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IMPACT AND VALUE MEASUREMENT

—

A WAY FORWARD

VALUE RESEARCH CENTER
DOSHISHA UNIVERSITY
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Executive Summary

As businesses, governments and researchers grapple with the need to measure stakeholder impacts beyond shareholders, each faces the unique challenge of matching their intention to measure these truly with the complexities of doing so. In previous white papers from the Value Research Center, we have outlined an underlying philosophy from Japan as well as an approach built upon this philosophy to measure such impacts across seven key stakeholder groups, including (1) the business itself, (2) its customers, (3) employees, (4) partners, (5) shareholders, (6) society and (7) the planet. This white paper, now outlines three key aspects of our current work within the Value Research Center, including:

A) The clarification of value measurement, its elements and mindset required for effectively implementing such an approach with inspiration from Japan.

B) An outline of the detailed quality assurance (QA) process that we have now completed, integrating more than 40 sustainability standards, frameworks and models that comprise more than 1,200 individual impact measurements into a comprehensive Value Model for measuring stakeholder impacts across a company's operations.

C) A case example of how the Value Model can be applied not only to individual company sustainability strategy efforts, but here we introduce the Value Model as a "health check" system that can assess the breadth and depth of any business's sustainability reporting initiatives based on their public disclosures. While we have conducted a number of these "health checks" for different companies in Japan and globally, here we introduce one application to Natura & Co for illustration purposes.

While we have aimed to be as comprehensive and transparent as possible with our efforts, we also understand that the work presented here has not covered all of the possible sustainability reporting frameworks, nor the many different approaches to value measurement across stakeholders. However at the same time, we hope that the data and analyses that are presented here can serve as a solid foundation upon which other researchers and organizations can build even more effective and compelling models to help move marketing, sustainability and business practices away from value washing and towards more transparent, objective, goal-based systems for measuring and managing impacts across all stakeholders. With such systems in place, it is our sincere hope that new models and approaches for true value creation will emerge, and by doing so, that many of the world's great challenges that we face today can be clearly seen, measured and ultimately solved.

Keywords

Value, sustainability, purpose, wellbeing, sustainability reporting, ESG

SECTION 1:
ON VALUE

This white paper outlines the latest advancements in the development and application of the Value Model. However, before explaining the Value Model and its application in detail, it is fundamental for us to first make sure that there is a shared understanding of what the "value" that we are discussing in the following pages actually means. This first section is therefore dedicated to making sure that we establish the philosophical foundation underlying the Value Model and its use before moving on to the operationalization and measurement of this value related to actual businesses.

As we have discussed in previous papers and presentations, value is infinite constantly evolving and emerges in relationship over time between two or more actors.

To break this down further to see the mechanics of value in action, we begin our discussions by focusing first on establishing the basic elements of value, which include:

1) **Actors** themselves are individuals, groups or entities,

2) Who form **relationships**,

3) Over **time**,

Within such a system,

A) Each actor has the ability to[1]:
   a. Impact another actor,
   b. Experience the impacts of the other actor,
   c. Have a response mechanism to judge these experienced impacts,
   d. And finally, to respond or take further actions based on the impacts experienced.

B) The paper by Sugai & Mahajan (2023)[i], this relationship was broken down into 4 unique points that we can adjust here to be as shown in Figure 1 below,
   a. $A1_R$ = the value received by Actor 1 from Actor 2,
   b. $A1_C$ = the value created by Actor 1 for Actor 2,
   c. $A2_R$ = the value received by Actor 2 from Actor 1, and
   d. $A2_C$ = the value created by Actor 2 for Actor 1

C) As shown in Figure 2 below, each actor can experience value as positive, neutral or negative and varies over time as new experiences and interactions modify value perceptions of each individual actor.

D) We can scale this value from -100 which represents "ultimate value destroying" to +100 which represents "ultimate value creating", with zero (0) serving as the neutral point between these two extremes.

E) Value experienced typically falls in between these two extremes.

[1] It should be noted that these can be either conscious or natural processes that occur without thought. For example, while two people in relationship may form these judgements and make informed decisions, humanity in relationship with nature also follows this same process, but nature responds through natural processes based on our impacts.

[2] We should note that for simplicity of our explanations in this white paper, we'll specifically ignore the human ability to lie, value wash, or create a difference between the actual value received from impacts and those that are expressed to others. For example, if Actor A actually achieves positive value from their relationship with Actor B, but explains to Actor C that they have received negative value, they are either intentionally or unintentionally lying.

FIGURE 1:
Two actors in relationship (adapted from Sugai & Mahajan, 2023)

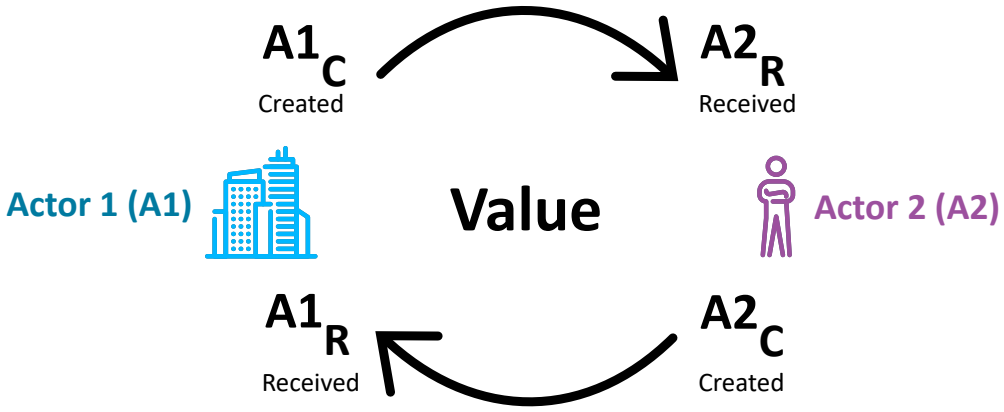
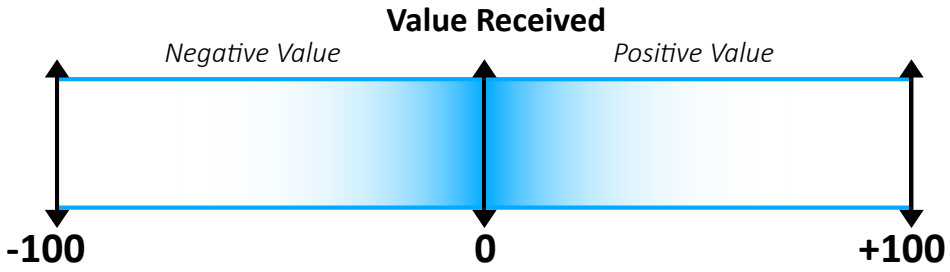


FIGURE 2:
The Measurement of Value



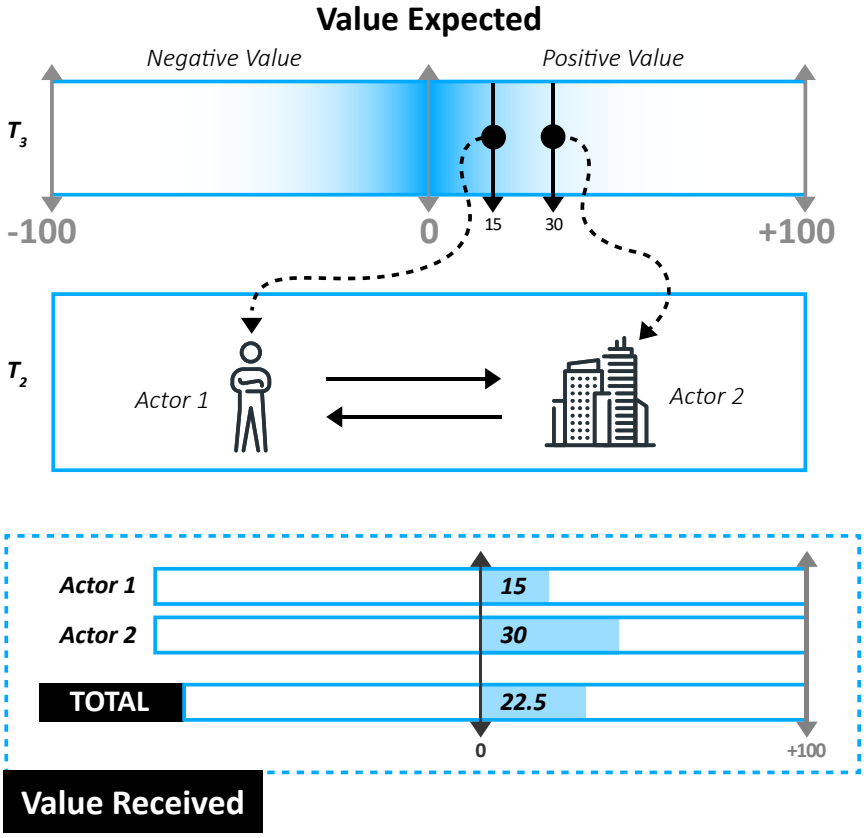
Finally, we can then chart the fluctuations of value over time by placing value expected at T_1 and value received at T_2 on the same scale as shown in Figure 2, we can also begin to understand relationship justice between these two actors by calculating total relationship value over time as shown in Figure 3.

To do so, let's look at two actors in relationship over time. Let's say Sam is in the market for a new smartphone, and we find him in an Apple Store on a Thursday afternoon in October (T_1) about to purchase a new iPhone. Putting this example in the context of our previous two figures, let Actor 1 be "Sam" and Actor 2 be "Apple, Inc." and as shown in Figure 3, on that Thursday, Sam expects that the value he will begin to receive from that new iPhone will be slightly positive over their current iPhone (they expect +15 points in positive value) in the near future (T_2), whereas Apple believes that they will achieve 30 points in value from this new relationship with Sam in the near future (T_2). The total expected relationship value here would be 45 out of the 200 possible positive value points available in this relationship, so to keep the same -100 to +100 point scale, we divide this by the number of actors (here we are just looking at Sam and Apple, so there are 2), and as shown below, the total expected relationship value between Sam and Apple is +22.5 points.

$$V_{T1} = \frac{(A1E + A2E)}{n} = \frac{(15+30)}{2} = \frac{45}{2} = 22.5$$

In either case, for the rest of this paper we will assume that the value experienced is directly related to the value expressed and actions that are taken because of this.

FIGURE 3:
Calculating Total Relationship Value



Now, let's fast forward to T_2, let's say a fine Saturday in November one month after Sam purchased their new iPhone. And we find Sam much happier with their purchase than what was originally expected. Because of this, Sam's actual value score at this time is a 50. And while Apple has received its expected profits from Sam as a customer, they also received positive reviews and word of mouth from Sam in addition to this, and they haven't experienced any unexpected costs from customer service visits nor any other negatives. In light of this, their value score also increased above their expectations to be 40 points. With this progression in time, the total relationship value between them has now grown to 45 (90/2) points from its original expected level of 22.5, a doubling between expected value and experienced value.

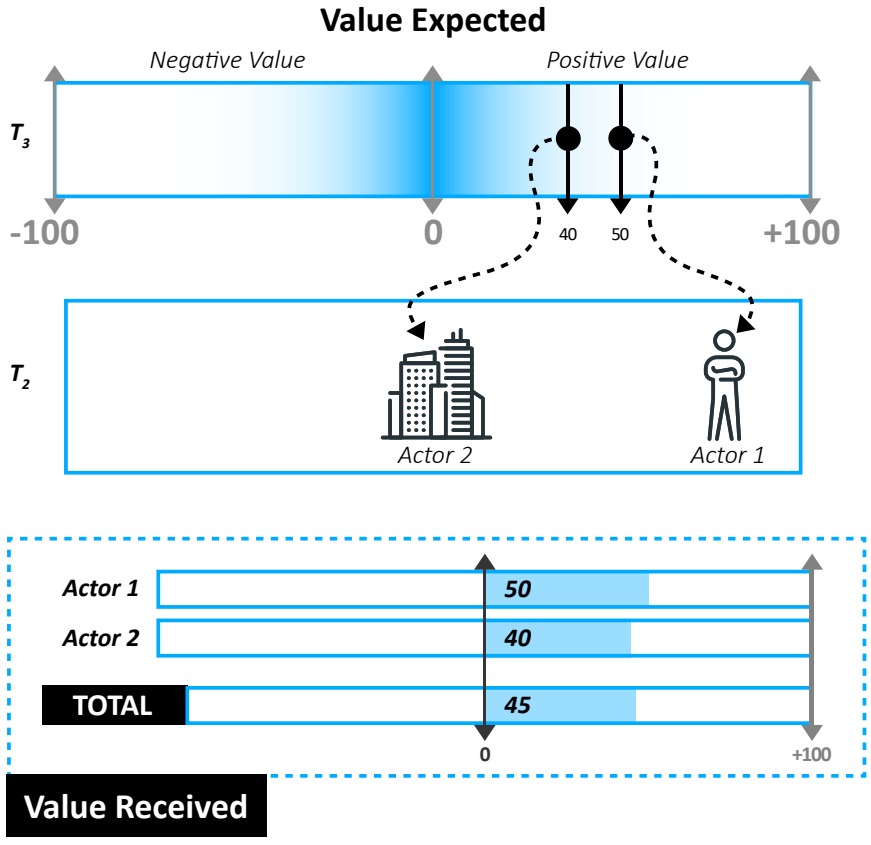
$$V_{T2} = \frac{(50 + 40)}{2} = 45$$

Based on this experience, both Sam and Apple expect that the value from this relationship will continue at the same level as they are currently experiencing in T_2, so their expectations at T_3 remain at a total expected relationship value of 45. This dance between expected and experienced value happens throughout the entire lifetime of this relationship and can be measured in an infinite number of times, potentially across many different products (iPhone 16, iPhone 18, etc.) and services.

The purpose of Value Creation activities: Seiryoku Zenyo, Jita Kyoei

Yoshie Sugai (2013), founder and head instructor of Chiseikan Dojo in Kyoto Japan introduced the concept of "Seiryoku Zenyo Jita Kyoei" from Japanese martial arts philosophy for business executives in her work. In her book, she introduces the martial arts concept of "Seiryoku Zenyo," which is written in Kanji characters as (精力善用) means to use all of our best energy for good, and "Jita Kyoei", which is written in Kanji characters as (自他共栄) means mutual prosperity for executives to integrate into their leadership efforts.

FIGURE 4:
Experienced Value



If two actors in relationship then apply these concepts, this means that optimal value from a relationship (100 points for each actor, and therefore 100 average points from the relationship) is what each actor is aiming to achieve. If each applies all of their energy for such an outcome, then this becomes their common goal. Sub-optimal or negative value outcomes are likely to arise over time when this philosophy of Seiryoku Zenyo Jita Kyoei (SZJK) is not applied in earnest. But if it is applied, even within relationships with negative outcomes for one of the stakeholders (for example by businesses extracting resources from nature), with the implementation of this philosophy, it is possible over time (T_2, T_3, etc.) to continuously lessen the negative impacts incurred. On the other hand, without such a mindset, unfair or unjust relationships are likely to become increasingly antagonistic over time, with total potential value decreasing instead.

Seven (7) Stakeholders

The number of stakeholders a business has across the entire universe of its activities is enormous if not uncountable. From the creation or extraction of raw materials at the very beginning of a supply chain down through to the creation of a product or service through to the distribution channels to the end user and the activities related to the end of life of that product or service, there are countless impacts and interactions that occur. For most businesses, the scale and scope of the value created and destroyed within these relationships is extremely complex and even with our current technical capabilities, it is currently unknowable.

Possibly someday in the future when blockchain, distributed ledger technology or a yet to be developed technical system is used to monitor, measure and manage every value generating aspect of such relationships, we will be able to capture the ebb and flow of value creation and destruction in real time. However for now such capabilities to sense and understand the impacts that businesses have across their entire ecosystem of stakeholder relationships remains out of reach. Yet just because we can't see an account for this entire universe of impacts does not mean we can't create workable proxies to measure and manage these today.

As a start, the Business Roundtable (2019) announced the new purpose of a company went beyond the creation of stakeholder value just for shareholders but to encompass value creation for a total of seven stakeholders including (1) the business itself, (2) its customers, (3) its employees, (4) its partners, (5) its shareholders, (6) society and (7) the planet. At the same time the World Economic Forum similarly announced in its Davos Manifesto 2020 (Schwab, 2019) the exact same set of stakeholders as fundamental to business success. Looking back to the history of Japan this also matches closely with its cultural views on the role of business must play within the context of society.

As outlined in our previous white papers, the ideas of Ishida Baigan, who argued for a distinction between fair and unfair profits in the early 1700s, and the idea of “Sanpo Yoshi” or the “three goods” of business operations that the Ohmi merchants from what is now Shiga Prefecture put into action from this same time period, we can see that many of the ideas expressed in the West today have had a long history of practice in Japan.

While it remains technically impossible today to implement as system that can perfectly measure all impacts between a business and its many stakeholders, from this foundation we can begin to develop a set of proxies for these that will help us to achieve this capability in the future. To do so, we can begin to build an informed view of the value created or destroyed by a business in relationships to its stakeholders over time by focusing on these seven stakeholders as an imperfect yet reasonable first step.

What is value?

As Vargo, Maglio, & Akaka (2008) point out, Aristotle and countless other philosophers scholars and economists identified two different types of value. The first is “value in exchange” which is the financial or economic worth of a product or service or any other thing when it is exchanged. For example when you buy a new watch the price paid is a direct measurement of the exchange value that one you attribute to the watch as well as two the watchmaker feels is fair representation of the proper recuperation of all relative costs associated with the making and the sale of the watch plus any additional brand related benefits they believe can or should be received.

But Aristotle argued that there was a second type of value called “value in use” which represents feelings of satisfaction joy or pleasure an individual receives from that very same watch. And this

understanding has been at the heart of Japan's leading business philosophers like Ishida Baigan, the Ohmi merchants, Sontoku Ninomiya, Eiichi Shubusawa and many others in their views of what "good" businesses are and do.

Reviewing these recent announcements from the World Economic Forum and Business Roundtable, it is clear that the West is now catching up in terms of its thinking about the true role of a business within the context of society at least in principal. In light of this cultural history, it shouldn't come as any surprise that Japan accounts for 56% of the world's businesses that are 200 years old or older. If a business is only focused on extracting as much value from other stakeholders and funneling these to its owners or shareholders exclusively, it makes sense that such companies won't be sustainable over the long term. Their stakeholders simply won't tolerate this as a difference between A1R and A2R is too wide to be sustainable. Take General Electric (GE), Thomas Edison 's company as an example of what happens in the long-term by keeping a laser-focus on optimizing shareholder value above all else. For a short time during Jack Welch's leadership, shareholder returns were phenomenal. Entire business school programs were built around the short term leadership style of "Neutron Jack." But fast forward to 2023 and GE is a shell of its former self, far from its high flying days of only a few decades ago. Its focus on short term benefits for shareholders at the expense of all other stakeholders was untenable over the long term.

This leaves us then with the following:

- Value is infinite and ever evolving.
- It is derived from relationships between actors over time.
- With a mindset of mutual prosperity (SZJK) shared by each actor, total value created grows closer and closer to its full potential.
- The centuries-old philosophy of a good business from Japan shows evidence that such thinking put into action results in long term sustainability, a topic now under hot debate and interest in the West.
- The Business Roundtable and World Economic Forum have clarified that the purpose of a business goes beyond the optimization of shareholder value, and is in fact to create value for multiple stakeholders including (1) the company itself, (2) its employees, (3) its customers, (4) its partners, (5) its shareholders, (6) society and (7)the planet. With the adoption of this thinking in the West, there is a growing alignment with the centuries-old philosophies from Japan.

In aggregate, these points serve as the foundation for the remaining discussions within this white paper.

Moving Beyond Milton

Even as the realization that the purpose of the business is to create value for these seven stakeholders, if a company chooses to say that it is pursuing this purpose but instead its behaviors actually only focus on optimizing shareholder value by ignoring or misrepresenting its actual impacts, it follows in the footsteps of what Milton Friedman (1970) explained in his infamous New York Times magazine op-ed "The social responsibility of a business is to make profits." In this article, Friedman explained that that our talk about social responsibility was "notable for its analytical looseness and lack of rigor" (Friedman, 1970, p. 32). He also explained that value

washing (Sugai, 2021) was perfectly in line with the optimization shareholder value. As he stated, "It would be inconsistent of me to call on corporate executives to refrain from this hypocritical window dressing because it harms the foundations of a free society. That would be to call on them to exercise "social responsibility"!" (Friedman, 1970, p. 124).

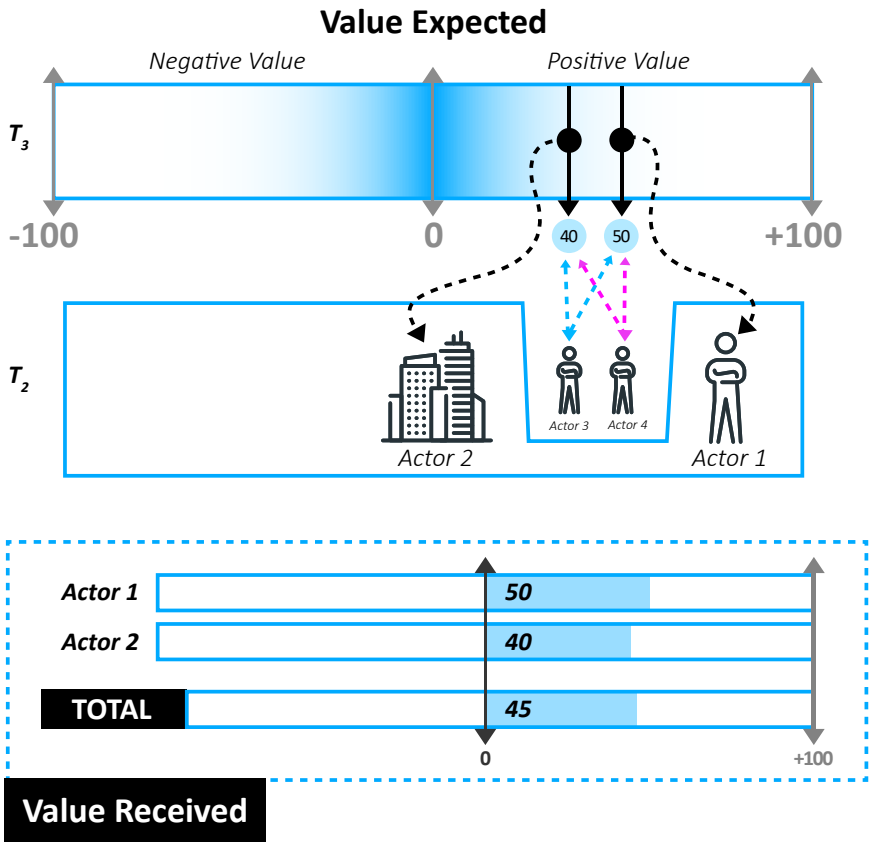
As outlined in our previous discussion papers, and re-stated here, any system that is created to help measure and manage the value experienced by these seven stakeholders in relationship must be free of value washing as well as the potential for it to be created. To do so a system that measures and reports on impacts and the value derived from them must:

1. **Be goal based:** Clear measurable goals offer context for the impacts and value created from them. Without this context, any report on impacts or improvements can be considered good, and comparison between businesses, industries or markets is impossible.

2. **Be objective:** The ultimate goal of a value measurement system is that any objective outside observer can report the same level of impact and value as another. For example in Figure 5 below, while A1 experiences a value of 50, an objective outside observer (say A2, A3 or A4) would report the same level of impacts and value creation as A1 did.

3. **Have transparent third party feedback loops:** Those objective observations must also allow for transparent reporting of impacts and the value generated such that as Figure 5 shows A1, A2, A3 and A4's observations of the impacts experienced and value received can be confirmed independently of those actors in relationship.

FIGURE 5:
Independent 3rd Party Feedback Loops to Avoid Value Washing



4. **Be a scale variable:** Reporting on impacts must go beyond binary yes/no answers and must have some degree of variability that can be measured and compared. For example, rather than reporting only on whether or not a business creates plastic waste (yes or no), here the level or amount of this waste is required for a comparable understanding of these impacts to be created, as well as the appropriate measured needed to reduce such impacts.

5. **Avoid complexity:** Because value is infinite and ever evolving, it is by definition a complex topic. The greater the complexity of terms or information used about impacts and value, the greater the likelihood that the difference between (a) impacts experienced and (b) value received from these differs from (c) what can be said about these. The simpler the terms used within an overall system created to measure and manage impacts and value, the harder value washing becomes.

Developing the value model

While the subsequent sections outline our current achievements in our research, it is important to first put these in context of the overall process we have followed to arrive here. This section outlines the multiple waves of research projects that have been attempted in the creation of a model for measuring value across multiple stakeholder relationships over time.

Wave 1: Failing in Academia (2016 – 2018)
As outlined in our first white paper, Valuing Value, development of the Value Model first began in 2016 in a three year effort to create a system for measuring value across stakeholders that was free from value washing. The original idea at the time was that because there was a rich body of academic research across various disciplines and research fields, it would be possible to organize and aggregate all of the precise mathematical formulas and related techniques for measuring value for one or multiple stakeholder groups into one "meta-model" for value measurement. Over the course of this three-year period and with the help of many competent MBA students serving as research assistants, we pored through hundreds of academic articles on value measurement to try to distill down to the key measurements of value creation and destruction across the seven value actors outlined above. We narrowed these down to 156 papers that had clearly quantified measures for stakeholder value across these seven stakeholders, but in the end, we failed to find a way to aggregate these into a comprehensive meta-model. This was because each academic researcher, while building on his or her own research field, did not align their work with the others within our 156-article data set. This led to what can kindly be called a "mess" of measurement styles, data points, and calculation methods that could not be combined into a clear nor consistent model. While this original research effort did pre-date the announcements from the Business Roundtable and World Economic Forum in the identification of 7 clear stakeholder groups supported within the academic literature, it failed to produce the meta-model that was originally planned.

Wave 2: Failing into the sustainability world (2018-2019)
Different from the highly fragmented world of academic research on value, the sustainability world includes a number of global, integrated value measurement frameworks and scoring systems that appeared to already have the "meta-model" that we originally hoped to create in Wave 1. Organizations such as MSCI, Bloomberg, FTSE, Sustainalytics and others generated a wide array of research, insights and scoring of company impacts on their stakeholders. However, after looking deeply at the methodologies used across these and other scoring and sustainability data systems, we hit a wall of proprietary information. While each of the organizations we studied openly published the basic thinking behind the methodologies that they were using, when these were

reviewed carefully, it was impossible to link a specific company action (for example a reduction of plastic pollution by 75% within a 3-year period) with a resulting change in their sustainability score. These formulas remain confidential and proprietary in our experience even today, and therefore failed in both the (3) transparency and (5) simplicity requirements for a value measurement model free of value washing. Without the ability to clearly see how scores are achieved, the ability for misuse proliferates and because of this, the "meta-model" for value measurement that we were hoping to find already in existence could not be identified from within this category of sustainability-related organizations, agencies or consultancies.

Wave 3 The Path to Value through Sustainability Reporting Frameworks (2019 – Present)
While the previous two waves amounted to 4 years of consistent failure, the combined learnings from these efforts brought us to explore the publicly disclosed and openly available sustainability reporting frameworks that companies operating in domestic and international markets were tasked with reporting against. As outlined in our previous three white papers, Valuing Value, A Value Model for Responsible Business and EFRAG and the Value Model, through the end of 2022 we had gone through 3 consecutive rounds of research to collect, code, organize and ultimately combine the specific impact measurements from a wide range of sustainability reporting standards and frameworks into a 7-stakeholder, 27-theme, 81-goal model for value measurement.

Now within this white paper, our purpose is to:

1. Pick up where we left off in our last white paper,

2. Explain the quality assurance (QA) process we've now completed of the entire value model,

3. Outline the addition of a number of new standards and frameworks as well as the updating of frameworks we had previously included (such as GRI, EFRAG and ISSB) that had themselves been updated or modified between the publication of our last white paper and today, and finally,

4. Apply this updated model to the public disclosures of an example company to show how the Value Model can used as a scoring mechanism and strategy development tool for future sustainability efforts.

Before explaining the details of this exercise however, it is important to note that while our QA process for the Value Model led to the addition of hundreds of new impact measurements, and the revision or modification of many pre-existing ones, the overall structure of the Value Model remained intact. At the completion of this QA process, we were left with the pre-existing 7-stakeholder, 27-theme, 81-goal model with one minor revision. Starting with the work that we had done in our 2nd white paper, A Value Model for Responsible Business, the integration of ISSB at that time had led us to expand the number of end goals within the Value Model to 80 with their emphasis on reporting the use of palm oil. We had originally concluded that this singling out of palm oil from other nut oils meant that ISSB was suggesting that "zero palm oil use" was the ultimate goal of their reporting mandate. However, upon careful re-evaluation of ISSB's guidance as well as a number of industry-specific reports and news articles, it was clear that we had misinterpreted the ultimate end goal, and we therefore have now revised this palm-oil related goal within our Biodiversity theme to be "100% sustainably sourced palm oil."

In addition to this, we have now created a set of 168 sub-goals that can help build a precise measurement structure for any business, irrespective of its size or scope.

Quality Assurance for the value model

Phase 1: Valuing Value (2020-2021)[3]

As explained above, during this initial research phase, and with funding from Doshisha University's special COVID-19-related research budget, our research team compiled a total of 357 publicly reported impact measurement indicators which were drawn from 15 of the world's leading sustainability reporting frameworks including (1) the UN's Sustainable Development Goals (SDGs), (2) the Global Reporting Initiative (GRI), (3) Global Impact Investing's GIIN-IRIS+, (4) the Sustainability Accounting Standards Board (SASB)[1], (5) B-Lab's B Impact Assessment (BIA), (6) the International Living Future Institute's JUST 2.0, The Capitals Coalition's (7) Natural Capital Protocol and (8) Social & Human Capital Protocol, Canada's (9) Common Approach to Impact Measurement, The UK's (10) The National TOMs Framework, Michael Porter's (11) Measuring Shared Value, Richard Branson's (12) The B-Team, RBL's (13) Organizational Guidance System, (14) McKinsey's Five Fifty psychological safety framework, and McDonough & Braungart's (15) Cradle to Cradle Certification.

Each indicator was carefully catalogued in a Microsoft Excel database, and to avoid any ambiguities, and each was given a unique numerical ID. We then followed a standardized, 5-step process to categorize and score each of these individual impact measurements into a 7-stakeholder, 27-theme, 80-goal model for value measurement.

Phase 2: A Responsible Model for Value Measurement (2021 - 2022)[4]

Conducted between July 2021 and February 2022 this phase of the research effort integrated an additional 346 impact measurements from six new ESG and sustainability reporting frameworks including: (1) the International Sustainability Standards Board (ISSB)'s Prototype Climate-related Disclosures, (2) the Stockholm Resilience Center's Planetary Boundaries, (3) The International Finance Corporation's (IFC) Performance Standards, (4) the UNDP's SDG Impact Standards for Enterprises, (5) the Science Based Target's climate disclosures, and (6) the Task Force on Climate related Financial Disclosures (TCFD) guidance on metrics, targets, and transition plans.

This second phase of research more than doubled the size of the original Value Model data set, and in following the exact same 5-step process established in Phase 1 of our research, we found that the original 7-stakeholder, 27-theme, 80-goal model was valid, however with the addition of one goal within the Biodiversity theme focused on Paul Oil usage.

Phase 3: EFRAG and the Value Model (2022)

In April 2022, the European Financial Reporting Advisory Group (EFRAG) published its initial drafts for sustainability reporting within the EU for public comment. In order to add our perspective to this public comment period a research team at Doshisha University's Value Research Center downloaded all publicly available materials from the EFRAG website and again followed our previous 5-step process to categorize, score and integrate the original 114 impact measurements into the Value Model structure. Although this new framework significantly increased the number of individual impact measurements included within the Value Model, no new stakeholders,

[3]Outlined in detail in our first white paper, Valuing Value A synthesis of global sustainability frameworks to establish objective and transparent goals to measure value for a firm, its shareholders, customers, employees, partners, society and the planet (2021), Sugai, Phattanaprayoonvong, Phetharn & Yamazaki

[4]Outlined in detail in our second white paper, A Value Model for Responsible Business (2022) Sugai, Koizumi, Linnan, Phattanaprayoonvong, and Phetharn

themes nor goals were derived from this process as all 114 impact measurements aligned with pre-existing goals, themes and stakeholders.nor goals were derived from this process as all 114 impact measurements aligned with pre-existing goals, themes and stakeholders.nor goals were derived from this process as all 114 impact measurements aligned with pre-existing goals, themes and stakeholders.

Phase 4: Upgrading the Underlying Database System and QA of the Value Model itself (2022 - 2023)

As the size of our database grew across these three initial phases, working within Excel became daunting, and throughout the latter half of 2022 and into 2023 we shifted our work which now included 832 individual impact measurements from Excel to the Notion platform. From late 2022 through until July 2023, a research team of seven MBA student assistants were hired and separated into two groups. The first group of five assistants were tasked with reviewing each individual framework and its component impact measurements to confirm that they had been scored and categorized correctly within the Value Model. To ensure the accuracy of their work, the second team of two senior research assistants who had worked on the previous EFRAG analysis earlier that year were responsible for reviewing the work of each member from the first group. Finally, the entire updated data set was reviewed by a senior researcher at the Value Research Center to confirm all results. This process followed the following seven step approach:

Step 1: Downloaded the contents of the (now) original Notion database back into Microsoft Excel for easier scoring and modification.

Step 2: Each research assistant within the first team was allocated a number of sustainability reporting frameworks, which they then checked online for any changes or updates published between the time that the framework was originally entered into the Value Model and today.

Step 3: In the case updates had been made, the original 5-step process that was followed to originally enter data into the Value Model was conducted to confirm the alignment of each new impact measurement with our existing stakeholders, themes, goals as well as the anti-value washing score (please see the Valuing Value white paper for a detailed discussion of this impact measurement scoring process).

Step 4: Impact measurements that had not changed from when they were originally input into the Value Model were also re-scored based on these four anti-value washing metrics, which include whether or not they are: (a) goal-based, (b) objectively measured, (c) transparently and independently checkable, and (d) are variable.

Step 5: Because each individual impact measurement in the Value Model database is uniquely identified, the reference to its online source was also updated as necessary.

Step 6: After research assistants from Team 1 had submitted their final work, one representative from Team 2 then checked their work to confirm its accuracy.

Step 7: Post-verification, the updated data was transferred back into Notion, where it was then checked by senior member of the Value Research Center team to confirm the previous six steps had been conducted properly. It should be noted that during this process a number of new fields were added to the Notion database regarding whether each framework in the Value Model was a sustainability standard, framework, guideline, or article.

In total, by the end of this process, our team had scored and integrated a total of 1,234 individual impact reporting requirements across 45 standards, frameworks, and models. Data sources have gone through this 7-step process and comprise the underlying data within the Value Model:

No.	Framework and Link
1	B Impact Assessment
2	B Team
3	Common Approach to Impact
4	Cradle to Cradle Certified
5	GIIN IRIS+
6	GRI
7	IFC
8	ISSB
9	JUST 2.0
10	McKinsey
11	Measuring Shared Value
12	Natural Capital Coalition
13	Organization Guidance System
14	Planetary Boundaries
15	SASB
16	SBTi
17	SDG
18	Social and Human Capital Coalition
19	TCFD
20	The National TOMs
21	UNDP
22	International Labour Organization (ILO)
23	US Office Disability Employment Policy
24	Zero Plastic Rivers vzw
25	Alliance to End Plastic Waste
26	OECD
27	UN Treaty on Plastic Pollutant
28	Leaping Bunny
29	LEED
30	EFRAG
31	PlasticSoup Foundation
32	ISO 14020 - Truth in Labelling/Communications
33	ISO 14064 – GHG Reporting
34	ISO 14001 – Waste/Pollution, Biodiversity, & Water
35	ISO 37000
36	ISO 30414
37	ISO 14090
38	ISO 14064-1
39	ISO 14080
40	Business Responsibility & Sustainability Reporting (BRSR)
41	OECD Due Diligence Guidance for Responsible Business Conduct
42	Singapore Stock Exchange
43	SEC Climate disclosure
44	ISO 14001_2015
45	TNFD

Framework considerations

Within our review process two particular frameworks, B Impact Assessment (BIA) and EFRAG, were found to have undergone significant changes since our previous research efforts had reviewed them. First, in our review of our BIA categorization and scoring we found that because of the highly repetitive nature of BIA we had originally combined several individual impact measurements with similar focus into one amalgamated impact measurement within the Value Model during our initial Phase 1 research. However, in order to be more precise in our scoring and categorization work in the QA process, we separated these impact measurements back into their original form so that they could be directly matched against the questions and requirements posed within the B Impact Assessment process. Second, in June 2023 the European Financial Reporting Advisory Group (EFRAG) published its proposed revisions to its first disclosure drafts that we had originally reviewed in 2022 and implemented them in July 2023. The number of individual impact measurements within the revised EFRAG reporting requirements were significantly reduced from 114 in their initial draft versions to 70 in their final version. While this reduction led to less EFRAG impact measurements within the overall Value Model, this had no significant impact on the structure of the Value Model itself.

Value Model coverage by framework:

As outlined in Figures 6 and 7 below while no framework covers all seven stakeholders, many cover a wide range of stakeholder groups.

FIGURE 6:
Value Model Coverage by Framework (Part 1)

Stakeholder ▼	B Impact Assessment	B Team	Common Approach to Impact	Cradle to Cradle Certified	FIIN IRIS+	GRI	IFC	ISSB	JUST 2.0	McKinsey	Measuring Shared Value	Natural Capital Coalition	Organization Guidance System	Planetary Boundaries	SASB	SBTi	SDG	Social and Human Capital Coalition	TCFD
Emplolyee	o	o	o	o	o	o	o		o	o	o	o	o		o		o	o	
Nature	o	o		o	o	o	o	o	o		o	o	o	o	o	o	o		o
Society	o			o		o	o		o		o		o				o	o	
Firm	o	o		o	o	o	o	o					o						o
Customer	o		o		o	o							o		o			o	
Partner	o				o	o	o	o	o		o				o			o	
Shareholder																			

Stakeholder ▼	The National TOMs	UNDP	ILO	US Office Disability Employment Policy	Zero Plastic Rivers vzw	Alliance to End Plastic Waste	OECD	UN Treaty on Plastic Pollutant	Leeping Bunny	LEED	EFRAG	PlasticSoup Foundation
Emplolyee	o	o	o	o							o	
Nature	o	o			o	o	o	o	o	o	o	o
Society	o										o	
Firm		o									o	
Customer											o	
Partner	o										o	
Shareholder												

Stakeholder ▼	ISO 37000	ISO 30414	ISO 14090	ISO 14064	ISO 14080	BRSR	OECD Due Diligance Guidance for Responsible Business Conduct	Singapore Stock Exchange	SEC Climate disclosure	ISO 14001	TNFD
Emplolyee		o				o	o	o			
Nature				o	o	o		o	o		o
Society						o					o
Firm	o	o	o			o	o	o	o	o	o
Customer						o					
Partner						o	o				
Shareholder											

As shown in Figure 7 below, every framework aligned with at least one theme within the Value Model, with some such as TCFD focused on relatively few themes (here only to Governance and Waste & Pollution), while others such as GRI, BIA and EFRAG focused on a much broader number of Value Model themes. Details on the coverage of each goal within the Value Model against each framework is attached in the Appendix.

FIGURE 7:
Value Model Coverage by Theme

Theme ▼	B Impact Assessment	B Team	Common Approach to Impact	Cradle to Cradle Certified	GIIN IRIS+	GRI	IFC	ISSB	JUST 2.0	McKinsey	Measuring Shared Value	Natural Capital Coalition	Organization Guidance System	Planetary Boundaries	SASB	SBTi	SDG	Social and Human Capital Coalition	TCFD
E1: Diversity & Equity	o	o		o	o	o	o		o						o		o	o	
E2: Fair Wages	o			o	o	o			o										
E3: Health, Welfare and Safety	o					o	o		o	o	o	o	o					o	
E4: Development	o		o		o	o			o				o					o	
E5: Engagement and Satisfaction	o					o			o				o		o			o	
E6: Human Rights	o	o		o	o	o	o										o	o	
N1: Waste and Pollution	o	o			o	o	o	o				o		o		o	o		o
N2: Water	o			o	o	o	o	o				o		o	o		o		
N3: Energy	o			o		o		o			o	o			o		o		
N4: Products and Services	o			o		o		o	o		o	o	o		o		o		
N5: Biodiversity				o		o		o	o			o		o			o		
N6: Buildings and Land	o							o							o				
S1: Appropriate Taxes						o												o	
S2: Local Community Development						o	o				o		o				o	o	
S3: Local Employment and Engagement	o			o		o			o									o	
S4: Charity and Volunteerism	o								o										
F1: Transparent Financial Reporting	o				o	o		o					o						
F2: Governance and Firm Structure	o	o		o	o	o	o						o						o
F3: Management Capability																			
C1: Truth in Communications	o				o	o													
C2: Privacy			o		o	o									o			o	
C3: Health, Safety & Satisfaction	o				o	o							o		o			o	
P1: Supply Chain and Distribution Channel Reporting	o				o	o													
P2: Suporting MSMES and VCSES											o								
P3: Environmentally & Socially Responsible Partners						o		o	o						o				
P4: Supply Chain & Distribution Channel Fair Labor Practices						o	o											o	
SH1: Shareholder EVA																			

Theme ▼	The National TOMs	UNDP	ILO	US Office Disability Employment Policy	Zero Plastic Rivers vzw	Alliance to End Plastic Waste	OECD	UN Treaty on Plastic Pollutant	Leeping Bunny	LEED	EFRAG	PlasticSoup Foundation
E1: Diversity & Equity	o										o	
E2: Fair Wages	o										o	
E3: Health, Welfare and Safety	o										o	
E4: Development	o										o	
E5: Engagement and Satisfaction			o	o							o	
E6: Human Rights		o									o	
N1: Waste and Pollution	o				o	o	o	o			o	o
N2: Water											o	
N3: Energy											o	
N4: Products and Services	o	o									o	
N5: Biodiversity	o								o		o	
N6: Buildings and Land										o		
S1: Appropriate Taxes												
S2: Local Community Development	o										o	
S3: Local Employment and Engagement	o											
S4: Charity and Volunteerism	o											
F1: Transparent Financial Reporting											o	
F2: Governance and Firm Structure		o									o	
F3: Management Capability												
C1: Truth in Communications											o	
C2: Privacy												
C3: Health, Safety & Satisfaction											o	
P1: Supply Chain and Distribution Channel Reporting	o										o	
P2: Suporting MSMES and VCSES	o											
P3: Environmentally & Socially Responsible Partners												
P4: Supply Chain & Distribution Channel Fair Labor Practices	o										o	
SH1: Shareholder EVA												

Theme ▼	ISO 37000	ISO 30414	ISO 14090	ISO 14064	ISO 14080	BRSR	OECD Due Diligance Guidance for Responsible BusinessConduct	Singapore Stock Exchange	SEC Climate disclosure	ISO 14001	TNFD
E1: Diversity & Equity	o					o		o			
E2: Fair Wages	o					o	o	o			
E3: Health, Welfare and Safety	o					o		o			
E4: Development	o					o	o	o			
E5: Engagement and Satisfaction	o					o					
E6: Human Rights	o					o	o				
N1: Waste and Pollution				o	o	o		o	o		o
N2: Water						o		o			o
N3: Energy						o		o			o
N4: Products and Services						o					o
N5: Biodiversity						o					o
N6: Buildings and Land						o					o
S1: Appropriate Taxes											
S2: Local Community Development						o					
S3: Local Employment and Engagement						o					
S4: Charity and Volunteerism											o
F1: Transparent Financial Reporting		o				o					
F2: Governance and Firm Structure	o	o	o			o	o	o	o	o	o
F3: Management Capability											
C1: Truth in Communications						o					
C2: Privacy											
C3: Health, Safety & Satisfaction						o					
P1: Supply Chain and Distribution Channel Reporting							o				
P2: Suporting MSMES and VCSES							o				
P3: Environmentally & Socially Responsible Partners						o	o				
P4: Supply Chain & Distribution Channel Fair Labor Practices						o					
SH1: Shareholder EVA											

Of the 1,234 impact measurements that currently are included within the Value Model, the majority, 41.4% (n=512), were related to value for Nature. Following this, 20% (n=248) were focused on Employee value, 18.8% (n=232) were focused on Firm value, 10.6% (n=132) were focused on value for Society, 5.4% (n=66) were focused on Partner value, and finally 2.7% (n=34) were focused on Customer value. As we have noted previously, no impact measurement dealing specifically with Shareholder value were found, however this makes sense as there is already a vast body of research and practice around shareholder value measurement. As a proxy for this the Value Model continues to use Economic Value Added (EVA) as a tool to account for Shareholder value. Additionally, there were two impact measurements that were directly linked to the process of developing and reporting on company policy from GRI, including disclosures 2-23 and 2-24, that we use in our own guidance to businesses on how their policies can and should be developed related to each of the 81 Value Model goals.

In the table below, we delineate the coverage of each framework with respect to the stakeholders, themes, and goals intrinsic to the Value Model. For an in-depth exploration of which specific stakeholders, themes, and goals are encompassed by each framework, readers are directed to the attached appendix.

TABLE 1:
Individual Framework alignment with the Value Model

Framework	Stakeholders	Themes	Goals
B Impact Assessment	6	18	30
B Team	3	4	5
Common Approach to Impact	2	2	2
Cradle to Cradle Certified	4	9	13
GIIN IRIS+	5	12	13
GRI	6	22	39
IFC	5	10	15
ISSB	3	8	22
JUST 2.0	4	10	20
McKinsey	1	1	1
Measuring Shared Value	4	5	5
Natural Capital Coalition	2	6	11
Organization Guidance System	5	8	11
Planetary Boundaries	1	3	6
SASB	4	10	13
SBTi	1	1	1
SDG	3	8	10
Social and Human Capital Coalition	4	10	11
TCFD	2	2	2
The National TOMs	4	13	26
UNDP	3	3	4
ILO	1	1	1
US Office Disability Employment Policy	1	1	1
Zero Plastic Rivers vzw	1	1	1
Alliance to End Plastic Waste	1	1	1
OECD	1	1	1
UN Treaty on Plastic Pollutant	1	1	1
Leeping Bunny	1	1	1
LEED	1	1	1
EFRAG	6	18	31
PlasticSoup Foundation	1	1	1
ISO 37000	1	7	2
ISO 30414	2	2	9
ISO 14090	1	1	1
ISO 14064	1	1	1
ISO 14080	1	1	1
Business Responsibility & Sustainability Reporting (BRSR)	6	20	33
OECD Due Diligence Guidance for Responsible Business Conduct	3	7	11
Singapore Stock Exchange	3	8	12
SEC Climate disclosure	2	2	2
ISO 14001_2015	1	1	1
TNFD	3	8	14

We have therefore concluded the QA process for the Value Model with a total of 45 standards, frameworks, guidelines and articles, consisting of 1,234 individual impact measurements separated into the Value Model's 7-stakeholders, 27-themes, 81-Goals and 168 Sub-goals. These were then uploaded back into a Notion database so that all could be relationally linked together and more easily accessible to those outside the Value Research Center.

In the next section of this white paper, we outline the process we have followed to create a precise scoring model that any business irrespective of its size, location or purpose can use to see the overall scope of its sustainability efforts and use these to more effectively manage their impacts to creating greater levels of value for themselves and their stakeholders in aggregate.

SECTION 2:

VALUE CREATION ASSESSMENT - DEVELOPMENT AND SCORING CRITERIA

This section highlights the cumulative effort undertaken by the VRC team, comprising MBA student assistants from Doshisha University and a doctoral scholar from Multimedia University of Malaysia, between April 2023 and June 2023 to develop the Value Creation Assessment Template (hereafter referred to as VCA-T). The QA process for the Value Model mentioned earlier served as a crucial starting point for us in preparing a detailed assessment template for value creation analysis. The template's objective is to provide an organization with a standardized and consistent method to objectively measure and manage the impacts on value across all its stakeholder groups. This is achieved by assigning scores in three key aspects: policy commitment, disclosure quality, and value creation.

Policy Score

In our experience, an organization's value creation journey begins with a policy and a purposeful decision to pursue the relevant goals. A clearly-defined sustainability policy facilitates a consistent message and implementation across every business unit and investment decision (Harrison et al., 2021). Following Sugai et al. (2020), organizations achieve policy points for having a published a written policy that has been openly communicated and is available for other stakeholders to access. Here, we define policy score using a binary scale that indicates whether an organization provides a policy statement related to a goal (=1) or not (=0). Just as there are 81 goals under the Value Model guiding organizations to measure the value they create for all stakeholders, there should be equally 81 policy elements to underpin these goals. As outlined in **Table 2**, the possible range for policy score data points are 0 – 81:

TABLE 2:
Policy Score under VCA-T

Stakeholders	Number of Practice Goals	Policy Score Data Points
Employee	23	0 - 23
Nature	22	0 - 22
Society	12	0 - 12
Firm	8	0 - 8
Customers	6	0 - 6
Partners	9	0 - 9
Shareholders	1	0 - 1
Total	**81**	**0 - 81**

Disclosure quality score

Next, we introduced the disclosure quality score to measure the **quality of the reported information** by an organization concerning the wide range of corporate social, environmental, and governance topics. Based on earlier feedback, the VRC team noted there is a need to address the specificity of the 81 goals under the Value Model to reduce ambiguity, facilitate measurement, enhance stakeholders' understanding, and promote accountability. The initial review of the Value Model, conducted from April – May 2023, allowed the VRC team to further split the 81 practice goals into **168 unique sub-goals**, each with measurable performance indicators. The relationship between practice goals and sub-goals is hierarchical and interconnected. The practice goals represent the **overarching outcomes in creating value** for specific stakeholders, whereas the sub-goals are the smaller, more specific objectives that contribute to the accomplishment of the larger practice goal. In other words, each practice goal will have its own set of sub-goals that would create a network of interconnected objectives.

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For example, one of the practice goals for Value Model under the 'Employee category is "No Discrimination by Gender. The gender balance of the workforce matches 100% with the surrounding population both in terms of overall workforce and senior leadership team." Here, we identified two (2) sub-goals will greatly inform salient stakeholders whether an organization is working towards the overarching goal of no gender discrimination, namely: 1) "The gender balance of the workforce matches 100% with the surrounding population," and 2) "The gender balance of the senior leadership team matches 100% with the surrounding population." Following Papoutsi & Sodhi (2020), each of the 168 sub-goals will be evaluated using 0-3 scoring system based on publicly available documentation (i.e., financial report, sustainability report, website), as shown below in Table 3.

TABLE 3:
Scoring Criteria for Disclosure Quality Score

Disclosure Quality Score	Scoring Criteria
0	The item was not referred to in a report
1	The report only briefly mentioned something pertinent to the item or provided only qualitative statements
2	The report provided detailed information with some numerical support.
3	The report provided extensive numerical support with data on goals achieved or fully accomplished.

Thus, the disclosure quality score data points under VCA-T can range from 0 to 591, as shown below in Table 4.

TABLE 4:
Disclosure Quality Score under VCA-T

Stakeholders	Number of Sub-Goals	Disclosure Quality Score Data Points
Employee	42	0 – 126
Nature	44	0 – 132
Society	16	0 – 48
Firm	21	0 – 63
Customers	19	0 – 57
Partners	25	0 – 75
Shareholders	1	0 – 3
Total	**168**	**0 – 504**

Value Score

The value score enables stakeholders to assess the value impact or creation of a corporate organization based on a set of clearly defined end-goals. According to Sugai et al. (2020), organizations earn points for their value score based on their actual performance in relation to each practice goal. We can calculate the value score only if the organization achieves a full disclosure quality score of 3, which acts as a benchmark for determining the scope of value creation for a specific goal. The value scores are meant to be calculated for individual sub-goals (n=168), aggregated for each of the practice goals (n=81), and then aggregated again for each of the stakeholders (n=7) to achieve a final overall score of 1,680.

Here, we introduced a 0-10 scoring system for each goal, with a full achievement of that specific goal earning a score of 10. This numerical scoring method provides a finer level of granularity, allowing one to better understand which of the 168 sub-goal practices organizations are adopting and the resulting value creation outcomes based on the extent of implementation of such practices. For example, an organization facing accusations of forced labor would receive zero points if it has not yet achieved any meaningful outcome from their efforts to eliminate forced labor, even if they have conducted an awareness campaign for 100% of their workforce. Moreover, using a 10-point numerical scale allows decision-makers to precisely assess ratings when establishing thresholds, setting performance targets, or identifying areas that require improvement to maximize value creation for their stakeholders. For instance, if a company reports actively reclaiming and recycling 50% of its plastic products, we can assign a value score of 5 (out of a full 10 points) to indicate that the company has reached the mid-point milestone of zero plastic pollution, one of the practice goals under the Value Model. **Table 5** provides an overview of value score:

TABLE 5:
Value Score under VCA-T

Stakeholders	Number of Sub-Goals	Value Score Data Points
Employee	42	0 – 420
Nature	44	0 – 440
Society	16	0 – 160
Firm	21	0 – 210
Customers	19	0 – 190
Partners	25	0 – 250
Shareholders	1	0 – 10
Total	**168**	**0 – 1,680**

Absolute and Relative Value Score

The introduction of relative and absolute value scores is an essential process to enable us to better evaluate corporate organizations' value creation efforts. Both score measurements share the same approach by evaluating an individual company's value score against a predefined number of sub-goals. The key difference between absolute and relative value scores lies in their calculation methodologies and the insights they offer, as illustrated below:

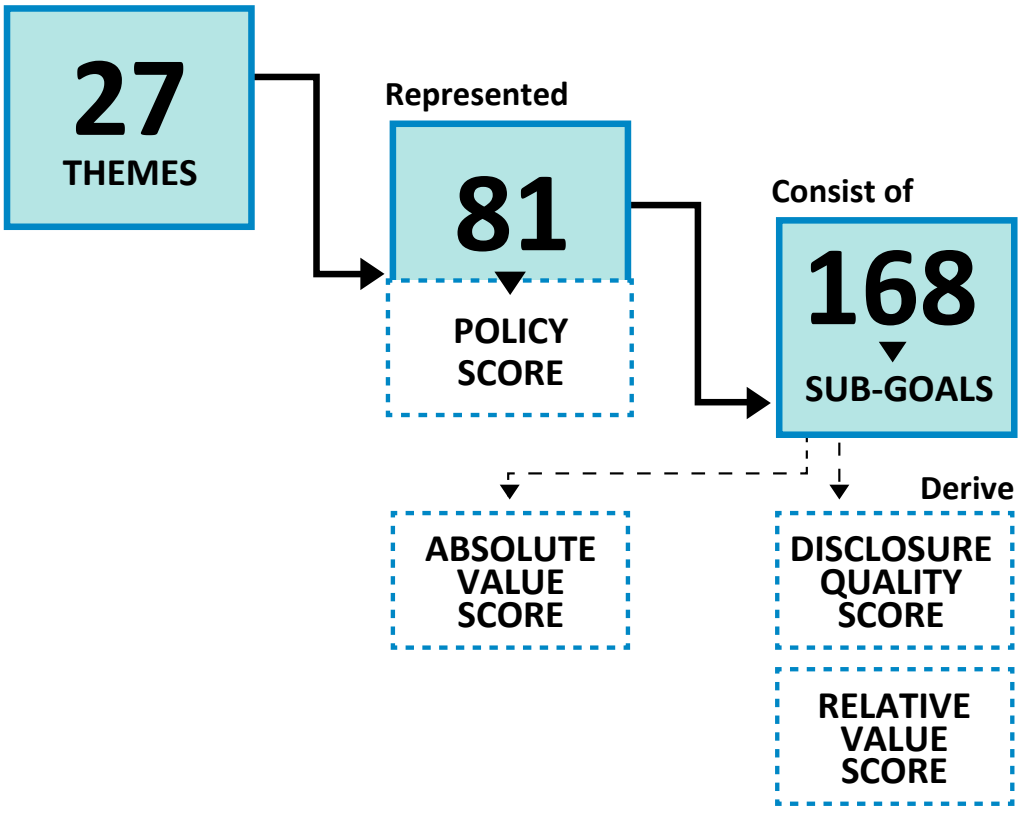
Absolute Value Score

The score provides an encompassing view of an organization's performance by considering its achievements within the context of a fixed value score range. Specifically, this score is calculated by summing the total value score achieved by a company and dividing this sum by a maximum range of 1,680 points. The final score offers an absolute measure of an organization's value creation performance across the entirety of the Value Model and serves as a robust benchmarking tool for comparisons across various industries, sectors, and regions.

Relative Value Score

This score is computed by dividing the individual organization's total value score points by the maximum value score points attainable within the specific sub-goals with assigned value scores (which in turn had achieved three points in terms of their disclosure quality). This score provides a granular view of an organization's ability to create value within individual sub-goals, with focus on the areas where the organization excels in achieving specific sub-goals, enabling a more comprehensive analysis of its value creation journey.

The Absolute Value Score offers an overarching perspective, making it suitable for comparisons not only within industries but also on a regional scale. Conversely, the Relative Value Score offers a micro-level perspective, highlighting a company's unique strengths in achieving specific sub-goals as outlined under the Value Model. This nuanced approach enriches our comprehension of value creation in corporate practices, empowering organizations and stakeholders to make more informed decisions in the pursuit of their objectives. The following diagram illustrates the interconnected relationship between policy score, disclosure quality score and value score:



See **APPENDIX** for the complete list of themes, practice goals, and their respective sub-goals.

Normalizing VCA-T Score

Having established the definitions, interconnected concepts and scoring criteria, we conclude this segment with the scaling of all three scores to a 0-100 points system. The scaled scores can be interpreted as percentages on a 100% points system, with minimum score corresponding to 0%, and the maximum score corresponding to 100%. We introduced the scaled scores based on the following formula:

$$\text{Scaled score} = (X / \text{range})*100$$

where X = Total number of scores achieved by company; range = Scoring range according to VCA-T. **Table 6** presents the summary of the normalized score range of VCA-T:

TABLE 6:
Normalized Score Range of VCA-T

Score Types	Data Points	Normalized Score Range
Policy Score	0 - 81	0 – 100
Disclosure Quality Score	0 – 504	0 – 100
Absolute Value Score	0 – 1,680	0 – 100
Relative Value Score	0 – (Number of sub-goals with assigned value score)*10	0 – 100

SECTION 3:
CASE STUDY FOR THE APPLICATION OF VCA-T

Next, we proceed to review the practical application of VCA-T to evaluate real-world corporate organization's value measurement in corporate social, environmental, and governance pillars. Here, we adapted the data collection and analysis approach by Di Vaio et al. (2022) in our textual analysis for VCA-T scoring application for the selected organization: **Natura & Co**. First, the VRC team collected and assessed all corporate financial and non-financial documents officially published by this organizations for the reporting year of 2021. Next, we identified specific keywords that were appropriate for defining disclosure items in this research paper. For example, "diversity", "workforce", "gender", "female" and "male" were selected as keywords closely associated with the practice goal of gender diversity and equity-based policy. Lastly, we investigated all sentences containing these keywords and related concepts to identify which specific sentence/paragraph to be extracted from these documents for scoring purposes.

Background information about Natura & Co

Natura & Co is a Brazilian multinational corporation engaged in the manufacturing, marketing, and sale of cosmetic, fragrances, and personal hygiene products. Natura & Co was founded in 1969 by Antônio Luiz Seabra and it is currently headquartered in São Paulo, Brazil.
Natura & Co consists of several high-profile beauty brands including Natura, The Body Shop, Avon, and Aesop. It holds a leading position in the cosmetics industry in Latin America and is recognized globally for its commitment to sustainable business practices.

1. Natura: The original business, Natura is one of the most popular cosmetic brands in Brazil. It is best known for products that use Brazilian biodiversity ingredients and for its sustainable approach to packaging and waste.

2. The Body Shop: Acquired in 2017 from L'Oréal, The Body Shop is a British beauty and cosmetics brand. The brand is renowned for its ethically sourced, 100% vegetarian products, and its commitment to environmental and social causes.

3. Avon: Natura &Co completed its acquisition of Avon in 2020, creating the world's fourth-largest "pure-play" beauty company. Avon, originally an America company, is a globally recognized beauty and cosmetics company with a direct-selling business model.

4. Aesop: This Australian luxury skincare brand was acquired in 2013 and is known for its plant-based and laboratory-made ingredients.

Natura &Co's mission goes beyond simply selling cosmetics. The group prides itself on its commitment to sustainable business practices and corporate social responsibility. It aims to generate a positive economic, social, and environmental impact, with several initiatives to reduce its carbon footprint, promote fair trade, and maintain biodiversity.

Nature & Co recognized as a global leader in Sustainability

Natura has been recognized as a leader in sustainability reporting. According to their corporate website (accessed on September 20, 2023), Natura was listed in:

1. The Dow Jones Sustainability Index Top 100 where they were listed for the eighth consecutive year in the Emerging Markets portfolio,

2. Corporate Knights, Global 100 plus ranked Natura &Co #42 out of 8,000 companies they covered.

3. GlobeScan Sustainability Leaders 2021 placed Natura in 3rd place among the Companies recognized as sustainability leaders.

According to their Integrated Report 2021, Natura & Co's strategy is centered on several key areas: sustainability and environmental conservation, social empowerment and community integration, product innovation in harmony with nature, and robust financial growth. These areas are discussed in detail, highlighting their approach, achievement, and future commitments.

Aligned with Sustainability Reporting Standards, Frameworks and Scoring Models

Natura & Co. aligns their sustainability reporting initiatives against a number of global sustainability standards and frameworks including, the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), World Economic Forum (WEF), Sustainable Development Goals (SDGs), Task Force on Climate Related Financial Disclosure (TCFD), Global Compact Principles, B Impact Assessment, and Health and Sustainable Living Research. Their performance has also been evaluated and assessed by a number of outside organizations, such as Morgan Stanley Capital International (MSCI), Sustainalytics, Financial Times Stock Exchange (FTSE), and Dow Jones Sustainability Index (DJSI).

Supervised by Boards and Assured by Third Parties

Natura & Co's integrated report was assured by an independent auditor, as determined by Guidance CPC 09 from the Brazilian Accounting Pronouncements Committee (CPC) and Resolution 14 from the Comissão de Valores Mobiliários (CVM). The integrated report is not just an internal effort; it also undergoes external assurance. In 2021, PwC was appointed as the outside auditor to validate the accuracy and reliability of its sustainability report contents.

Natura & Co. and the Value Model Assessment

This segment outlines the analysis of Natura & Co's sustainability efforts using only their publicly disclosed data as the basis for this assessment. For this project, we have used the following data sources:

- Natura &Co Latin America Integrated Report 2021, accessed on August 2, 2023
- Annual Report 2021, accessed on August 2, 2023
- Natura Integrated Profit & Loss Accounting 2021, accessed on August 10, 2023
- Financial Statement, accessed on August 11, 2023
- Financial Statement Q4, 2022, accessed on August 10, 2023
- Bloomberg, accessed on October 6, 2023

At no time was any confidential data accessed or used within this assessment report. At the same time, our research team is in the process of contacting executives at Natura & Co. to receive their feedback and guidance related to the contents of this analysis. Where appropriate, their feedback will be integrated into our work for the sole purpose of confirming its accuracy.

The overall results of this 4-step assessment as applied to Natura and Co.'s 2021 sustainability-related reports are as follows:

Policy Score

Natura clearly demonstrates a strong commitment to sustainability, with 40 out of the Value Model's 81 total goals covered by corporate policies, giving them a score of 49% in this first assessment category. Natura & Co.'s policies focus mostly on Employees, Nature, and the Firm stakeholders. While this is a respectable policy score, their growth potential in this category is 51% and continuous improvement by Natura towards other stakeholders including Society, Partners and Customers will not only increase its Policy Score, but also reinforce its commitment to sustainability practices.

Disclosure Quality Score

Within the Value Model Assessment's Disclosure Quality Score which assessed disclosure quality against the 168 sub-goals within the Value Model, Natura & Co. achieved a distribution of 39% (n= 60) 3-point disclosures which offered quantitative measures that directly matched the Value Model goals, 4% (n=7) 2-point disclosures that provided quantitative measurements but were not directly aligned with the Value Model sub-goals, 2% (n=3) that only offered qualitative statements about the Value Model goals covered, and 58% (n=98) that were not mentioned within Natura & Co.'s public sustainability disclosures.

Key areas for improvement include the "Society" and "Customer" stakeholder categories, which show an improvement potential of 81% and 79%, respectively. Enhancing the disclosure quality within these stakeholder categories can significantly boost disclosure quality and overall transparency for outside investors.

Value Score

Those 60 goals that achieved 3-point Disclosure Quality status could then be analyzed using the Value Model's goals as benchmarks for performance. As stated above, Natura & Co. can potentially elevate their raw value score significantly (64%) by providing data across the 108 Value Model sub-goals that have not yet achieved 3-points in terms of Disclosure Quality. Of 168 Value Model sub-goals from Value Model, 108 did not generate any Value Score points, leaving a growth potential of 1,080 points from scorable sub-goals. Because of this missing disclosure data, the Overall Value Score achieved is 512 out of 1,680 potential points (30.5%) and the Relative Value Score, for only those sub-goals to have achieved 3-point Disclosure Quality scores was 512 out of 600 (85.3%). This suggests that while Natura & Co can significantly improve their overall value creation capabilities by focusing on the 108 missing subgoals within the Value Model, of those that they do cover, they score very well.

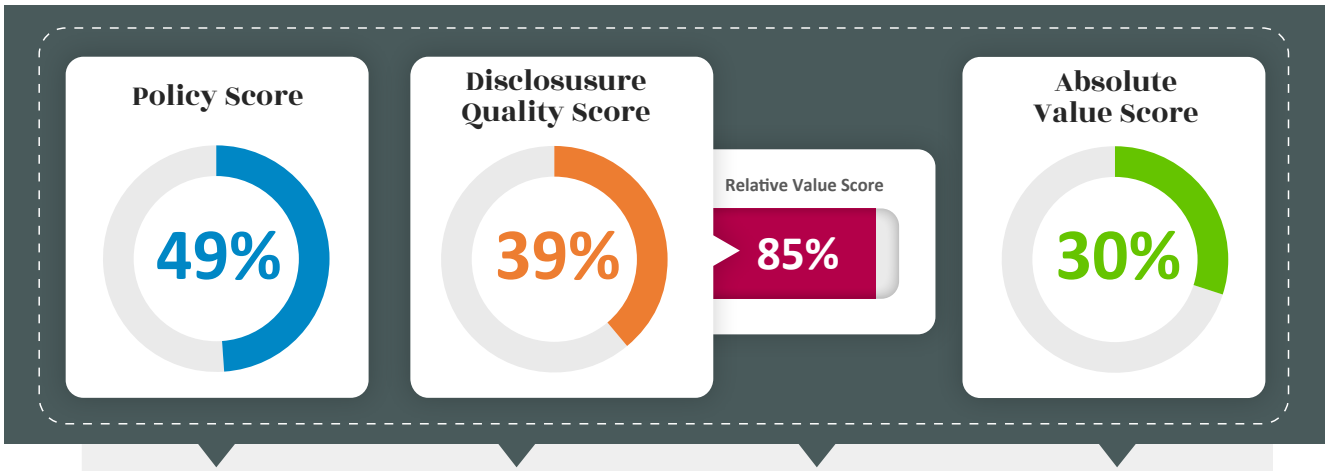
Assurance

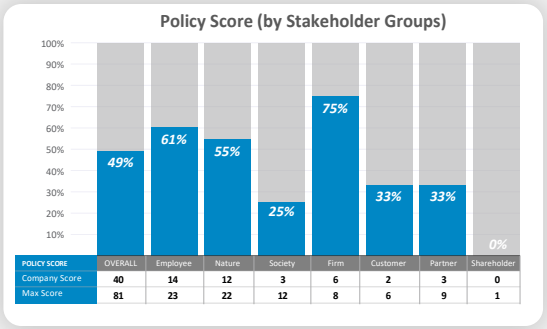
The last step of the Value Model assessment process is to confirm that the data provided within the company's sustainability reports have been assured by an independent, outside auditor or organization. Natura & Co. has highlighted the fact that they have used validation methods involving external third-party auditors to guarantee the authenticity of their data. According to our calculations, in accordance with Guidance CPC 09 from the Brazilian Accounting Pronouncements Committee and Resolution 14 from the Comissão de Valores Mobiliários, an independent auditor verified 42% of the Value Model's data in their sustainability reports. From a possible 168 points in this validation step, Natura & Co. secured 71 points.

For a deeper analysis of Natura & Co., please refer to our complete assessment report and its companion Excel worksheet, which includes all details and references for all the information discussed throughout that paper. Below is a summary of our assessment of Natura & Co.

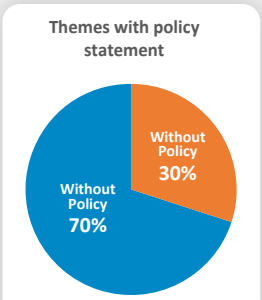
Company: Natura & Co Latin America

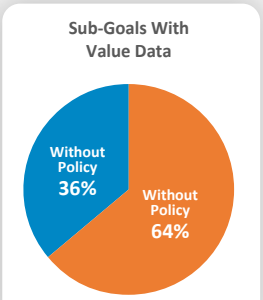
VALUE RESEARCH MODEL SCORE

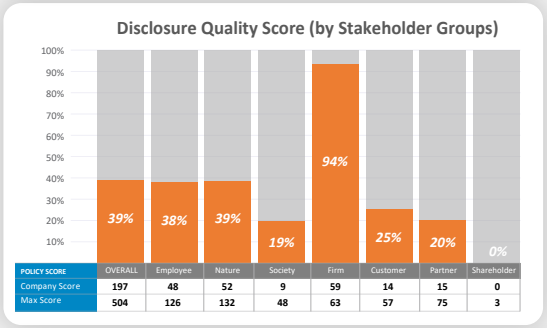




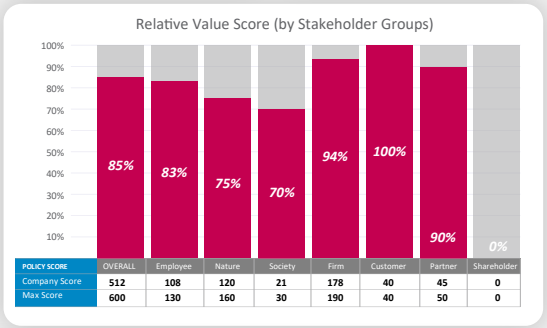
POLICY SCORE	OVERALL	Employee	Nature	Society	Firm	Customer	Partner	Shareholder
Company Score	40	14	12	3	6	2	3	0
Max Score	81	23	22	12	8	6	9	1



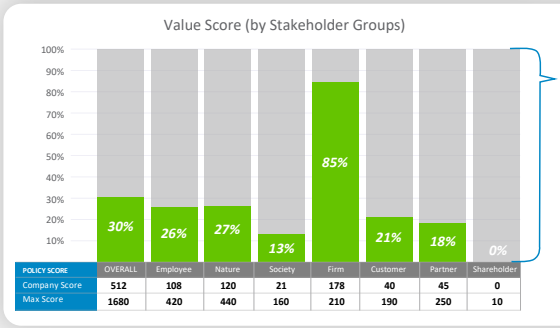




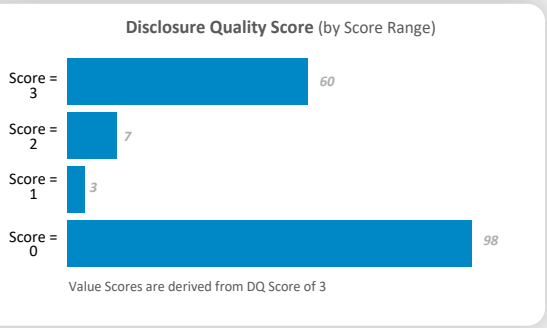
POLICY SCORE	OVERALL	Employee	Nature	Society	Firm	Customer	Partner	Shareholder
Company Score	197	48	52	9	59	14	15	0
Max Score	504	126	132	48	63	57	75	3

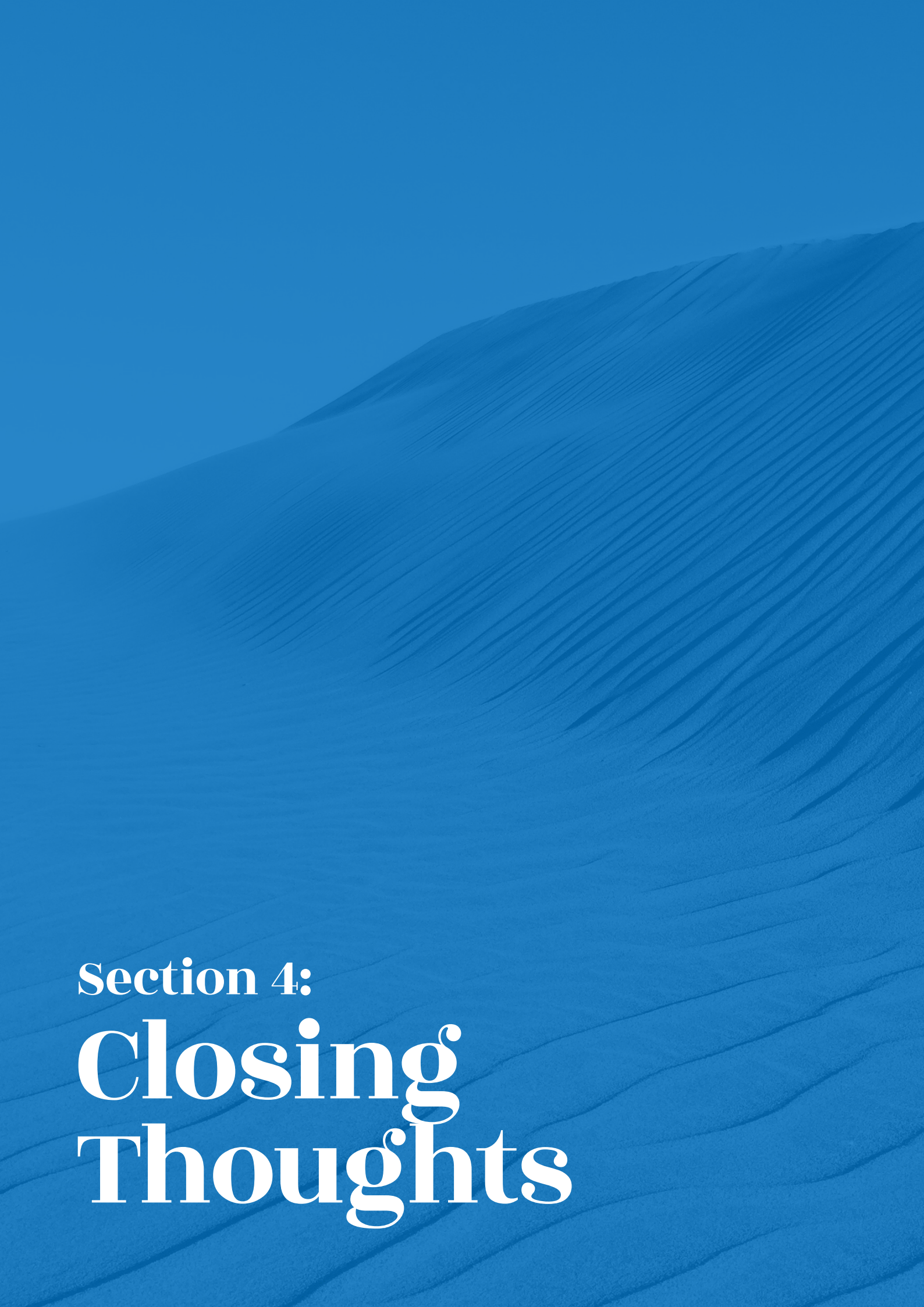


POLICY SCORE	OVERALL	Employee	Nature	Society	Firm	Customer	Partner	Shareholder
Company Score	512	108	120	21	178	40	45	0
Max Score	600	130	160	30	190	40	50	0



POLICY SCORE	OVERALL	Employee	Nature	Society	Firm	Customer	Partner	Shareholder
Company Score	512	108	120	21	178	40	45	0
Max Score	1680	420	440	160	210	190	250	10





Section 4:

Closing Thoughts

As outlined within this white paper, the Value Model continues to evolve as new standards, frameworks and models are introduced, and we continue to work to refine this research based on the application of the Value Model to different companies and businesses around the world.

The Value Research Center is now working to align the results of these Value Model "health checks" with different financial valuation methodologies, such as Impact Weighted Accounts and the International Accounting Standard (IAS) 38, an international standard focused on the proper measurement and accounting of intangible assets. While it is too early for us to report on these results, our intention is to continue to align our research efforts with best practices related to value measurement as well as its qualification and quantification.

What has been presented in this White Paper is our best effort to publicly share the results of our research efforts to date, and we hope to collaborate with other researchers, institutions and organizations who are serious about moving beyond Value Washing, to a goal-based, objective, transparent system of accounting for impacts across a business's various stakeholders and the value created or destroyed within these relationships over time.

Appendix

Appendix 1: The 7 Stakeholders, 27 Themes, 81 Goals of the Value Model:

Employee Value Scoring Details

E1: DIVERSITY & EQUITY		
Theme E1-A Full-time Employment	**Practice Goal E1-A** Organization hires 85% or more of total workforces as full-time employees.	**Sub-Goal E1-A#1** Organization hires 85% or more of total workforces as full-time employees.
Theme E1-B Ethnic Diversity	**Practice Goal E1-B** No discrimination by Ethnicity. (KPI) Organization's workforce and senior leadership team matches 100% with ethnicity of surrounding population.	**Sub-Goal E1-B#1** Organization's workforce matches 100% with ethnicity of surrounding population.
		Sub-Goal E1-B#2 Organization's senior leadership team matches 100% with ethnicity of surrounding population.
Theme E1-C Gender Diversity and Equity-based policy	**Practice Goal E1-C** No discrimination by Gender. (KPI) The gender balance of the workforce matches 100% with the surrounding population both in terms of overall workforce and senior leadership team.	**Sub-Goal E1-C#1** The gender balance of the workforce matches 100% with the surrounding population in terms of overall workforce.
		Sub-Goal E1-C#2 The gender balance of the workforce matches 100% with the surrounding population both in terms of senior leadership team.
Theme E1-D Broad Diversity and Representativeness of employees	**Practice Goal E1-D** No discrimination by age, sexual orientation nor advantage levels. (KPI) Organization's workforce and senior leadership team's composition in terms of age, sexual orientation and advantage levels match 100% with the surrounding population.	**Sub-Goal E1-D#1** Organization's workforce composition in terms of age match 100% with the surrounding population.
		Sub-Goal E1-D#2 Organization's workforce composition in terms of sexual orientation match 100% with the surrounding population.
		Sub-Goal E1-D#3 Organization's workforce composition in terms of advantage levels match 100% with the surrounding population.
		Sub-Goal E1-D#4 Organization's senior leadership team's composition in terms of age match 100% with the surrounding population.
		Sub-Goal E1-D#5 Organization's senior leadership team's composition in terms of sexual orientation match 100% with the surrounding population.
		Sub-Goal E1-D#6 Organization's senior leadership team's composition in terms of advantage levels match 100% with the surrounding population.
E2: FAIR WAGES		
Theme E2-A Transparent Reporting on Employees	**Practice Goal E2-A** Organization reports on 100% of the people that it has employed within a calendar year which includes details of their employment status (permanent, full-time, part-time, temporary, interns, new hires, departed) as well as their age, gender, & ethnicity.	**Sub-Goal E2-A#1** Organization reports on 100% of the people that it has employed within a calendar year which includes details of their employment status (permanent, full-time, part-time, temporary, interns, new hires, departed).
		Sub-Goal E2-A#2 Organization reports on 100% of the people that it has employed within a calendar year which includes details of their age.

		Sub-Goal E2-A#3 Organization reports on 100% of the people that it has employed within a calendar year which includes details of their gender.
		Sub-Goal E2-A#4 Organization reports on 100% of the people that it has employed within a calendar year which includes details of their ethnicity.
Theme E2-B Transparent Reporting on Wages	**Practice Goal E2-B** Organization reports 100% of the wages paid across worker categories and locations.	**Sub-Goal E2-B#1** Organization reports 100% of the wages paid across worker categories and locations.
Theme E2-C Living Wage	**Practice Goal E2-C** Employer pays 250% of the applicable national minimum wage for all employees.	**Sub-Goal E2-C#1** Organization pays a living wage at least 250% of the applicable national minimum wage.
Theme E2-D Broad Diversity and Representativeness of Employees	**Practice Goal E2-D** Organization has no one earning more than 15 times the annual salary of the lowest paid worker, and 0% variance in pay between genders or ethnic groups within each pay-scale class.	**Sub-Goal E2-D#1** Organization has a maximum compensation scale ratio of 1:15.
		Sub-Goal E2-D#2 Organization has an equity pay-scale with a maximum variance in pay of 5% between genders within each of the organization's pay-scale classes.
		Sub-Goal E2-D#3 Organization has an equity pay-scale with a maximum variance in pay of 5% between ethnic groups within each of the organization's pay-scale classes.
E3: HEALTH, WELFARE AND SAFETY		
Theme E3-A Health, Welfare and Safety	**Practice Goal E3-A** 100% of employees are covered under physical health policy.	**Sub-Goal E3-A#1** 100% of employees are covered under physical health policy.
Theme E3-B Retirement Provision	**Practice Goal E3-B** Organization matches employee retirement contributions as per the law of the land.	**Sub-Goal E3-B#1** Organization matches employee retirement contributions as per the law of the land.
Theme E3-C Family/Medical Leave	**Practice Goal E3-C** Organization provides up to 24 weeks of full paid leave for family leave, while offering flexitime.	**Sub-Goal E3-C#1** Organization provides up to 24 weeks of full paid leave for family leave, while offering flexitime.
Theme E3-D Employee Healthcare	**Practice Goal E3-D** Organization is responsible for 100% of medical, dental and vision insurance coverage and offers 100% reimbursement for one annual comprehensive medical test for all employees.	**Sub-Goal E3-D#1** Organization is responsible for 100% of medical, dental and vision insurance coverage for all employees.
		Sub-Goal E3-D#2 Offer 100% reimbursement for one annual comprehensive medical test for all employees.
Theme E3-E Occupational safety and Health Coverage	**Practice Goal E3-E** Organization covers 100% of Employees under the occupational safety and health plan and Zero (0) Work related injuries in this calendar year.	**Sub-Goal E3-E#1** Cover 100% of employees under the occupational safety and health plan in this calendar year.
		Sub-Goal E3-E#2 Zero (0) work related injuries in this calendar year.

Theme E3-F Employee Mental health and wellbeing	**Practice Goal E3-F** Organization offers evidence-based behavioural-health services at the same level of affordability and access as physical-health services to 100% of employees.	**Sub-Goal E3-F#1** Offer evidence-based behavioural-health services at the same level of affordability and access as physical-health services to 100% of employees.
E4: DEVELOPMENT		
Theme E4-A Training and Education	**Practice Goal E4-A** Organization allocates the equivalent of 5% of annual salary per a full-time employee per year, have a specific number of employees trained for a specific number of hours to upgrade employee skills	**Sub-Goal E4-A#1** Allocate the equivalent of 5% of annual salary per a full-time employee per year for training and continuing education purposes.
		Sub-Goal E4-A#2 Organization provides detailed information on the number of full-time, part-time, & temporary employees trained within the past calendar year.
		Sub-Goal E4-A#3 Organization provides detailed information regarding the number of training hours "received" by employees within the past calendar year.
Theme E4-B Performance Feedback and Review	**Practice Goal E4-B** 100% of employees receive performance feedback	**Sub-Goal E4-B#1** 100% of employees receive performance feedback .
E5: ENGAGEMENT AND SATISFACTION		
Theme E5-A Turnover, Inclusion & Engagement	**Practice Goal E5-A** Measure the turnover rate (voluntary and involuntary) and have 3rd party confirm average inclusion score of 8.0 and 70% engagement rate.	**Sub-Goal E5-A#1** Provide turnover rate including: - Voluntary turnover rate = the number of employee-initiated voluntary separations (such as resignations or retirement). - Involuntary turnover rate = the total number of entity-initiated separations (such as dismissal, downsizing, redundancy, or non-renewal of contract).
		Sub-Goal E5-A#2 Organization achieves an inclusion score (see JUST 2.0) of 8.0 or higher within the last calendar year.
		Sub-Goal E5-A#3 Organization achieves an engagement rate of 70% or higher (on the Net Promoter Score scale) from the result of survey or research study by an independent third party.
Theme E5-B Flexible Work	**Practice Goal E5-B** Organization offers 100% of employees flexible work options.	**Sub-Goal E5-B#1** Offer 100% of employees flexible work options.
Theme E5-C Freedom of Association	**Practice Goal E5-C** 100% of employees are empowered with the freedom of association.	**Sub-Goal E5-C#1** 100% of employees are empowered with the freedom of association.
Theme E5-D Employee Ownership	**Practice Goal E5-D** Employee stock ownership plans are available and accessible to all employees within an organization.	**Sub-Goal E5-D#1** Employee stock ownership plans are available and accessible to 100% of employees within an organization.

E6: HUMAN RIGHTS		
Theme E6-A	**Practice Goal E6-A**	**Sub-Goal E6-A#1**
Human Rights Reporting	Fair and transparent reporting of all incidents of discrimination, or human rights violations, with zero (n=0) incidents related to discrimination or human rights violations within the previous 12 months.	Fair and transparent reporting of all incidents of discrimination, or human rights violations. **Sub-Goal E6-A#2** Organization has had zero (n=0) incidents related to discrimination or human rights violations within the previous 12 months.
Theme E6-B Human Rights Corrective Action	**Practice Goal E6-B** Corrective actions taken with clear, transparent actions set in place for 100% of any recorded violations of human rights within the past 12 months.	**Sub-Goal E6-B#1** Corrective actions taken with clear, transparent actions set in place for 100% of any recorded violations of human rights within the past 12 months.
Theme E6-C Human Rights Training	**Practice Goal E6-C** The operation, training, and investment to improve human rights that a firm implements. Measured by the total number or percentage of actions related to human right impact assessments, total number of hours and percentage of security personnel and other employees trained regarding human rights, and the total number or percentage of investments a firm makes regarding human rights.	**Sub-Goal E6-C#1** 100% of employee provided with human rights training.

Nature Value Scoring Details

N1: WASTE AND POLLUTION		
Theme N1-A Carbon Neutral	**Practice Goal N1-A** All GHG emissions are monitored, measured, and reported on and organization achieves carbon neutrality. These are audited and confirmed by an independent, objective 3rd party.	**Sub-Goal N1-A#1** All (100%) of GHG emissions are monitored, measured, and reported on.
		Sub-Goal N1-A#2 Organization achieves carbon neutrality within the calendar year.
		Sub-Goal N1-A#3 Organization achieved carbon certification (independently verified by third party i.e. Carbon Trust Standard, Planet Mark or equivalent) within the calendar year.
Theme N1-B Zero non-GHG air emissions	**Practice Goal N1-B** All non-GHG air emissions are monitored, measured, and reported on with net zero impacts. These are audited and confirmed by an independent, objective 3rd party	**Sub-Goal N1-B#1** All non-GHG air emissions are monitored, measured, and reported on
		Sub-Goal N1-B#2 Organization achieves net zero non-GHG air emissions within the calendar year.
		Sub-Goal N1-B#3 Non-GHG emissions are audited and confirmed by an independent, objective 3rd party.
Theme N1-C Zero Plastic Pollution	**Practice Goal N1-C** Reduce petroleum-based plastic use to zero, and recycle or reclaim all plastics used/created by a company.	**Sub-Goal N1-C#1** Reclaim and recycle 100% of plastics.
		Sub-Goal N1-C#2 Reduce disposable plastics to zero. Initiatives to do so can include: - Develop alternative materials, re-design products and boost innovation for a more circular plastics lifecycle. - Develops safe product as demonstrated before market introduction and test product groups instead of individual substances. - Increases awareness and precautions about plastic waste. - Simplifies reporting across the plastic value chain for greater transparency.
Theme N1-D 100% Waste reclamation & recycling	**Practice Goal N1-D** 100% waste stream is reported, reclaimed or recycled in an environmentally friendly way.	**Sub-Goal N1-D#1** 100% of organization's entire waste stream is monitored and reported upon related to its operations within the last calendar year.
		Sub-Goal N1-D#2 100% of organization's entire waste stream is reclaimed and recycled related to its operations within the last calendar year.
Theme N1-E Zero Sound and Light disturbances	**Practice Goal N1-E** Zero Sound and Light disturbances .	**Sub-Goal N1-E#1** Reduction of noise pollution to zero to match surrounding environment, measured through transparent reporting on decibels and duration of noise at site of impact.
		Sub-Goal N1-E#2 Reduction of light pollution to zero to match surrounding environment, measured through transparent reporting on lumens and duration of light at site of impact.

N2: WATER		
Theme N2-A	**Practice Goal N2-A**	**Sub-Goal N2-A#1**
Overall Water infrastructure interaction strategy	Organization outlines the details of 100% of its water infrastructure across its entire value system (suppliers, customers, distribution partners, etc.).	Organization Reports on 100% of its water infrastructure information across its entire value system.
		Sub-Goal N2-A#2 Organization reports on its Actual reduction of water impacts.
Theme N2-B Water use reporting	**Practice Goal N2-B** Organization reports on 100% of its water usage and interactions, which are audited and confirmed by an objective external 3rd party.	**Sub-Goal N2-B#1** Organization reports on 100% of its water usage and interactions, providing evidence through: - Reporting on Water Use by Company. - Total Water Use (in thousands of cubic meters). - Volume of groundwater consumed. - Volume of surface water consumed.
		Sub-Goal N2-B#2 Organization reports on 100% of its Water conservation/recycling practices, including information such as: - Water harvested on-site or from recycled sources (in percentage). - Total volume of water recycled/reused by the organisation (as percentage of total water). - Total volume and breakdown of water (in megalitres) discharged to all areas, including areas with water stress i.e. surface water, groundwater, seawater, third-party water. - Disclosure of priority substances of concern of treated discharge: # How priority substances of concern/international standard. # Authoritative list or criteria used. # Approach for setting discharge limits for priority substances/concern. # Number of incidents of non-compliance with discharge limits). - Provides contextual information (i.e. standards, methodologies and assumptions used).
		Sub-Goal N2-B#3 Organization reports on 100% of its Value System Water Impacts: - Supply Chain Water Management. - Supply Chain Water Improvement.
Theme N2-C Discharge water quality	**Practice Goal N2-C** Water discharge from organization's operations is 100% matched to water input quality, or of higher quality than when it was withdrawn.	**Sub-Goal N2-C#1** 100% of water used by organization is returned at its same or better quality when it is released, measured by PH levels, and other substances (e.g. nitrates, phosphates, heavy metals and chemicals) in the percentage of inputs vs. outputs.
N3: ENERGY		
Theme N3-A Energy Consumption Reporting	**Practice Goal N3-A** Organization provides clear reporting on 100% of its energy consumption across its operations (1) inputs/sourcing, (2) manufacturing/operating, (3) distribution/selling, and (4) the use of its products/services that is audited by an objective outside 3rd party.	**Sub-Goal N3-A#1** Organization provides clear reporting on 100% of its energy consumption across its inputs/sourcing which is audited by an objective outside 3rd party.
		Sub-Goal N3-A#2 Organization provides clear reporting on 100% of its energy consumption across its manufacturing/operations that is audited by an objective outside 3rd party.
		Sub-Goal N3-A#3 Organization provides clear reporting on 100% of its energy consumption across its distribution

		(sales) channels s that is audited by an objective outside 3rd party.
		Sub-Goal N3-A#4 Organization provides clear reporting on 100% of its energy consumption across the use of its products/services that is audited by an objective outside 3rd party.
Theme N3-B Renewable Energy Use	**Practice Goal N3-C** Renewables or their equivalents comprise 100% of energy consumed by a company across its operations (inputs/sourcing, manufacturing/ operating, distribution/selling) and 100% of Renewable Energy Credits (REC's) are acquired using VPPA and are sourced in the same grid and have to be the same vintage year of use.	**Sub-Goal N3-B#1** Renewables or their equivalents comprise 100% of energy consumed by a company across its operations (inputs/sourcing, manufacturing/operating, distribution/selling).
		Sub-Goal N3-B#2 100% of Renewable Energy Credits (REC's) are acquired using VPPA and are sourced in the same grid and have to be the same vintage year of use.
Theme N3-C Carbon Neutral Products	**Practice Goal N3-C** Organization reduces energy carbon footprint and using carbon offsets to achieve carbon neutrality requirements for 100% of its products/services, and the organization empowers 100% of its customers to generate carbon neutral product/services.	**Sub-Goal N3-C#1** Organization reduces energy carbon footprint and using carbon offsets to achieve carbon neutrality requirements of its products/services.
		Sub-Goal N3-C#2 Organization empowers 100% of its customers to generate carbon neutral product/services.
N4: PRODUCTS AND SERVICES		
Theme N4-A Transparently Reported Product Impact	**Practice Goal N4-A** Organization clearly and transparently reports on all societal and environmental impacts for 100% of the products/services that it creates that are then audited and confirmed by an independent 3rd party.	**Sub-Goal N4-A#1** Organization clearly and transparently reports on all societal impacts for 100% of the products/services that it creates that are then audited and confirmed by an independent 3rd party.
		Sub-Goal N4-A#2 Organization clearly and transparently reports on all environmental impacts for 100% of the products/services that it creates that are then audited and confirmed by an independent 3rd party.
Theme N4-B Sustainable Sourcing of Raw Materials	**Practice Goal N4-B** Raw materials or inputs for organization's operations are sourced from 100% sustainable sources, and 100% of all non-compliance issues within the past calendar year are transparently reported.	**Sub-Goal N4-B#1** Raw materials or inputs for organization's operations are sourced from 100% sustainable sources.
		Sub-Goal N4-B#2 100% of all non-compliance issues within the past calendar year are transparently reported.
Theme N4-C Products with Positive Societal and Environmental Impact	**Practice Goal N4-C** Achieve 100% cradle to cradle efficiency or its equivalent for all products/services created by a company/organization.	**Sub-Goal N4-C#1** Achieve 100% cradle to cradle efficiency or its equivalent for all products/services created by a company/organization.
Theme N4-D Efficient Packaging	**Practice Goal N4-D** Reduce packaging to zero, in cases when a company/organization cannot, then trace, collect, and recycle 100% of all packaging.	**Sub-Goal N4-D#1** Reduce packaging to zero.
		Sub-Goal N4-D#2 Organization traces, collect, and recycles 100% of all packaging.

Theme N4-E Efficient Transportation	**Practice Goal N4-E** 100% of products/services distributed by organization are done so using efficient transportation, Renewable or net positive Carbon technologies, which is audited by an objective outside 3rd party.	**Sub-Goal N4-E#1** 100% of products/services distributed by organization are done so using efficient transportation, Renewable or net positive Carbon technologies, which is audited by an objective outside 3rd party.
N5: BIODIVERSITY		
Theme N5-A Biodiversity Impact	**Practice Goal N5-A** No measurable negative impact on Biodiversity on sites owned, leased, or managed as well as those adjacent to areas of high biodiversity value, and the organization offsets all (100%) of its negative NetZero biodiversity impacts.	**Sub-Goal N5-A#1** No measurable negative impact on Biodiversity on sites owned, leased, or managed as well as those adjacent to areas of high biodiversity value.
		Sub-Goal N5-A#2 Organization offsets all (100%) of its negative NetZero scores using the National Themes, Outcomes and Measures (TOMs), as follow: - Offsets or mitigation initiatives on biodiversity delivered. - Donations or investments towards initiatives aimed at environmental and biodiversity conservations and sustainable management projects for both marine and terrestrial ecosystems. - Donations or investments towards expert designed sustainable reforestation or afforestation initiatives. - Volunteering with environmental conservation initiatives or engagement in multi-stakeholder. - Plastic recycling rate on the contract.
Theme N5-B Humane, Compassionate Treatment of All Animals	**Practice Goal N5-B** 100% of the operations of an organization and the products/services it offers do not lead to the harmful or abusive treatment of animals certified by an outside, independent organization.	**Sub-Goal N5-B#1** Organization does not participate (0% of activities) in the harmful or abusive treatment of animals, including animal testing, animal experimentation and factory farming practices.
		Sub-Goal N5-B#2 The product received cruelty-free certification by 3rd party animal-cruelty investigator (i.e. Leaping Bunny).
		Sub-Goal N5-B#3 NetZero impact on IUCN Red List species and national conservation list species with habitats in areas affected by operations.
Theme N5-C 100% Sustainable Sourced Palm Oil	**Practice Goal N5-C** 100% use of Sustainably sourced Palm Oil in the organization's operations or in its supply chain.	**Sub-Goal N5-C#1** 100% palm oil are sourced and certified through the Roundtable on Sustainable Palm Oil (RSPO) via four different supply chain models: - Identity Preserved. - Segregated. - Mass Balance. - Book & Claim.
N6: BUILDINGS AND LAND		
Theme N6-A Transparently Reported Building and Land Use	**Practice Goal N6-A** The organization conducts transparent reporting on 100% of buildings and 100% of land used that are audited by an independent 3rd party.	**Sub-Goal N6-A#1** The organization conducts transparent reporting on 100% of buildings used within the previous calendar years that are audited by an outside 3rd party.

		Sub-Goal N6-A#2 The organization reports on 100% of land used within the previous calendar years, which is audited by an independent 3rd party.
Theme N6-B 100% certified safe & accessible buildings	**Practice Goal N6-B** Achieve LEED (Platinum), BREEAM (5-Star) or their equivalent certification for all buildings operated, leased or owned .	**Sub-Goal N6-B#1** Achieve LEED (Platinum), BREEAM (5-Star) or their equivalent certification for all buildings operated, leased or owned .
Theme N6-C 100% of new buildings are carbon neutral	**Practice Goal N6-C** 100% of new buildings built by an organization are certified as carbon neutral in terms of (1) materials used, (2) job site, and (3) the supply chain used. This is confirmed by an independent, objective, outside 3rd party.	**Sub-Goal N6-C#1** 100% of new buildings built by an organization are certified as carbon neutral in terms of (1) materials used, (2) job site, and (3) the supply chain used. This is confirmed by an independent, objective, outside 3rd party.

Society Value Scoring Details

S1: APPROPRIATE TAXES		
Theme S1-A Transparent tax reporting	**Practice Goal S1-A** Transparently reporting on approach to taxes (in terms of governance and control), payments for all jurisdictions, that is audited by an outside objective 3rd party.	**Sub-Goal S1-A#1** Reports approach to tax: - To include tax strategy, governance body/executive-level position, approach to regulatory compliance, approach to tax linked to sustainable development strategies. - Description of the tax governance and control framework (governance body that's accountable for compliance with tax strategy, approach to tax is embedded with org, approach to tax risks, how compliance with tax and control framework is evaluated). - Description of mechanisms for reporting concerns about unethical or unlawful behavior related to approach to tax. - Description of the assurance process for disclosures on tax.
Theme S1-B Appropriate Taxes Paid	**Practice Goal S1-B** Zero issues of legal or regulatory non-compliance.	**Sub-Goal S1-B#1** Organization has not identified any violations in the business or supply chain, capital from investors who require transparent and effective governance, and compliance with local laws.
S2: LOCAL COMMUNITY DEVELOPMENT		
Theme S2-A Safe, Resilient Community	**Practice Goal S2-A** Organization provides 2.5% or more of revenues to poverty reduction programs, essential services, safe driving, homelessness, rough sleepers, health interventions, and/or wellbeing initiatives. Overall, its community-based efforts lead to an NPS score of 8 or higher from randomly sampled population.	**Sub-Goal S2-A#1** Organization has invested in society's infrastructure at 2.5 % or more of revenues to poverty reduction programs, essential services, safe driving, homelessness, rough sleepers, health interventions, and/or wellbeing initiatives. **Sub-Goal S2-A#2** Community-based efforts lead to an NPS score of 8 or higher from randomly sampled population.
Theme S2-B Benefit-based capital spending	**Practice Goal S2-B** Organization identifies and allocates 10% of capital spending to sectors that disproportionately benefit women, the poor, and vulnerable groups, or focuses on other issues outlined in SDG Goal #3, including the reduction of maternal mortality rates, ending epidemics, etc. However, these can be superseded by more pressing issues that are being focused on within local communities or by municipal governments.	**Sub-Goal S2-B#1** Organization identifies and allocates 10% of capital spending to sectors that disproportionately benefit women, the poor, and vulnerable groups, or focuses on other issues outlined in SDG Goal #3, including the reduction of maternal mortality rates, ending epidemics, etc. However, these can be superseded by more pressing issues that are being focused on within local communities or by municipal governments.
Theme S2-C Transparent Social Reporting	**Practice Goal S2-C** Organization has a written policy related to social reporting.	**Sub-Goal S2-C#1** Organization has a written policy related to social reporting.

S3: LOCAL EMPLOYMENT AND ENGAGEMENT		
Theme S3-A	**Practice Goal S3-A**	**Sub-Goal S3-A#1** >50 % of full-time employees hired locally.
Local Employment	>50% of full-time employees hired locally, >50% of senior management hired locally.	**Sub-Goal S3-A#2** >50% of senior management hired locally.
Theme S3-B Local Ownership	**Practice Goal S3-B** >50% of shareholders are local.	**Sub-Goal S3-B#1** At least 50% of all shareholders are local, ensuring a close connection between the company's owners and the local community.
Theme S3-C Equitable purchasing	**Practice Goal S3-C** At least 10% of all goods purchased are from certified Minority and Women-Owned Businesses (MWOBEs), Service-Disabled Veteran-Owned Businesses (SDVOBs), or worker cooperatives.	**Sub-Goal S3-C#1** At least 10% of all goods purchased are from certified Minority and Women-Owned Businesses (MWOBEs), Service-Disabled Veteran-Owned Businesses (SDVOBs), or worker cooperatives.
Theme S3-D Local Value Chains	**Practice Goal S3-D** Impacts on local businesses across the entire lifecycle of 100% of products/services created by a company are mapped, with clear insights on the number of residents employed through a company's activities. Organization has purchased locally at least 30% from independent, locally owned and operated businesses.	**Sub-Goal S3-D#1** Impacts on local businesses across the entire lifecycle of 100% of products/services created by a company are mapped, with clear insights on the number of residents employed through a company's activities.
		Sub-Goal S3-D#2 Organization has purchased locally at least 30% from independent, locally owned and operated businesses.
Theme S3-E Supporting Local Youth	**Practice Goal S3-E** Clear evidence of (1) enhancing the skills of younger employees, and (2) outreach from >50% of the workforce to local jr. high, high schools and universities.	**Sub-Goal S3-E#1** Clear evidence of (1) enhancing the skills of younger employees from >50% of the workforce.
		Sub-Goal S3-E#2 Clear evidence of outreach from >50% of the workforce to local jr. high, high schools and universities.
S4: CHARITY AND VOLUNTEERISM		
Theme S4-A Community volunteering	**Practice Goal S4-A** Organization provides 24 hours of paid volunteer time per year for volunteering purposes at an organization of the employee's choice.	**Sub-Goal S4-A#1** Organization provides 24 hours of paid volunteer time per year for volunteering purposes at an organization of the employee's choice.
Theme S4-B Charitable giving	**Practice Goal S4-B** Organization donates 1% of gross sales or 3% of net profits to charitable organizations that employees choose.	**Sub-Goal S4-B#1** Organization donates 1% of gross sales or 3% of net profits to charitable organizations that employees choose.

Firm Value Scoring Details

F1: TRANSPARENT FINANCIAL REPORTING		
Theme F1-A Transparent reporting on financial performance	**Practice Goal F1-A** Organization reports on its financial performance including direct and indirect economic impacts which is independently audited by an outside trusted 3rd party.	**Sub-Goal F1-A#1** Cash Flow Statement that summarizes the amount of cash (or cash equivalents) entering and leaving an organisation.
		Sub-Goal F1-A#2 Income statement that reports an organisation's financial performance (profit and loss).
		Sub-Goal F1-A#3 Balance Sheet that reports a company's total assets including debt/liabilities and shareholder equity.
		Sub-Goal F1-A#4 Financial Ratio that evaluates the overall financial condition of an organization and its ability to generate income.
		Sub-Goal F1-A#5 Reporting currency
		Sub-Goal F1-A#6 Revenue and Net Income: 1 year and 2 years prior.
		Sub-Goal F1-A#7 Direct economic value generated and distributed (EVG&D) for the organization's global operations on an accruals basis, which includes the following basic components: - Direct economic value generated. - Economic value distributed. - Economic value retained.
		Sub-Goal F1-A#8 Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.
Theme F1-B Government relationship	**Practice Goal F1-B** Organization transparently reports 100% of all financial assistance received from the government, political contributions made, and any fines or sanctions related to non-compliance with any laws and/or regulations, financial or non-financial in nature.	**Sub-Goal F1-B#1** Organization transparently reports 100% of all financial assistance received from the government financial or non-financial in nature.
		Sub-Goal F1-B#2 Organization transparently reports 100% of all political contributions made to the government, financial or non-financial in nature.
		Sub-Goal F1-B#3 Organization transparently reports 100% of all fines or sanctions related to non-compliance with any laws and/or regulations, financial or non-financial in nature.
F2: GOVERNANCE AND FIRM STRUCTURE		
Theme F2-A Mission Driven	**Practice Goal F2-A** Published mission with no dissonance between mission and reported behaviors (in the News) within the last 12 months.	**Sub-Goal F2-A#1** Report the following information: - Statement from senior decision-maker related to sustainability. - Key impacts, risks, and opportunities. - Values, principles, standards, and norms of behavior. - Mechanisms for advice and concerns about ethics.
		Sub-Goal F2-A#2 Provide the following: - Level of Impact Focus. - Mission Statement Characteristics. - Mission Statement. - Social and Environmental Decision-Making - Stakeholder Engagement. - Management of Material Social and Environmental

		Issues. - Identification of Material Issues.
		Sub-Goal F2-A#3 Address the issue of what has the organisation done to legally ensure that its social or environmental performance is a part of its decision-making over time, regardless of company ownership.
		Sub-Goal F2-A#4 No dissonance between 3 sub-goals above and reported behaviors (in the News) within the last 12 months.
Theme F2-B Governance Reporting	**Practice Goal F2-B** 100% of basic governance structure and practices reported on and audited by outside 3rd party to confirm on an annual basis.	**Sub-Goal F2-B#1** 100% of basic governance structure and practices reported on and audited by outside 3rd party to confirm on an annual basis.
Theme F2-C Board Composition	**Practice Goal F2-C** Board composition matches 100% with surrounding community relative to gender and ethnic diversity	**Sub-Goal F2-C#1** Board composition matches 100% with surrounding community relative to gender diversity.
		Sub-Goal F2-C#2 Board composition matches 100% with surrounding community relative to ethnic diversity.
Theme F2-D Outside Director Ratio	**Practice Goal F2-D** Board composition matches +/- 5% or less with industry standard on ratio of outside directors as a percentage of overall board membership.	**Sub-Goal F2-D#1** Board composition matches +/- 5% or less with industry standard on ratio of outside directors as a percentage of overall board membership.
Theme F2-E Zero Corruption	**Practice Goal F2-E** Organization has zero incidences of corruption within the last 12 months, audited by an outside, objective 3rd party.	**Sub-Goal F2-E#1** Organization has zero incidences of corruption within the last 12 months, audited by an outside, objective 3rd party.
F3: MANAGEMENT CAPABILITY		
Theme F3-A Positive EVA (Firm)/EVA (Industry) ratio	**Practice Goal F3-A** Calculation of Economic Value Added (EVA) over Average EVA of Industry.	**Sub-Goal F3-A#1** Calculation of Economic Value Added (EVA) over Average EVA of Industry.

Customer Value Scoring Details

C1: TRUTH IN COMMUNICATIONS		
Theme C1-A Truth in Labelling	**Practice Goal C1-A** 100% of products/services offered by a company have clear labelling that is assessed by a relevant 3rd party related to their components, content, safe use, and disposal, and the organization has zero incidences of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling.	**Sub-Goal C1-A#1** 100% of products/services offered by a company have clear labelling that is assessed by a relevant 3rd party related to their components, content, safe use, and disposal.
		Sub-Goal C1-A#2 Organization has zero incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling; OR If there is a record of incidents, organization shall report the incidents of non-compliance with regulations resulting in a fine or penalty, warning, and voluntary codes.
Theme C1-B Truth in Advertising	**Practice Goal C1-B** 100% of advertised products have been reviewed and certified by an objective 3rd party or accreditation body. Amongst these, 0% of products/services advertised or promoted by a company have had incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications.	**Sub-Goal C1-B#1** 100% of advertised products have been reviewed and certified by an objective 3rd party or accreditation body.
		Sub-Goal C1-B#1 Amongst these, 0% of products/services advertised or promoted by a company have had incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications.
		Sub-Goal C1-B#1 Organization has a significant suppliers (on currency basis) that are subject to regular quality assurance reviews or audits at 100%.
C2: PRIVACY		
Theme C2-A Data Security	**Practice Goal C2-A** Zero (0) data breaches within the calendar year.	**Sub-Goal C2-A#1** Organization experiences zero substantiated complaints (from regulatory bodies and outside parties) or incidents regarding data breaches, data leaks, thefts/attacks, or losses of customer data; OR if there is a record of incidents, the organization shall report the total number of data breaches, percentage of data breaches, and the total number of unique users who were affected.
		Sub-Goal C2-A#2 Organization describes its approach to identifying vulnerabilities in its information systems that pose a data security risk and addressing data security risks and vulnerabilities it has identified.
		Sub-Goal C2-A#3 Organization Complies 100% with cyber security legislation and principles related to the country (countries) within which it operates, such as the U.S. SEC's Commission Statement and Guidance on Public Company Cybersecurity Disclosures or an external standard or framework and/or legal or regulatory framework for managing data security.
Theme C2-B Customer Privacy	**Practice Goal C2-B** Zero (0) breaches, leaks or thefts of customer data within the calendar year.	**Sub-Goal C2-B#1** Organization Describes the nature, scope, and implementation of its policies and practices related to user privacy, with a specific focus on how it addresses the information collection lifecycle (i.e., collection, usage, retention, processing, disclosure, and destruction of information) and how information-handling practices at each stage may affect individuals' privacy.

		Sub-Goal C2-B#2 Organization Complies 100% with privacy legislation and principles (i.e. the U.S. Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002) including the use of Privacy Impact Assessments (PIAs).
		Sub-Goal C2-B#3 Organization follows practices related to privacy of user information that addresses children's privacy, which at a minimum includes the provisions of the U.S. Children's Online Privacy Protection Act (COPPA), or its equivalent.
		Sub-Goal C2-B#4 Organization discloses 100% of unique users whose information is used for secondary purposes.
		Sub-Goal C2-B#5 Organization follows the cross-industry Self-Regulatory Principles for Online Behavioral Advertising.
C3: HEALTH, SAFETY & SATISFACTION		
Theme C3-A Customer Satisfaction	**Practice Goal C3-A** Customer satisfaction with products and/or services offered as measured by Net Promoter Score, with an average rating of 8 or higher audited by an outside, independent 3rd party. 100% of customer complaints and returns are recorded.	**Sub-Goal C3-A#1** Organization has a channel (grievance mechanisms, hotlines, dialogue processes or other means) opened for customer returns, concerns or complaints.
		Sub-Goal C3-A#2 Customer satisfaction with products and/or services offered as measured by Net Promoter Score, with an average rating of 8 or higher audited by an outside, independent 3rd party.
		Sub-Goal C3-A#3 100% of customer complaints and returns are recorded.
Theme C3-B Customer Health & Safety	**Practice Goal C3-B** 100% of products/services are assessed for their impacts on customer health and safety audited by an outside, independent 3rd party, and have achieved 0% negative impacts on customer health or safety within the calendar year.	**Sub-Goal C3-B#1** Organization has achieved 0% negative impacts on customers health within the calendar year. If there is an incident, the organization shall disclose the percentage of significant product and service categories for which health and safety impacts are assessed for improvement.
		Sub-Goal C3-B#2 100% of products/services are assessed for their impacts on customer health and safety audited by an outside, independent 3rd party.
		Sub-Goal C3-B#3 Organization has zero (n=0) non-compliance cases with regulations and/or voluntary codes concerning the health and safety impacts of products and services by incidents of non-compliance with a fine or penalty/ warning/ voluntary codes.

Partner Value Scoring Details

P1: SUPPLY CHAIN AND DISTRIBUTION CHANNEL REPORTING		
Theme P1-A Report on Stakeholder Structure in the Supply Chain and Distribution Channel	**Practice Goal P1-A** 100% of supply chain and distribution channel partners are reported on and confirmed by an objective outside 3rd Party.	**Sub-Goal P1-A#1** Provide a list of 100% of stakeholder groups (supply chain and distribution channels) engaged by the organization, including the basis for identification and selection of stakeholders with whom to engage.
		Sub-Goal P1-A#2 Organization reports on 100% of its approach to stakeholder engagement, including: - Frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. - Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns through its reporting and the stakeholder groups that raised each of the key topics and concerns.
		Sub-Goal P1-A#3 Organization reports on 100% of its Supply Chain and distribution channel management, including : - Description and disclosure of a 100% of original producers, subcontracted services, distributors or/and suppliers (Tier 1 and Tier 2) that were screened/monitored, held accountable to code of conduct or independent contractor practices and/or Undergone programs to improve impact. This information is supported by transparent reporting, verification and goal setting. - Description of purchases/ distribution choices (e.g. low income communities or social/environmental purchase). - Description of supply chain channel monitoring mechanism (i.e. compliance topics, risk assessment and mapping, and tracking and traceability).
		Sub-Goal P1-A#4 Organization reports on 100% of its Supply chain and distribution channel poverty alleviation programs.
Theme P1-B Report on Supply Chain Diversity, Equity and Inclusion	**Practice Goal P1-B** Organization provides a complete report on the diversity, equity and inclusion practices within 100% of suppliers and distributors, confirmed by an objective outside 3rd party.	**Sub-Goal P1-B#1** Organization provides a complete report on the diversity, equity and inclusion practices within 100% of suppliers and distributors, confirmed by an objective outside 3rd party.
P2: SUPPORTING MSMES AND VCSES		
Theme P2-A Supporting MSMEs, VCSEs, MWOBEs, and/or SDVOBs through business partnerships	**Practice Goal P2-A** Proven support for local Micro, Small, Medium Enterprises (MSMEs), Voluntary, Community and Social Enterprises (VCSEs), Minority and Women-Owned Business Enterprises (MWOBEs), and/or Service Disabled Veteran Owned Businesses (SDVOBs)	**Sub-Goal P2-A#1** Organization conducts 1% or more of business across the partners within this subgoal. Specifically this sub-goal focuses on the provision of support for micro-franchises: - Percentage of business/sales derived from small and medium micro-franchises (i.e., low Income, poor, or very poor micro-franchises). - Describes innovative microfranchisng. - Describes microfranchise model characteristics.

	with 1% or more of business conducted through them.	- Income growth tracking for micro-franchises.
		Sub-Goal P2-A#2 Organization conducts 1% or more of business across the partners within this subgoal. Specifically, this sub-goal focuses on the provision of support for micro distributors: - Percentage of business/sales derived from small and medium micro distributors (i.e., low Income, poor, or very poor micro-franchises). - Describes innovative micro distribution. - Describes micro distribution model characteristics. - Income growth tracking for micro distributors.
		Sub-Goal P2-A#3 Organization conducts 1% or more of business across the partners within this subgoal. Specifically this sub-goal focuses on the provision of support for micro entrepreneurs: - Number of micro-entrepreneur individuals served. - Number of microenterprises served.
Theme P2-B Supporting MSMEs, VCSEs, MWOBEs, and/or SDVOBs through education and training	**Practice Goal P2-B** Education and training programs developed for local Micro, Small, Medium Enterprises (MSMEs), Voluntary, Community and Social Enterprises (VCSEs), Minority and Women-Owned Business Enterprises (MWOBEs), and/or Service Disabled Veteran Owned Businesses (SDVOBs) that help improve their own business acumen and skills, verified through benchmarking performance and exhibiting 10% or higher performance gains.	**Sub-Goal P2-B#1** Education and training programs developed for local Micro, Small, Medium Enterprises (MSMEs), Voluntary, Community and Social Enterprises (VCSEs), Minority and Women-Owned Business Enterprises (MWOBEs), and/or Service Disabled Veteran Owned Businesses (SDVOBs) that help improve their own business acumen and skills, verified through benchmarking performance and exhibiting 10% or higher performance gains.
P3: ENVIRONMENTALLY & SOCIALLY RESPONSIBLE PARTNERS		
Theme P3-A Suppliers and Distributor Impact Reporting	**Practice Goal P3-A** 100% of an organization's suppliers and distributors (a) report on their social and environmental management approaches, and (b) have documented processes programs in place to improve sustainability practices within supply chain and/or distribution channel, (c) with evidence of termination of relationships with suppliers and distributors who have been identified as having negative environmental and/or social impacts all of which are audited by an objective external 3rd party.	**Sub-Goal P3-A#1** 100% of an organization's suppliers report on their social and environmental management approaches, which are audited by an objective external 3rd party.
		Sub-Goal P3-A#2 100% of an organization's suppliers have documented processes programs in place to improve sustainability practices within supply chain, which are audited by an objective external 3rd party.
		Sub-Goal P3-A#3 Organization provides evidence of termination of relationships with 100% of suppliers who have been identified as having negative environmental and/or social impacts which is audited by an objective external 3rd party.
		Sub-Goal P3-A#4 100% of an organization's distributors report on their social and environmental management approaches, which are audited by an objective external 3rd party.

		Sub-Goal P3-A#5 100% of an organization's distributors have documented processes programs in place to improve sustainability practices within the distribution channel which is audited by an objective external 3rd party.
		Sub-Goal P3-A#6 Organization provides evidence of termination of 100% of relationships with suppliers who have been identified as having negative environmental and/or social impacts, which is audited by an objective external 3rd party.
Theme P3-B Environmental and Social operating requirements	**Practice Goal P3-B** Social & environmental screening of suppliers and distributors with 100% of suppliers and distributors contracts include: (a) sustainable procurement and distribution requirements and certifications; (b) require contractors to operate low or zero emission vehicles.	**Sub-Goal P3-B#1** Social & environmental screening of suppliers with 100% of suppliers contracts including; sustainable procurement and supplier requirements and certifications.
		Sub-Goal P3-B#2 Social & environmental screening of distributors with 100% of distributors contracts including; sustainable procurement and distributors requirements and certifications.
		Sub-Goal P3-B#3 Social & environmental screening of suppliers with 100% of suppliers contracts including ; require contractors to operate low or zero emission vehicles.
		Sub-Goal P3-B#4 Social & environmental screening of distributors with 100% of distributors contracts including; require contractors to operate low or zero emission vehicles.
Theme P3-C Supply Chain Carbon Certification	**Practice Goal P3-C** Company/organization has achieved certification by a reputable, industry-standard certification organization for 100% of its supply chain and distribution channel partners across factors including carbon, water and waste management, or their equivalent.	**Sub-Goal P3-C#1** Company/organization has achieved certification by a reputable, industry-standard certification organization for 100% of its supply chain relative to: - Carbon emissions. - Water usage. - Waste management by an objective 3rd party (e.g. Carbon Trust's Standard, Higg Index or its equivalent).
		Sub-Goal P3-C#2 Company/organization has achieved certification by a reputable, industry-standard certification organization for 100% of its distributors relative to: - Carbon emissions. - Water usage. - Waste management by an objective 3rd party (e.g. Carbon Trust's Standard, Higg Index or its equivalent)
P4: SUPPLY CHAIN & DISTRIBUTION CHANNEL FAIR LABOR PRACTICES		
Theme P4-A Audited Fair labor practices throughout supply chain and distribution channels	**Practice Goal P4-A** 100% of supply chain & distribution partners reports on fair labor practices which are audited by objective 3rd party.	**Sub-Goal P4-A#1** 100% of supply chain partners reports on Fair labor practices which are audited by objective 3rd party.
		Sub-Goal P4-A#2 100% of distribution partners reports on Fair labor practices which are audited by objective 3rd party.

Theme P4-B Living wage paid by all suppliers and distributors in partner network	**Practice Goal P4-B** Living wages (>250% of national minimum wage) paid by 100% of suppliers and distributors.	**Sub-Goal P4-B#1** Living wages (>250% of national minimum wage) paid by 100% of suppliers.
		Sub-Goal P4-B#2 Living wages (>250% of national minimum wage) paid by 100% of distributors.

SHARE-HOLDER	SH1: SHAREHOLDER ECONOMIC VALUE ADDED (EVA)		
	Theme SH1-A Positive EVA	Practice Goal SH1-A Positive EVA	Sub-Goal P1-A#1 Positive EVA

Appendix 2: Mapping of Standards, Frameworks and Models within the Value Model

Goal	B Impact Assessment	B Team	Common Approach to Impact	Cradle to Cradle Certified	GIIN IRIS+	GRI	IFC	ISSB	JUST 2.0	McKinsey	Measuring Shared Value	Natural Capital Coalition	Organization Guidance System	Planetary Boundaries	SASB	SBTi
E1-C: Gender Diversity and Equity-based policy		○		○	○	○			○							
E1-D: Broad Diversity and Representativeness of employees															○	
E2-A: Transparent Reporting on Employees	○				○	○										
E2-B: Transparent Reporting on Wages																
E2-C: Living Wage	○								○							
E2-D: Pay scale equity among different level employees				○					○							
E3-A: Physical Health									○							
E3-B: Retirement Provision	○					○			○							
E3-C: Family/Medical Leave	○					○			○							
E3-D: Employee Healthcare	○					○			○							
E3-E: Occupational safety and Health Coverage						○	○									
E3-F: Employee Mental health and wellbeing							○		○	○	○	○	○			
E4-A: Training and Education	○		○		○	○			○				○			
E4-B: Performance Feedback and Review	○					○							○			
E5-A: Turnover, Inclusion & Engagement									○				○		○	
E5-B: Work Flexibility																
E5-C: Freedom of Association						○			○							
E5-D: Employee Ownership	○															
E6-A: Human Rights Reporting	○			○		○	○									
E6-B: Human Rights Corrective Action		○			○	○	○									
E6-C: Human Rights Training				○		○										
N1-A: Carbon Neutral	○	○				○		○				○		○		○
N1-B: Zero non-GHG air emissions						○	○	○				○				
N1-C: Zero Plastic Pollution																
N1-D: 100% Waste reclamation & recycling	○				○	○	○	○				○		○		
N1-E: Zero Sound and Light disturbances												○				
N2-A: Water infrastructure interaction strategy				○	○	○		○				○		○	○	
N2-B: Water use reporting	○					○	○	○				○		○		
N2-C: Discharge water quality						○		○				○		○		
N3-A: Energy Consumption Reporting	○					○		○				○			○	
N3-B: Renewable Energy Use	○			○		○		○			○					
N3-C: Carbon Neutral Products				○				○								
N4-A: Transparently Reported Product Impact	○							○				○	○			
N4-B: Sustainable Sourcing of Raw Materials						○		○			○				○	
N4-C: Products with Positive Societal and Environmental				○		○		○	○							
N4-D: Efficient Packaging						○		○								
N4-E: Efficient Transportation	○							○							○	

Goal	B Impact Assessment	B Team	Common Approach to Impact	Cradle to Cradle Certified	GIIN IRIS+	GRI	IFC	ISSB	JUST 2.0	McKinsey	Measuring Shared Value	Natural Capital Coalition	Organization Guidance System	Planetary Boundaries	SASB	SBTi
N5-A: Biodiversity Impact				○		○	○	○				○		○		
N5-B: Humane, Compassionate Treatment of All Animals				○				○	○							
N5-C: 100% Sustainably Sourced Palm Oil								○								
N6-A: Transparently Reported Building and Land Use	○							○							○	
N6-B: 100% certified safe & accessible buildings	○						○	○								
N6-C: 100% of new buildings are carbon neutral																
S1-A: Transparent tax reporting						○										
S1-B: Appropriate Taxes Paid																
S2-A: Healthy, Safe, Resilient Community						○	○				○		○			
S2-B: Benefit-based capital spending																
S2-C: Transparent Social Reporting																
S3-A: Local Employment	○					○										
S3-B: Local Ownership	○															
S3-C: Equitable purchasing				○					○							
S3-D: Local Value Chains						○			○							
S3-E: Supporting Local Youth	○															
S4-A: Community volunteering									○							
S4-B: Charitable giving	○								○							
F1-A: Transparent reporting on financial performance	○				○								○			
F1-B: Government relationship						○		○								
F2-A: Mission Driven	○					○							○			
F2-B: Governance Reporting	○	○		○	○	○	○						○			
F2-C: Board Composition					○								○			
F2-D: Outside Director Ratio							○									
F2-E: Zero Corruption	○	○		○		○										
F3-A: Positive EVA (Firm)/EVA (Industry) ratio																
C1-A: Truth in Labeling						○										
C1-B: Truth in Advertising	○				○	○										
C2-A: Data Security			○		○										○	
C2-B: Customer Privacy						○									○	
C3-A: Customer Satisfaction													○			
C3-B: Customer Health & Safety	○				○	○									○	
P1-A: Report on Stakeholder Structure in the Supply Chain and	○				○	○									○	
P1-B: Report on Supply Chain Diversity, Equity and Inclusion																
P2-A: Supporting MSMEs, VCSEs, MWOBEs, and/or SDVOBs																
P2-B: Supporting MSMEs, VCSEs, MWOBEs, and/or SDVOBs											○					
P3-A: Suppliers and Distributor Impact Reporting						○		○	○							
P3-B: Environmental and Social operating requirements								○								
P3-C: Supply Chain Carbon Certification															○	
P4-A: Audited Fair labor practices throughout supply chain and						○	○									
P4-B: Living wage paid by all suppliers and distributors in partner																
SH1-A: Positive EVA																

Goal	SDG	Social and Human Capital Coalition	TCFD	The National TOMs	UNDP	ILO	US Office Disability Employment Policy	Zero Plastic Rivers v2w	Alliance to End Plastic Waste	OECD	UN Treaty on Plastic Pollutant	Leeping Bunny	LEED	EFRAG	PlasticSoup Foundation
E1-A: Full-time Employment															
E1-B: Ethnic Diversity	0			0											
E1-C: Gender Diversity and Equity-based policy	0	0		0											
E1-D: Broad Diversity and Representativeness of employees				0										0	
E2-A: Transparent Reporting on Employees				0										0	
E2-B: Transparent Reporting on Wages				0											
E2-C: Living Wage														0	
E2-D: Pay-scale equity among different level employees				0										0	
E3-A: Physical Health															
E3-B: Retirement Provision															
E3-C: Family/Medical Leave														0	
E3-D: Employee Healthcare															
E3-E: Occupational safety and Health Coverage		0												0	
E3-F: Employee Mental health and wellbeing		0		0											
E4-A: Training and Education		0		0										0	
E4-B: Performance Feedback and Review														0	
E5-A: Turnover, Inclusion & Engagement														0	
E5-B: Work Flexibility						0	0								
E5-C: Freedom of Association		0												0	
E5-D: Employee Ownership															
E6-A: Human Rights Reporting					0									0	
E6-B: Human Rights Corrective Action	0	0												0	
E6-C: Human Rights Training															
N1-A: Carbon Neutral	0		0	0										0	
N1-B: Zero non-GHG air emissions														0	
N1-C: Zero Plastic Pollution				0				0	0	0	0				0
N1-D: 100% Waste reclamation & recycling				0										0	
N1-E: Zero Sound and Light disturbances															
N2-A: Water infrastructure interaction strategy	0													0	
N2-B: Water use reporting														0	
N2-C: Discharge water quality	0														
N3-A: Energy Consumption Reporting	0													0	
N3-B: Renewable Energy Use															
N3-C: Carbon Neutral Products															
N4-A: Transparently Reported Product Impact					0										
N4-B: Sustainable Sourcing of Raw Materials	0			0										0	
N4-C: Products with Positive Societal and Environmental Impact														0	
N4-D: Efficient Packaging				0											
N4-E: Efficient Transportation															

Goal	SDG	Social and Human Capital Coalition	TCFD	The National TOMs	UNDP	ILO	US Office Disability Employment Policy	Zero Plastic Rivers v2w	Alliance to End Plastic Waste	OECD	UN Treaty on Plastic Pollutant	Leeping Bunny	LEED	EFRAG	PlasticSoup Foundation
N5-A: Biodiversity Impact	0			0										0	
N5-B: Humane, Compassionate Treatment of All Animals												0			
N5-C: 100% Sustainably Sourced Palm Oil															
N6-A: Transparently Reported Building and Land Use															
N6-B: 100% certified safe & accessible buildings													0		
N6-C: 100% of new buildings are carbon neutral															
S1-A: Transparent tax reporting															
S1-B: Appropriate Taxes Paid		0													
S2-A: Healthy, Safe, Resilient Community	0			0										0	
S2-B: Benefit-based capital spending				0											
S2-C: Transparent Social Reporting															
S3-A: Local Employment				0											
S3-B: Local Ownership															
S3-C: Equitable purchasing															
S3-D: Local Value Chains		0		0											
S3-E: Supporting Local Youth				0											
S4-A: Community volunteering				0											
S4-B: Charitable giving				0											
P1-A: Transparent reporting on financial performance															
P1-B: Government relationship														0	
P2-A: Mission Driven			0		0									0	
P3-B: Governance Reporting					0										
P3-C: Board Composition														0	
P3-D: Outside Director Ratio															
P3-E: Zero Corruption														0	
P3-A: Positive EVA (Firm)/EVA (Industry) ratio															
C1-A: Truth in Labeling														0	
C1-B: Truth in Advertising															
C2-A: Data Security															
C2-B: Customer Privacy		0													
C3-A: Customer Satisfaction														0	
C3-B: Customer Health & Safety		0												0	
P1-A: Report on Stakeholder Structure in the Supply Chain and				0										0	
P1-B: Report on Supply Chain Diversity, Equity and Inclusion															
P2-A: Supporting MSMEs, VCSEs, MWOBEs, and/or SDVOBs				0											
P2-B: Supporting MSMEs, VCSEs, MWOBEs, and/or SDVOBs				0											
P3-A: Suppliers and Distributor Impact Reporting															
P3-B: Environmental and Social operating requirements															
P3-C: Supply Chain Carbon Certification															
P4-A: Audited Fair labor practices throughout supply chain and				0										0	
P4-B: Living wage paid by all suppliers and distributors in partner		0		0											
SHG-A: Positive EVA															

Goal	ISO 37000	ISO 30414	ISO 14090	ISO 14064	ISO 14080	BRSR	OECD Due Diligence Guidance for Responsible Business Conduct	Singapore Stock Exchange	SEC Climate disclosure	ISO 14001	TNFD
E1-A: Full-time Employment											
E1-B: Ethnic Diversity											
E1-C: Gender Diversity and Equity-based policy		O				O		O			
E1-D: Broad Diversity and Representativeness of employees						O					
E2-A: Transparent Reporting on Employees		O				O	O	O			
E2-B: Transparent Reporting on Wages						O					
E2-C: Living Wage						O	O				
E2-D: Pay-scale equity among different level employees											
E3-A: Physical Health						O					
E3-B: Retirement Provision											
E3-C: Family/Medical Leave						O					
E3-D: Employee Healthcare		O									
E3-E: Occupational safety and Health Coverage						O		O			
E3-F: Employee Mental health and wellbeing						O					
E4-A: Training and Education		O				O	O	O			
E4-B: Performance Feedback and Review		O				O					
E5-A: Turnover, Inclusion & Engagement		O				O					
E5-B: Work Flexibility											
E5-C: Freedom of Association											
E5-D: Employee Ownership											
E6-A: Human Rights Reporting		O				O	O				
E6-B: Human Rights Corrective Action							O				
E6-C: Human Rights Training						O					
N1-A: Carbon Neutral				O	O	O		O	O		O
N1-B: Zero non-GHG air emissions						O					O
N1-C: Zero Plastic Pollution											O
N1-D: 100% Waste reclamation & recycling						O		O			O
N1-E: Zero Sound and Light disturbances											O
N2-A: Water infrastructure interaction strategy								O			O
N2-B: Water use reporting						O		O			O
N2-C: Discharge water quality											O
N3-A: Energy Consumption Reporting						O		O			
N3-B: Renewable Energy Use											O
N3-C: Carbon Neutral Products											

Goal	ISO 37000	ISO 30414	ISO 14090	ISO 14064	ISO 14080	BRSR	OECD Due Diligence Guidance for Responsible Business Conduct	Singapore Stock Exchange	SEC Climate disclosure	ISO 14001	TNFD
N4-A: Transparently Reported Product Impact											O
N4-B: Sustainable Sourcing of Raw Materials											
N4-C: Products with Positive Societal and Environmental Impact						O					
N4-D: Efficient Packaging						O					
N4-E: Efficient Transportation											
N5-A: Biodiversity Impact						O					O
N5-B: Humane, Compassionate Treatment of All Animals											
N5-C: 100% Sustainably Sourced Palm Oil											
N6-A: Transparently Reported Building and Land Use											O
N6-B: 100% certified safe & accessible buildings						O					
N6-C: 100% of new buildings are carbon neutral											
S1-A: Transparent tax reporting											
S1-B: Appropriate Taxes Paid											
S2-A: Healthy, Safe, Resilient Community						O					
S2-B: Benefit-based capital spending											
S2-C: Transparent Social Reporting											
S3-A: Local Employment											
S3-B: Local Ownership											
S3-C: Equitable purchasing											
S3-D: Local Value Chains						O					
S3-E: Supporting Local Youth											
S4-A: Community volunteering											O
S4-B: Charitable giving											
F1-A: Transparent reporting on financial performance		O				O					
F1-B: Government relationship											
F2-A: Mission Driven	O		O			O	O	O		O	O
F2-B: Governance Reporting	O	O				O	O	O	O		
F2-C: Board Composition											
F2-D: Outside Director Ratio											
F2-E: Zero Corruption						O		O			
F3-A: Positive EVA (Firm)/EVA (Industry) ratio											
C1-A: Truth in Labeling						O					
C1-B: Truth in Advertising											
C2-A: Data Security											
C2-B: Customer Privacy											
C3-A: Customer Satisfaction											
C3-B: Customer Health & Safety						O					
P1-A: Report on Stakeholder Structure in the Supply Chain and Distribution Channel							O				
P1-B: Report on Supply Chain Diversity, Equity and Inclusion											
P2-A: Supporting MSMEs, VCSEs, MWOBEs, and/or SDVOBs through business partnerships							O				
P2-B: Supporting MSMEs, VCSEs, MWOBEs, and/or SDVOBs through education and training							O				
P3-A: Suppliers and Distributor Impact Reporting						O	O				
P3-B: Environmental and Social operating requirements											
P3-C: Supply Chain Carbon Certification											
P4-A: Audited Fair labor practices throughout supply chain and distribution channels						O					
P4-B: Living wage paid by all suppliers and distributors in partner network											
SH1-A: Positive EVA											

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