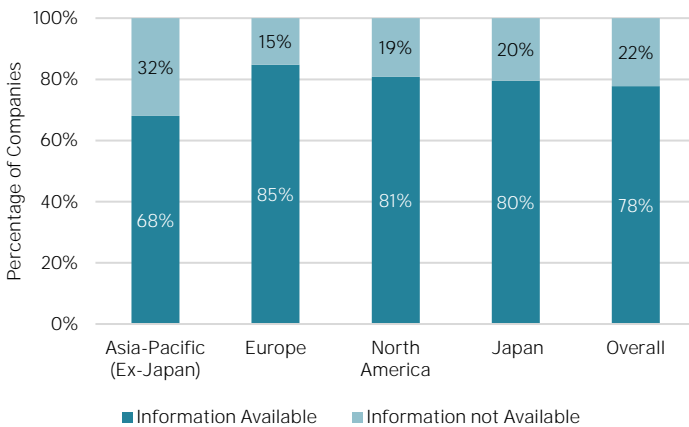
Employee engagement, satisfaction and well-being surveys are crucial tools for evaluating employee conditions, developing policies to attract, retain and develop the best employees, and identifying areas for improvement.



## Focus

Conduction of regular employee surveys and how metrics on job satisfaction, purpose, happiness and stress are addressed in employee surveys.

## Company conducts an annual employee survey - CSA 2024



### Key Takeaways

Adoption of Well-being Survey across regions is generally high; slightly lower in Asia-Pacific (Ex-Japan)

**CSA Expected Practice** The company conducts an annual employee survey.

- **Potential Causality:** yearly survey almost the norm in Japan, Europe and North America  
Regulatory frameworks, such as the CSRD in Europe, and stakeholder expectations may drive the need for disclosure on engagement and well-being.  
Investor pressure: employee well-being may be considered by investors a material topic potentially correlating with business outcomes.  
Japanese firms may utilize formal surveys in response to demographic changes and labor reforms.
- **Potential Causality:** lower adoption in Asia-Pacific (Ex-Japan)  
Local management practices, labor market peculiarities, and human resources infrastructure (for instance tools for people analytics, granular data collection platforms) challenges together with cultural reluctance to discuss dissatisfaction may explain lower adoption  
Annual employee surveys are valuable might be linked to indicators such as productivity and retention.

Data universe: All companies included in the scope of the analysis, n=1649. For more details on the scope or the analysis please refer to Research Universe Selected section of this report.

Note: The data analysis only includes companies for which this question has been considered as applicable.

Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

HUMAN CAPITAL MANAGEMENT

# Employee Turnover Rate



## Rationale

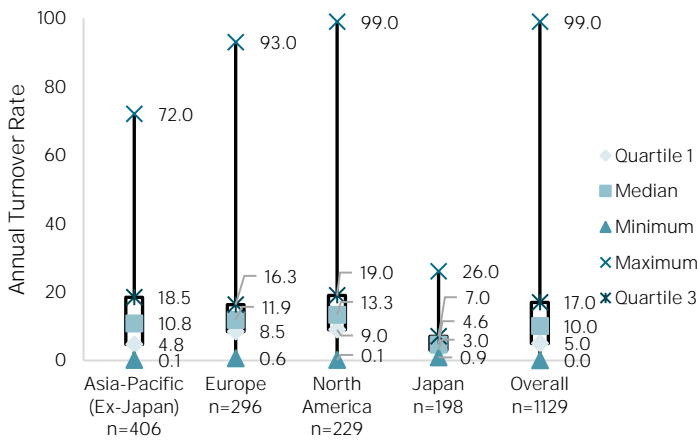
People are one of the main drivers of corporate growth and play an essential role in the successful execution of companies' strategies. Total turnover rates may fluctuate and reflect industry trends or economic cycles, while voluntary turnover rates can evaluate a company's ability to retain its employees. Voluntary turnover rates may reflect high levels of uncertainty or dissatisfaction among employees or structural organizational changes. A high turnover rate may impact employee productivity and lead to increased costs due to higher expenses for employee recruitment.



## Focus

Disclosure of total and voluntary annual turnover rate over time and breakdown of the employee turnover data based on age group, gender, management level, and other diversity parameters.

### Total annual turnover rate - CSA 2024



#### Key Takeaways

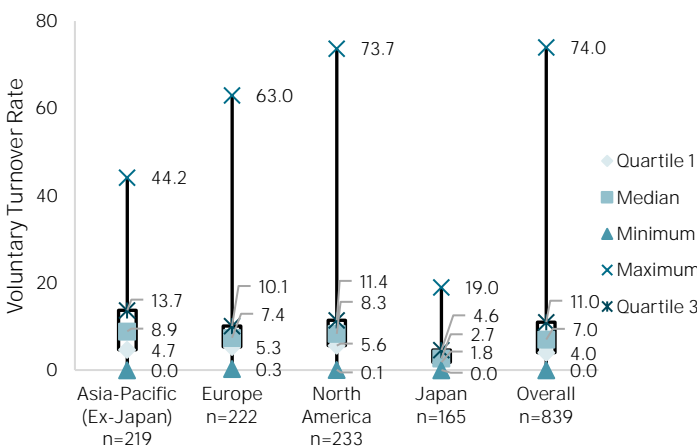
Lower total employee turnover rate in Japan compared to the other regions

**CSA Expected Practice** Public disclosure on total employee turnover rate for the last four years. Low average of the total turnover rate over the four years compared to the industry.

- Potential Causality: low rate in Japan  
Japan is experiencing lower rates possibly due to lifetime employment norms and strong organizational loyalty, particularly in large firms.  
Rigid labor market structures, employee protection, and cultural expectations may further limit job mobility in Japan
- Potential Causality: higher turnover in North America and Europe  
In contrast, North America sees higher turnover rates, possibly influenced by cultural norms valuing career flexibility and frequent organizational restructuring.  
In Europe, stronger employment protection in certain countries may reduce turnover rates, while cultural and economic diversity across the continent might impact turnover, reflecting variations in economic cycles.

# Employee Turnover Rate

### Total annual voluntary turnover rate - CSA 2024



#### Key Takeaways

Limited job mobility in Japan results in a lower voluntary turnover rate.

**CSA Expected Practice** Public disclosure on voluntary employee turnover rate for the last four years. Low average of the voluntary turnover rate over the four years compared to the industry.

- Potential Causality: higher rate in Asia-Pacific (Ex-Japan)  
Asia-Pacific (Ex-Japan) countries are experiencing higher rates possibly due to economic growth, which may encourage employees to seek better opportunities.  
Shortage of sectorial skilled workers can increase voluntary turnover.  
Younger workforce demographics and changing attitude towards work might be a factor impacting voluntary turnover rates.
- Potential Causality: low rate in Japan  
seniority-based pay and promotion systems may incentivize longer tenure, resulting in lower voluntary turnover rates.  
Across all regions, generational attitudes, such as younger generations prioritizing career development, meaningful work, and work-life balance, could contribute to higher voluntary turnover. Conversely, high employee engagement, recognition, and feedback may correlate with lower turnover rates.

Data universe: All companies included in the scope of the analysis, n=1652. For more details on the scope or the analysis please refer to Research Universe Selected section of this report. Note: The data analysis only includes companies for which this question has been considered as applicable. Source: CSA 2024, as of June 2025, CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)

# Glossary

# Glossary

Page No.	Term	CSA Definition
22	<b>Independence Statement</b>	The independence statement, which is disclosed across various regions, is likely shaped by national corporate governance codes and stock exchange requirements in developed countries. These regulations mandate the public disclosure of definitions and criteria for independence.
22	<b>One-Tier board</b>	Single board consisting of executive, non-executive, and independent directors.
22	<b>Two-Tier board</b>	Have an executive board and a supervisory board, which is composed of non-executive or independent members and – in certain countries – employee representatives.
23	<b>Independent Directors</b>	These are directors that are independent if they satisfy the criteria established by the CSA.
23	<b>Executive directors</b>	These are employees, and usually senior managers of the company in an executive function (e.g., CEO, CFO, etc.).
23	<b>Independent lead director</b>	This role exists to provide leadership to the board in cases where the joint roles of chairperson and CEO may be in conflict. Fundamentally, the role exists to ensure that the board operates independently of management and that directors have independent leadership at the board level.
24	<b>Tenure</b>	This is the number of years a member has served on the board of directors.
26	<b>Meeting attendance</b>	Refers to two measures: first, the actual average attendance rate for the past year, and second, if there is any corporate guideline for meeting attendance, i.e., if there is a minimum proportion of board meetings that each board member is required to attend.
26	<b>Self-assessments of board performance</b>	Self-assessments of the board's performance, meaning that the board members themselves are allowed to systematically evaluate their performance
27	<b>Success metrics for variable CEO compensation</b>	Refers to any corporate performance indicator that is used to determine the CEO's variable compensation.

# Glossary

Page No.	Term	CSA Definition
27	<b>Financial returns metric</b>	Financial returns metric refers to capital efficiency (capital is the source of funds, debt, equity, etc.). Therefore, Financial metric always use an Income Statement profit metric (e.g., EBIT, income, operating income) divided by a Balance Sheet metric (e.g., Assets (entire balance sheet), Equity, Total Capital (debt plus equity), Invested Capital).
27	<b>Deferred shares</b>	This refers to the percentage of the short-term bonus paid out in deferred shares instead of cash.
27	<b>Deferred bonus</b>	This is an arrangement in which a portion of an employee's income is paid out at a later date after which the income was earned during a set performance period.
27	<b>Performance period</b>	Refers to a performance-based pay-out structure of variable compensation for the current period x, which is dependent on achieving targets in the following periods (x+1, x+2, x+3, etc.).
27	<b>Time vesting</b>	This is a time-based pay-out structures of variable compensation for the current period x over the coming years (x+1, x+2, x+3, etc.). The amount of future payout is independent of the coming year's performance.
28	<b>Total annual compensation</b>	This is defined as the total annual compensation including all bonuses but excluding pension benefits and fringe benefits.
28	<b>Median of the total annual compensation of all employees</b>	This is defined according to the general mathematical definition of median: the median of a sequence is the middle number when sorting all numbers from low to high.
30	<b>Board level risk oversight</b>	A dedicated role or committee at the level of the highest governing body consisting of independent and/or non-executive board member(s).

# Glossary

Page No.	Term	CSA Definition
30	<b>Operational Management Functions</b>	<p>(Includes three Lines of Defense Model)</p> <p><b>Operational risk Ownership (first line):</b> The employees or teams directly involved in producing and/or delivering products and services to clients. They are responsible for owning and managing risks in day-to-day operations.</p> <p><b>Risk management and compliance oversight (second line):</b> The individual(s), committee(s) or body(ies) in the organization charged with monitoring and supporting risk management processes, ensuring risk management objectives are achieved. This oversight typically falls to senior management or the executive level, which are responsible for setting control standards and overseeing compliance.</p> <p><b>Independent audit unit (third line):</b> The unit tasked with advising and auditing to ensure policies are followed and processes are executed in line with management's selected performance goals and risk tolerances. This could be an internal audit team or a comparable external function, providing independent assurance that organizational practices are aligned with the company's risk strategy and policies, as implemented by the first and second lines.</p>
33	<b>Privacy Cases</b>	Data breach relative to the customer.
37	<b>Supplier code of conduct</b>	This describes the principles, values, standards and rules of behavior that guide the supplier's decisions, procedures, and systems in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations.
37	<b>Supplier ESG programs</b>	A supplier-focused ESG program is the collection of activities and measures that enables businesses to recognize and assess potential ESG risks and plan remedial measures to assure solid sustainability performance along the supply chain.
38	<b>Assurance specialists</b>	This group includes accountants, certification bodies, and specialist consultancies. It does not include an independent advisory boards, stakeholder panels or high-level individuals (e.g., environmental ministers).

# Glossary

Page No.	Term	CSA Definition
38	<b>Declaration of independence</b>	An explicit statement of independence from the auditor confirming there is no other commercial link to the company's operations or business that could result in a conflict of interest.
38	<b>Recognized international or national standard</b>	This refers to assurance standards such as AA1000AS and ISAE 3000. It does not refer to reporting standards (such as GRI guidelines).
38	<b>Scope of assurance</b>	If the scope of assurance includes some (but not all) environmental indicators, or if the assurance statement encompasses all data items presented in the report.
38	<b>Conclusion/level of assurance</b>	This refers to the conclusion of the assurance process which is according to the level of assurance, i.e., "limited/moderate" or "reasonable assurance". The level of assurance indicates the extent and depth of the work the assurance provider undertakes in relation to sustainability disclosures.
40	<b>GHG scope 1</b>	GHG scope 1 refers to emissions from company's operational boundaries and includes the six main GHGs that are covered by the Kyoto Protocol. These gases are Carbon Dioxide - CO <sub>2</sub> , Methane - CH <sub>4</sub> , Nitrous Oxide - N <sub>2</sub> O, Hydrofluorocarbons - HFCs, Perfluorocarbons - PFCs and Sulphur Hexafluoride - SF <sub>6</sub> .
40	<b>Third-party verification</b>	The data reported for the most recent year is anticipated to undergo third-party verification.
40	<b>Public reporting</b>	The data reported for the most recent year is anticipated to be available in the public domain.
41	<b>GHG scope 2</b>	Indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity but occur at sources owned or controlled by another entity. Scope 2 emissions are emissions from consumption of purchased electricity, heat or steam.
41	<b>Location-based scope 2 emissions</b>	This reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

# Glossary

Page No.	Term	CSA Definition
41	<b>Market-based scope 2 emissions</b>	This reflects emissions from electricity that companies have purposefully chosen, or their lack of choice. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy-bundled certificates or a party's unbundled instruments.
42	<b>GHG scope 3</b>	GHG scope 3 refers to indirect greenhouse gas emissions that are a consequence of the activities of the company and from sources not owned or controlled by the company.
43	<b>Scenario analysis</b>	Process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty. In the case of climate change, for example, scenarios allow an organization to explore and develop an understanding of how the physical and transition risks of climate change may impact its businesses, strategies, and financial performance over time.
43	<b>Qualitative scenario analysis</b>	Explores relationships and trends for which little or no numerical data is available. This is generally a high-level narrative approach to scenario analysis, suitable for organizations that are familiarizing themselves with the process. For example, relying on industry trends and applying them to a specific organization or business activity, or undertaking quantitative research into a specific trend.
43	<b>Quantitative scenario analysis</b>	Assesses measurable trends and relationships using quantitative models, data sets and other analytical techniques to illustrate potential pathways or outcomes. This is a more detailed approach to conducting scenario analysis.
44	<b>Risk assessment</b>	A systematic process that an organization uses to evaluate potential risks that may impact its assets and operations.
44	<b>Physical risks</b>	Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns.
44	<b>Transition risks</b>	Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes that address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations.

# Glossary

Page No.	Term	CSA Definition
44	<b>Time horizon</b>	Terminology used to describe what the organization considers to be short-, medium- and long-term horizons (from year to year) when considering the expected lifetime of the assets or activities.
39, 45	<b>Net-zero commitment</b>	A credible corporate net-zero commitment includes commitments to reduce Scope 1, 2, and 3 emissions to zero or to a level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5 degrees C-aligned pathways.
45	<b>Science Based Targets initiative (SBTi)</b>	A global body that defines and promotes best practices in emissions reductions and net-zero targets in line with climate science.
45	<b>Science-based targets</b>	According to the SBTi, targets are considered science-based if they are aligned with what the latest climate science deems necessary to meet the goals of the Paris Agreement on climate change – limiting global warming to well-below 2 degrees C above preindustrial levels and pursuing efforts to limit warming to 1.5 degrees C.
47	<b>Mitigation hierarchy</b>	A framework to help companies minimize negative impacts on nature with a long-term outlook.
48	<b>Net positive impact (NPI)</b>	A commitment aligned with the Post-2020 Global Biodiversity Framework” for outcomes in which the impacts on biodiversity across a company’s value chain are stabilized by 2030.
48	<b>No net loss (NNL)</b>	Defined as the point at which project-related impacts on biodiversity are balanced by measures to avoid and minimize the project’s impacts, undertake on-site restoration, and offset significant residual impacts on an appropriate geographical scale (e.g., local, landscape-level, national, regional).
50	<b>Respecting human rights</b>	This refers to the obligation to prevent adverse human rights impacts resulting from activities and to address any such impacts that may occur. Additionally, it includes the responsibility to prevent or mitigate impacts associated with operations, products, or services, irrespective of direct involvement in those impacts.

# Glossary

Page No.	Term	CSA Definition
50	<b>Commitment to respect human rights in accordance with internationally accepted standards</b>	The commitment which aligns with international standards, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, or the ILO Declaration on Fundamental Principles and Rights at Work.
51	<b>Adverse human rights impact</b>	This occurs when an action removes or reduces the ability of an individual to enjoy his or her human rights.
52	<b>Human rights due diligence</b>	The process through which enterprises can identify, prevent, mitigate, and account for how they address their actual and potential adverse impacts as an integral part of business decision-making and risk management systems.
54	<b>Percentage of suppliers assessed in the last three years</b>	This refers to the number of entities across the different categories of business activities that have been assessed in the last three years, divided by the total absolute number of entities within the different categories of business activities in the current year.
54	<b>Tier 1 suppliers</b>	This refers to suppliers that directly supply goods, materials or services (including intellectual property (IP) and patents) to the company.
56	<b>Junior management positions</b>	Refer to first-line managers, junior managers and the lowest level of management within a company's management hierarchy.
56	<b>Middle management positions</b>	Refer to managers who head specific departments (such as accounting, marketing, production) or business units, or who serve as project managers in flat organizations.
56	<b>Top management positions</b>	Refer to management positions with a reporting line at most two levels away from the CEO.
59	<b>Equal pay</b>	Equal pay compares the salary of men and women who have the same or equivalent positions to assess whether they are paid the same for equal work.

# Glossary

Page No.	Term	CSA Definition
59	<b>Gender pay gap</b>	The gender pay gap is the difference in average gross hourly earnings between women and men; it, therefore, assesses the difference in pay at the aggregated level.
59	<b>Mean gender pay gap</b>	The difference between the mean hourly pay rate of male full-pay relevant employees and that of female full-pay relevant employees.
59	<b>Median gender pay gap</b>	The difference between the median hourly pay rate of male full-pay relevant employees and that of female full-pay relevant employees.
59	<b>Mean bonus gap</b>	The difference between the mean bonus paid to male relevant employees and female relevant employees.
59	<b>Median bonus gap</b>	The difference between the median bonus paid to male relevant employees and female relevant employees.
62	<b>Management by objectives</b>	Refers to a systematic process in which employees have predefined and measurable goals that are set in a collaborative manner with their line managers on at least a yearly basis together and routinely followed up on.
62	<b>Multidimensional performance appraisal</b>	Refers to a system in which the employee's performance is assessed using a variety of inputs, not just the targets set by a manager. This can include an assessment of how the employee meets the values and objectives of the department or company, receiving "360-degree" feedback from their peers, direct reports and other employees, and/or client or external feedback.
62	<b>Team-based performance appraisal</b>	Refers to a system where employees are assessed as part of a team rather than as individuals.
62	<b>Agile conversations</b>	Agile performance management is an unstructured approach to managing employee performance and development throughout the year, as opposed to on an annual or biannual basis. It is collaborative and involves regular conversations and continuous feedback.
63	<b>Employee engagement</b>	Defined as employees who are actively engaged and enthusiastic, they experience a positive and fulfilling work-related state of mind. These individuals demonstrate a strong commitment to their work and workplace, reflecting a deep, personal, and empowered investment in their roles.

# Glossary

Page No.	Term	CSA Definition
63	<b>Employee Satisfaction</b>	Refers to external motivation and how happy employees feel about their job; specifically concerning external incentives such as employment benefits.
63	<b>Employee well-being</b>	Well-being refers to “all of the things that are important to each of us and how we experience our lives. Key well-being measures include how employees rate their current and expected future lives (life evaluation) and how strongly employees believe their organization cares about their well-being.
64	<b>Total employee turnover</b>	Refers to the proportion of employees who leave an organization over a set period — often a year) —as a percentage of the total employees.
64	<b>Voluntary employee turnover</b>	Refers to the proportion of employees who choose to leave an organization (e.g., resignation, retirement, early retirement, etc.) over a set period —often a year —as a percentage of the total employees.

# References

- S&P Global Sustainable1, <https://www.spglobal.com/esg/>
- CSA Methodology Handbook, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Handbook.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Handbook.pdf)
- CSA Methodology, Measuring Sustainability Performance, CSA 2025, [https://portal.s1.spglobal.com/survey/documents/CSA\\_Measuring\\_Sustainability\\_Performance.pdf](https://portal.s1.spglobal.com/survey/documents/CSA_Measuring_Sustainability_Performance.pdf)
- CSA Materiality Core Subjects, [https://www.spglobal.com/esg/documents/sp\\_22-materiality-core-subjects\\_2025.pdf](https://www.spglobal.com/esg/documents/sp_22-materiality-core-subjects_2025.pdf)
- Financial Services Agency (FSA), Sustainable Finance, [https://www.fsa.go.jp/en/refer/councils/sustainability\\_disclose\\_wg/index.html](https://www.fsa.go.jp/en/refer/councils/sustainability_disclose_wg/index.html)
- Financial Services Agency (FSA), Japan's Stewardship Code, <https://www.fsa.go.jp/en/refer/councils/stewardship/20200324/01.pdf>
- Financial Services Agency (FSA), Japan Exchange Group, Japan's Corporate Governance Code, <https://www.fsa.go.jp/en/news/2021/20210611/06.pdf>
- Japan's Government Cabinet Office, Guidelines for Human Capital Visualization, <https://www.cas.go.jp/jp/houdou/pdf/20220830shiryou1.pdf>
- ITO Report for Human Capital Management, [https://www.meti.go.jp/policy/economy/jinteki\\_shihon/pdf/0825\\_ITO\\_Report\\_for\\_HCM.pdf](https://www.meti.go.jp/policy/economy/jinteki_shihon/pdf/0825_ITO_Report_for_HCM.pdf)
- Human Capital Management, The Tokyo Foundation, <https://www.tokyofoundation.org/research/detail.php?id=989>
- What is human capital disclosure?, <https://www.persol-bd.co.jp/service/product/s-miteras/column/Humancapital%20disclosure/>
- Considering The Investor's Point of View in Regard to Management Conscious of Cost of Capital and Stock Price, JPX Group, <https://www.jpx.co.jp/english/news/1020/u5j7e50000001bqd-att/240201en.pdf>
- Utilizing Human Capital, Nomura Asset Management, Responsible Investment Report 2023, [https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023\\_06.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023_06.pdf)
- Features of Human Capital Governance, World Intellectual Capital/Asset Initiative, [https://wici-global.com/index\\_ja/wp-content/uploads/2024/04/Features\\_of\\_Human\\_Capital\\_Governance\\_EN.pdf](https://wici-global.com/index_ja/wp-content/uploads/2024/04/Features_of_Human_Capital_Governance_EN.pdf)
- PERSOL Group Human Capital Report, [https://www.persol-group.co.jp/wp-content/uploads/2024/10/report\\_HR\\_2024-1.pdf](https://www.persol-group.co.jp/wp-content/uploads/2024/10/report_HR_2024-1.pdf)
- Corporate Governance, OECD, <https://www.oecd.org/en/topics/corporate-governance.html>
- Independent Directors, JPX Group, <https://www.jpx.co.jp/english/equities/listing/ind-executive/index.html>
- Revision to the Listing Rules Regarding the Appointment of Female Directors in Prime Market, JPX Group, <https://www.jpx.co.jp/english/equities/follow-up/b5b4pj000004yqcc-att/uorii50000004bnu.pdf>
- United Nations Global Compact (UNGC), <https://unglobalcompact.org/what-is-gc/mission/principles>
- Corporate Sustainability Reporting Directive (CSRD), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>
- Corporate Sustainability Due Diligence Directive (CSDDD), [https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence\\_en](https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en)
- General Data Protection Directive (GDPR), <https://gdpr-info.eu/>
- International Sustainability Standard Board (ISSB), <https://www.ifrs.org/groups/international-sustainability-standards-board/>
- EU Taxonomy for Sustainable Activities, [https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities\\_en](https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en)
- Task Force on Climate-Related Financial Disclosures (TCFD), <https://www.fsb-tcdf.org/>
- Science Based Target Initiative (SBTi), <https://sciencebasedtargets.org/>
- Sustainable Finance Disclosure Regulation (SFDR), <https://www.eurosif.org/policies/sfdr-sustainable-finance-disclosure-regulation/>
- National Action Plan on Business and Human Rights, <https://www.mofa.go.jp/files/100173319.pdf>
- Guidelines on Respecting Human Rights in Responsible Supply Chains, METI, [https://www.meti.go.jp/english/press/2022/0913\\_001.html](https://www.meti.go.jp/english/press/2022/0913_001.html)
- OECD Responsible Business Conduct, <https://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.html>
- The Japan Times, <https://www.japantimes.co.jp/business/2024/09/17/companies/japan-female-managers/>
- The National Biodiversity Strategy and Action Plan of Japan 2023-2030, <https://www.env.go.jp/content/000280507.pdf>

# Disclaimer

This content (including any information, data, analyses, opinions, ratings, scores, and other statements) (“Content”) has been prepared solely for information purposes and is owned by or licensed to S&P Global Inc. and/or its affiliates (collectively, “S&P Global”).

This Content may not be modified, reverse engineered, reproduced or distributed in any form by any means without the prior written permission of S&P Global.

You acquire absolutely no rights or licenses in or to this Content and any related text, graphics, photographs, trademarks, logos, sounds, music, audio, video, artwork, computer code, information, data and material therein, other than the limited right to utilize this Content for your own personal, internal, non-commercial purposes or as further provided herein.

Any unauthorized use, facilitation or encouragement of a third party’s unauthorized use (including without limitation copy, distribution, transmission or modification, use as part of generative artificial intelligence or for training any artificial intelligence models) of this Content or any related information is not permitted without S&P Global’s prior consent subject to appropriate licensing and shall be deemed an infringement, violation, breach or contravention of the rights of S&P Global or any applicable third-party (including any copyright, trademark, patent, rights of privacy or publicity or any other proprietary rights).

This Content and related materials are developed solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. S&P Global gives no representations or warranties regarding the use of this Content and/or its fitness for a particular purpose and references to a particular investment or security, a score, rating or any observation concerning an investment or security that is part of this Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice.

S&P Global shall have no liability, duty or obligation for or in connection with this Content, any other related information (including for any errors, inaccuracies, omissions or delays in the data) and/or any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of this Content and/or any related information.

The S&P and S&P Global logos are trademarks of S&P Global registered in many jurisdictions worldwide. You shall not use any of S&P Global’s trademarks, trade names or service marks in any manner, and in no event in a manner accessible by or available to any third party. You acknowledge that you have no ownership or license rights in or to any of these names or marks.

See additional Disclaimers and terms of use at <https://www.spglobal.com/en/terms-of-use>.

Copyright © 2025 S&P Global Inc. All rights reserved.