



CORPORATE GOVERNANCE
DEVELOPMENT FRAMEWORK

Corporate Governance Development Framework

Corporate
Governance (CG)
Progression
Matrix



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Corporate Governance (CG) Progression Matrix

A. Commitment to Corporate Governance

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Corporate Purpose and Values	<ul style="list-style-type: none"> The company has a corporate mission statement. 	<ul style="list-style-type: none"> Corporate purpose and values are defined. 	<ul style="list-style-type: none"> Corporate purpose and values are clearly communicated internally and effectively integrated into strategy. 	<ul style="list-style-type: none"> Corporate purpose and values are clearly defined and aligned with positive societal outcomes. Agenda items that cover corporate culture, purpose, and values and strategic measures to translate such purpose and values into action and decision making are regularly included on board meeting agendas.
Formal Documents	<ul style="list-style-type: none"> The company has a charter or articles of incorporation. The company has a written code of ethics/conduct, covering bribery and corruption, approved by the board of Directors. 	<ul style="list-style-type: none"> Corporate structures and committee roles and responsibilities are established in writing (e.g., board charter, committee charters). The company has an annual calendar of corporate events (e.g., board meetings, general shareholders' meeting). 	<ul style="list-style-type: none"> The company has a written corporate governance code or similar document. 	<ul style="list-style-type: none"> The company voluntarily follows a corporate governance code in line with international best practices and discloses how it adheres to this code.

A. Commitment to Corporate Governance, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Commitment to Business Integrity, Environmental and Social, and Climate Change Adaptation and Mitigation	<ul style="list-style-type: none"> The company has adopted an approach to business integrity risk management, sustainability, and climate change adaptation and mitigation. 	<ul style="list-style-type: none"> The company has a function to support the company's approach to sustainability and climate change adaptation and mitigation. 	<ul style="list-style-type: none"> The company has a corporate governance code or similar document that covers business integrity, sustainability, and climate change. The company has a strategy that covers business integrity, sustainability, and climate change. 	<ul style="list-style-type: none"> Sustainability and climate-related metrics and targets have been established, and the company has a documented approach to tracking business integrity incidents, risks, and opportunities. The board and senior management can articulate the company's business integrity risk management approach and receives adequate notification of incidents.
Periodic Evaluation of CG Framework	<ul style="list-style-type: none"> Documents (policies, charters, processes) that qualify as the company's core CG framework have been identified. 	<ul style="list-style-type: none"> The company has a company or corporate secretary who ensures that the company complies with its core CG framework. 	<ul style="list-style-type: none"> The board periodically evaluates the company's core CG framework and follows up as needed. 	<ul style="list-style-type: none"> The company has identified its full CG framework (e.g., organizational structure, composition and functioning of board and management, governance structure [role of shareholders or family], key function holders [risk management, compliance, internal audit], internal control and risk management framework), which the board periodically (every 1-2 years) evaluates and follows up as needed.

B. Structure and Functioning of Board of Directors¹

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Board Role and Functioning	<ul style="list-style-type: none"> The board is constituted, meets regularly, provides management oversight, and approves strategy. 	<ul style="list-style-type: none"> The board and its members' roles are formally established in a board charter (or equivalent document). Board members are elected periodically. 	<ul style="list-style-type: none"> The board is elected regularly. The board is actively involved in establishing and approving strategy and risk appetite and defining corporate purpose and values. Executive and board succession planning has been established. Plans for board orientation and induction of new board members and for annual board training have been established. 	<ul style="list-style-type: none"> The board is refreshed regularly to introduce fresh perspectives and add new and relevant skill sets. The board chair leads an annual evaluation of the CEO.
Board Composition, Independence, and Capacity	<ul style="list-style-type: none"> Board members have sufficient skills, experience, and time to perform their duties as directors adequately. Board members understand their fiduciary duties and responsibilities. 	<ul style="list-style-type: none"> A majority of board members are nonexecutive. At least one outsider director (noncontrolling shareholder or non-affiliate). Board composition (competencies, skills mix, sector experience, age, gender) is appropriate for the company's business, strategic direction, and oversight duties. 	<ul style="list-style-type: none"> A board skills matrix, or equivalent, to ensure that members are selected based on assessment of their background, skills, and experience and in relation to the company's strategic needs and Diversity, Equity, and Inclusion (DEI) considerations. Board composition, including tenure, is reviewed regularly. At least one-quarter of directors are independent. 	<ul style="list-style-type: none"> At least half of directors are independent. Board composition achieves DEI in all material aspects. At least one-third of directors are of the underrepresented gender on the board. The Board has an independent, nonexecutive board chair.

¹ If the company is a family business, see Section G for additional attributes.

B. Structure and Functioning of Board of Directors, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Structure of Board Committees		<ul style="list-style-type: none"> • Relevant board committees, including a board audit committee, have been established. • Board committees' roles and responsibilities are established in terms of reference, charters, by-laws, or CG code. • Board committees meet and report to the board regularly. 	<ul style="list-style-type: none"> • An independent director chairs the board audit or audit and risk committee; no members are executive directors and a majority of independent directors; all members are financially literate. • The audit committee chair is an independent director and financial expert. 	<ul style="list-style-type: none"> • Specialized board committees address special technical topics (e.g., nominations; compensation; corporate governance; technology; cybersecurity; environmental, social, and corporate governance ESG; sustainability; business integrity; risk management; climate) if applicable. • The remuneration committee's chair is an independent director. • A committee of independent directors approves all material related-party transactions and potential conflicts of interest. • Established audit or audit and risk committee composed entirely of independent directors.

B. Structure and Functioning of Board of Directors, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Board Meeting Processes	<ul style="list-style-type: none"> Board members are given sufficient information, notice, and time to prepare for board meetings. 	<ul style="list-style-type: none"> Board meetings are held according to a regular schedule (at least four times a year), the agenda is prepared and circulated in advance, and minutes are recorded and approved. A structured board meeting package is distributed to board members in advance. Minutes of board meetings include the main considerations that led to a decision. 	<ul style="list-style-type: none"> Board maintains annual calendar that establishes topics to be discussed over the year. Nonexecutive directors meet without the presence of executive directors. 	<ul style="list-style-type: none"> Board holds an annual dedicated board strategy workshop. Independent directors periodically meet separately (without executive directors).
Board Performance Evaluation		<ul style="list-style-type: none"> <i>Ad hoc</i> board performance evaluations take place. 	<ul style="list-style-type: none"> Established annual board performance evaluation process. The board self-assesses its composition and functioning annually. 	<ul style="list-style-type: none"> Annual performance evaluation includes composition, functioning, board committees, chair, and evaluation of individual directors. Board performance evaluations are conducted by an external party periodically (at least every three years).

B. Structure and Functioning of Board of Directors, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Board Oversight of E&S and Climate Change	<ul style="list-style-type: none"> Environmental and social (E&S) issues as well as climate considerations are periodic board agenda items. 	<ul style="list-style-type: none"> E&S and climate considerations are standing items on the board agenda. The board has access to internal or external E&S and climate expertise. 	<ul style="list-style-type: none"> The board ensures that material E&S and climate considerations are identified, and their impacts considered. The board ensures that E&S and climate risks and opportunities are assessed regularly. The board ensures that E&S and climate considerations are incorporated into the company strategy. The board has at least one member with sufficient skills and experience in E&S and/or climate topics. The board receives training on E&S and climate matters. 	<ul style="list-style-type: none"> E&S and climate considerations are integrated into board committee structures by having a dedicated E&S and climate committee or as part of the audit, remuneration, nomination, and risk committees. Formal E&S and climate key performance indicators and targets have been agreed upon, and management reports on them regularly to the board. The board ensures that E&S and climate risks form part of enterprise risk management, and that potential short-, medium-, and long-term effects are assessed. The board has developed E&S, sustainability, and climate targets for management that are meaningfully incorporated into remuneration structures.

B. Structure and Functioning of Board of Directors, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Board Oversight of Business Integrity	<ul style="list-style-type: none"> • Business integrity-related matters are included periodically as board agenda items. 	<ul style="list-style-type: none"> • The board has access to internal or external expertise on business integrity-related matters. 	<ul style="list-style-type: none"> • Business integrity-related matters are standing items on the board agenda. • The board ensures that business integrity risks and opportunities are assessed regularly. • The board ensures that business integrity considerations are incorporated into the company strategy. • The board receives training on business integrity. 	<ul style="list-style-type: none"> • The board ensures that material business integrity matters are identified, and their impacts considered. • At least one board member has sufficient understanding of business integrity matters inherent to the company's strategy. • The board integrates business integrity-related matters into its committee structures, such as the audit and risk committees. • The board periodically receives formal business integrity-related management information reports. • The board ensures that business integrity risks are integrated into the overall enterprise risk management framework and that potential short-, medium-, and long-terms effects are assessed.

C. Control Environment and Processes

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Internal Control System	<ul style="list-style-type: none"> Internal control policies and procedures are documented. The internal control system is in accordance with national laws, regulations, and standards. 	<ul style="list-style-type: none"> The company has an established CFO function. Documented internal control systems include adequate and proportionate measures to reduce exposure to inherent corruption risks continually and proactively over time. 	<ul style="list-style-type: none"> The board or audit committee ensures that corrective action is taken on control deficiencies identified in management letters. 	<ul style="list-style-type: none"> The “Three Lines” model of risk management, internal control, and internal audit has been adopted. The internal control system is in accordance with the highest international standards (e.g., Committee of Sponsoring Organizations of the Treadway Commission (COSO) and Basel).
Internal Audit	<ul style="list-style-type: none"> An internal audit function has been established. 	<ul style="list-style-type: none"> The head of internal audit reports directly to the board or audit committee. The internal audit function interfaces regularly with an external auditor. 	<ul style="list-style-type: none"> The internal audit function is independent, objective, risk based and has unlimited scope of activity. Periodic business integrity; ESG; IT; information security; and internal audits are conducted to test adequacy. 	<ul style="list-style-type: none"> The internal audit function is established in accordance with international standards (e.g., Institute of Internal Auditors - IIA). The audit committee ensures that a third party periodically assesses the quality of the internal audit function.
Risk Management	<ul style="list-style-type: none"> A risk management framework has been developed and implemented, and material risks that the company faces have been identified. 	<ul style="list-style-type: none"> The board approves and monitors the company’s risk management framework. The risk management framework includes periodic risk assessments to identify relevant and material business integrity risks. 	<ul style="list-style-type: none"> The chief risk officer (CRO) or equivalent has unfettered access to the board or applicable board committee. The board approves the company’s risk appetite. The company’s risk management framework extends to third parties and the supply chain. 	<ul style="list-style-type: none"> CRO reports to a board-level risk management committee or equivalent and administratively to management. The board-approved risk appetite is aligned with the company’s purpose and values. Risk management is maintained in accordance with the highest international standards (e.g., ISO 31000 and COSO).

C. Control Environment and Processes, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Compliance	<ul style="list-style-type: none"> The company has a compliance program that accounts for fraud and corruption risk exposure applicable to all employees and entities over which the company has effective control. 	<ul style="list-style-type: none"> The company has a designated compliance function. The compliance program is risk-based. Corrective action is taken to address compliance violations. A training program on compliance and conduct has been established. A whistleblowing mechanism has been established and communicated to all employees. 	<ul style="list-style-type: none"> The board ensures that corrective action is taken in the case of compliance violations. The compliance program, covering the prohibition of bribery and corruption, is extended to contractors, subcontractors, third parties, and the supply chain. A whistleblowing mechanism has been established that includes anonymous, nonretaliatory requirements and investigative capacity. 	<ul style="list-style-type: none"> The compliance training program includes training of the board, employees, contractors, subcontractors, third parties, and the supply chain. A chief compliance officer or equivalent reports directly to the board or special committee. A compliance program is established in accordance with international standards (e.g., ISO 37301).
External Audit	<ul style="list-style-type: none"> An external auditor (EA) engaged to conduct annual audit of financial statements. 	<ul style="list-style-type: none"> EA provides written Management Letters annually. The board or audit committee reviews and ensures the independence of EA. 	<ul style="list-style-type: none"> An audit committee is responsible for the relationship with the EA; agrees on the scope of the audit and audit fees, and reviews long association (auditor rotation) of the EA. 	<ul style="list-style-type: none"> An audit committee periodically assesses the quality of the EA, using relevant audit quality indicators.

C. Control Environment and Processes, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Integration of E&S and Climate Change Adaptation and Mitigation		<ul style="list-style-type: none"> E&S and climate change related risks are incorporated into the internal control and risk management systems and compliance program. 	<ul style="list-style-type: none"> The board ensures that E&S and climate change risks are integrated into the overall risk management framework and adaptation measures are implemented. Internal audit includes periodic audits of implementation of E&S and climate policies and procedures. The compliance officer's responsibilities include compliance with E&S and climate policies and procedures. The E&S and climate head has unfettered access to senior management and CRO. Employees are trained on industry E&S and climate change risk issues. 	<ul style="list-style-type: none"> E&S and climate change adaptation risk management activities are integrated, effective, and efficient and support strategic and operational business objectives. E&S and climate change risks are part of establishing the risk appetite. E&S- and climate change-related internal control policies and procedures are extended to contractors, subcontractors, third parties, and the supply chain as relevant. The board, risk committee, or other specialized committee ensures that management conducts annual scenario analysis to evaluate the company's resilience in the face of, for example, a 2°C scenario or lower and progress toward net zero targets.

C. Control Environment and Processes, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Integration of Business Integrity		<ul style="list-style-type: none"> Documented internal controls include systems to identify, mitigate, and manage the risk that employees or third parties acting on behalf of the company engage in bribery, corruption, or fraud, including to facilitate business. 	<ul style="list-style-type: none"> Business integrity risks are incorporated into the internal control system risk management framework, and a compliance program has been established, with clear responsibility delegated to a compliance officer with unfettered access to the board or applicable board committee. Employees are trained regarding business integrity risk issues. Relevant management information on business integrity risks is produced, maintained, and reported internally and, where appropriate, externally, such as to regulators and material stakeholders. 	<ul style="list-style-type: none"> The company's approach to business integrity is integrated, effective, and efficient and supports its strategic and operational business objectives. The company's business integrity is incorporated into the risk appetite, which the board has approved. Business integrity risk management is extended to contractors, subcontractors, third parties, and the supply chain. Contractual safeguards include anti-bribery and anti-corruption obligations. The board or a specially designated committee ensures that management conducts business within the board's approved business integrity risk appetite.

C. Control Environment and Processes, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Subsidiary Governance	<ul style="list-style-type: none"> The board can identify its subsidiaries and respective ownership structure (know-your-structure principle). 	<ul style="list-style-type: none"> The company has policies and procedures to control creation and dissolution of subsidiaries. The company has established policies and practices on group and subsidiary governance clarifying that the company's board is responsible for group governance and subsidiaries' boards are responsible for their own governance. 	<ul style="list-style-type: none"> Control systems and functions have been integrated into its subsidiaries. 	<ul style="list-style-type: none"> The company has a centralized subsidiary governance function, subsidiaries are categorized based on complexity, and an appropriate governance framework is applied to each category. The company exercises business integrity risk oversight across its subsidiaries and supply chain.

D. Disclosure and Transparency

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Financial Disclosure	<ul style="list-style-type: none"> Financial statements are prepared in accordance with the highest national accounting standards and audited by an external auditing firm. 	<ul style="list-style-type: none"> All financial statements and reports are prepared and presented in accordance with a widely accepted, internationally recognized system of accounting (e.g., International Financial Reporting Standards -IFRS or equivalent). The company's financial statements are audited in accordance with International Standards on Auditing (ISA). 	<ul style="list-style-type: none"> The company discloses financial statements publicly. The audit committee oversees financial reporting and audit. 	<ul style="list-style-type: none"> Financial reporting is connected to sustainability reporting and vice-versa.
Corporate Disclosure	<ul style="list-style-type: none"> The company complies with all disclosure requirements under applicable laws, regulations, and listing rules. All shareholders are provided with accurate, timely information and documentation upon request and as specified by applicable law. 	<ul style="list-style-type: none"> The company publicly discloses an annual report. 	<ul style="list-style-type: none"> A comprehensive annual report is published with a dedicated CG section that includes, but is not limited to, information on: <ul style="list-style-type: none"> affiliated parties and affiliations of board members board and committee meetings annual general shareholder meeting adherence to a corporate governance code adherence to a code of ethics or conduct its ultimate beneficial owners The company has a written disclosure policy. 	<ul style="list-style-type: none"> The company discloses information on the remuneration policy and actual remuneration of board members and senior management. A tax transparency statement is disclosed. The company's risk appetite and its adherence to it are included in its annual report.

D. Disclosure and Transparency, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
E&S and Climate Disclosure	<ul style="list-style-type: none"> E&S and climate-related challenges are disclosed to shareholders. 	<ul style="list-style-type: none"> E&S and climate change topics are disclosed in the company's annual report or sustainability or climate report in line with local regulatory frameworks. . 	<ul style="list-style-type: none"> Sustainability and climate change related risks and opportunities are disclosed in the company's annual report. Information is disclosed on direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions (GHG) from energy use. E&S and climate related information related to the company's strategy, governance, risk management, and metrics and targets is disclosed in the annual report. 	<ul style="list-style-type: none"> Progress toward achieving emission reduction targets and alignment with the Paris Agreement is reported. Sustainability- and climate-related information is reported in accordance with internationally accepted practices (e.g., ISSB, CDSB, CDP, PRI, VRF-SASB, GRI, IIRC, or equivalent). The company discloses Scope 3 emissions.
Business Integrity Disclosure		<ul style="list-style-type: none"> Business integrity topics are disclosed in the annual report or sustainability or ESG report in line with local regulatory frameworks. 	<ul style="list-style-type: none"> Business integrity-related risks and opportunities are disclosed in the annual report. Disclosures on business integrity include information related to the company's strategy, governance, risk management, and risk appetite. 	<ul style="list-style-type: none"> Business integrity is reported on in accordance with internationally accepted best practices such as PRI, GRI Standards, FRC

E. Ownership and Shareholders' Rights²

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Exercise of Shareholder Control	<ul style="list-style-type: none"> Controlling shareholders are clearly identified. Shareholder agreements, if any, are accessible to investors. Share features (e.g., voting, dividends, access) are established in bylaws or equivalent. All shareholders can exercise pro rata preemptive rights upon capital increase. 	<ul style="list-style-type: none"> A related-party transactions (RPT) policy, or equivalent, has been established that provides protection in case of conflict of interest, including the obligation of conflicted parties to refrain from voting and nonconflicted parties to decide, including “majority of the minority” voting provisions. Dividend policy is disclosed to shareholders. 	<ul style="list-style-type: none"> RPT policy is publicly disclosed. Dividends are declared according to the dividend policy and paid shortly after they are declared. Shares with plural voting, if any, are capped at 10x and are subject to a sunset clause within a reasonable timeframe (e.g., 7 years).³ Any nonvoting shares are limited to less than half total equity.⁴ Shareholders accounting for a meaningful equity participation (e.g., at least 10%) are entitled to cumulative voting, or similar rights, to elect board members. The company has clearly articulated and enforceable change-of-control policies with respect to treatment of noncontrolling shareholders in change-of-control situations (e.g., valuation and tag-along rights). 	<ul style="list-style-type: none"> The Dividend Policy is publicly disclosed. All shares entitle their holders to one vote (one-share-one-vote-principle). Dissenting shareholders are entitled to redeem shares in the case of decisions permanently affecting their basic rights, including material changes to the dividend policy. The company has a system for registering shareholder complaints and effectively regulating corporate disputes (arbitration and mediation). The company has a history of equitable treatment of shareholders and minimal shareholder disputes. Climate-related transition action plans are subject to shareholder approval.

² If the company is a family business, see Section G for additional attributes.

³ Plural voting shares allow their holders to vote multiple times in corporate decisions and have become popular in technology companies whose founders wish to retain control after multiple investment rounds. Good practice recommends a sunset clause, meaning a time limit for plural voting rights, and a cap on how many votes each share can have.

⁴ Issuance of nonvoting shares, which allows a shareholder to have control with only a small percentage of the economic exposure in a company, is not good practice. If there are nonvoting shares, they should be capped at a small percentage of total equity.

E. Ownership and Shareholders' Rights, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Shareholder Meetings	<ul style="list-style-type: none"> • Ordinary shareholder meetings are held annually, typically in the first quarter of the fiscal year. • All shareholders are provided with adequate notice of and an agenda for shareholder meetings and are permitted to participate and vote at such meetings. • Shareholder meetings are convened at the company's headquarters, in the form of virtual meetings, or at an easily accessible location. 	<ul style="list-style-type: none"> • Call notices contain complete, accurate information necessary for informed decision making, with no generic agenda items or last-minute topics added. • All documentation pertaining to shareholder meetings is delivered with the call notice and at the same time to all shareholders. • Board members and management are present at shareholder meetings. The chair of the board chairs shareholder meetings. 	<ul style="list-style-type: none"> • All shareholders have the opportunity to propose agenda items. • All shareholders have the opportunity to propose candidates to the board and other eligible corporate boards. • Participation in shareholder meetings is facilitated, including by accepting proxy appointments and providing for online meetings and voting where legally permitted. • Shareholders with a conflict of interest are required to disclose the nature of such conflict and refrain from voting. 	<ul style="list-style-type: none"> • An investor relations channel is provided for clarification of questions ahead of the meeting and disclosure of questions from other shareholders.

F. Governance of Stakeholder Engagement

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Stakeholder Mapping	<ul style="list-style-type: none"> • <i>Ad hoc</i> stakeholder-identification. 	<ul style="list-style-type: none"> • Proactive identification of key stakeholders (e.g., workers, customers, suppliers, regulators, communities, local nongovernmental organizations (NGOs) and civil society organizations (CSOs). 	<ul style="list-style-type: none"> • Formal stakeholder mapping process and expanded definition of stakeholders includes contracted workers, primary supply chain workers, neighboring projects, and international NGOs and CSOs, as applicable. 	<ul style="list-style-type: none"> • A senior executive is responsible for stakeholder relationships, including ensuring integration with strategy and target setting. • The board approves stakeholder mapping.
Stakeholder Engagement Policy		<ul style="list-style-type: none"> • Basic stakeholder engagement (SE) practices aligned with the company's compliance and risk management frameworks. 	<ul style="list-style-type: none"> • Stakeholder engagement policies and procedures are established that include stakeholder analysis and differentiated approaches for various stakeholder groups. 	<ul style="list-style-type: none"> • SE policy and activities disclosed. • The board participates in regular exchanges with stakeholders. • SE policy is incorporated into requirements for contractors, subcontractors, third parties, and the supply chain.
Worker Grievance Mechanism	<ul style="list-style-type: none"> • The company has human resources policies and procedures for worker engagement. 	<ul style="list-style-type: none"> • The company has a basic confidential grievance mechanism for workers/employees. 	<ul style="list-style-type: none"> • Management responds regularly to grievances from workers and contracted workers on a regular basis. 	<ul style="list-style-type: none"> • Issues raised through grievance mechanism for workers are analyzed and resolved with the participation of a worker representative. • The board is informed regularly about grievance outcomes and trends.

F. Governance of Stakeholder Engagement, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Affected Communities Grievance Mechanism	<ul style="list-style-type: none"> The response to stakeholder requests and concerns is informal. 	<ul style="list-style-type: none"> External Communications Mechanism for stakeholder requests and concerns. 	<ul style="list-style-type: none"> External and publicly accessible communication procedure with grievance mechanism. Designated Affected Communities engagement personnel have clearly defined responsibilities, training, and reporting lines to senior management and the board. 	<ul style="list-style-type: none"> SE and reporting are consistent with international standards (e.g., AA 1000 Standards, SA8000, ISO 26000).
Integration of E&S and Climate Change Adaptation and Mitigation		<ul style="list-style-type: none"> Stakeholder mapping and engagement includes E&S- and climate-related impacts. 	<ul style="list-style-type: none"> Stakeholder mapping and engagement includes E&S- and climate-related impacts on contracted workers, primary supply chain workers and neighboring projects. 	<ul style="list-style-type: none"> A senior executive is responsible for stakeholder relationships and ensures that climate-related risks, opportunities, and impacts are integrated into the SE strategy and target setting.

G. FAMILY BUSINESS GOVERNANCE ATTRIBUTES⁵

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Family Governance Structures	<ul style="list-style-type: none"> Family is actively involved in both management and direction of company with basic “checks and balances” (e.g., internal audit function) established Informal information of family members regarding family business matters 	<ul style="list-style-type: none"> An advisory board with nonfamily members and independent professionals is established and consulted regularly, in addition to a board composed of family members or nonfamily members are added to the existing board. The family company recruits external senior managers. 	<ul style="list-style-type: none"> Nonfamily and particularly independent directors are nominated to the board. A family employment policy establishes guidelines regarding family member involvement in the company and career paths for nonfamily executives. A family council is established (if the number of family members is substantial or a substantial portion of family members do not work for the company). 	<ul style="list-style-type: none"> A formal family governance structure is established (when the number of family members is substantial or external to the operations of the business) that includes a family assembly and/or a family council. Formal policies are in place regulating family and nonfamily governance aspects of Family Ownership. The roles of the board chair and the CEO is separate.

⁵ Applicable only if the company is family owned. All general topics would also apply to family-owned companies, especially more mature companies.

G. FAMILY BUSINESS GOVERNANCE ATTRIBUTES, continued ...

	LEVEL 1 Basic CG practices	LEVEL 2 Improvements towards good CG	LEVEL 3 Advanced CG practices	LEVEL 4 Best CG practices
Family Ownership	<ul style="list-style-type: none"> • Family owners have a basic understanding of the roles of all family members. • Annual shareholder meetings are held at which all shareholders are kept informed of company policy, strategy, and results of operations. 	<ul style="list-style-type: none"> • The difference between nonfamily and family issues is acknowledged. • Family succession and transition at ownership and management level is considered. • Formalized annual meetings are held to inform the family of developments in the company. 	<ul style="list-style-type: none"> • Clear distinction between the roles of family members and external employees and managers. • Roles and responsibilities of the family as insiders or outsiders are clearly articulated. • The family educates current members and the next generation regarding ownership (if the number of family members is substantial). • Formal policies are established that address key elements of family firm governance: <ul style="list-style-type: none"> ▪ succession planning ▪ family ownership ▪ family charter • The company has a dividend policy. 	<ul style="list-style-type: none"> • A shareholder agreement provides mechanisms for exiting family shareholders • Policies and mechanisms regulate family member ownership, employment, and other benefits.