

Pressure is quickly growing for companies to improve ESG (Environmental, Social, Governance) performance. While investors and rating agencies are already identifying the leaders, most companies are still struggling with setting ESG priorities, defining measurement frameworks and reporting effectively to increasingly demanding stakeholders.

Executives are challenged with:

- setting relevant ESG priorities and **targets**
- achieving strong **ratings** through effectively measuring and reporting
- motivating and rewarding employees by building ESG criteria into **compensation**

## Obermatt's Triple Bottom Line ESG Framework



### The challenge

ESG includes so many different aspects that are evaluated in different ways. Performance is often reported in actual numbers (e.g. tonnes emitted, % women, etc.) or a grading scale (e.g. A, B, C...), while some aspects are difficult to quantify at all.

- How many priorities can be added?
- How does one consolidate the metrics?
- How to link pay to ESG performance?

### The solution

A consolidated view based on converting performance into a standard scale from 0% to 200% of the respective targets, which allows for:

- defining ESG performance as a single value
- communicating in an intuitive manner
- directly linking pay to ESG performance

## Benefits of Obermatt's ESG Framework

### Consolidate

More than 1,200 metrics reviewed and categorised for easy navigation.

Short list of suggested metrics to select from and set individual ESG priorities for reporting and compensation.

Consolidation methods to standardise diverse metrics onto a common scale.

### Communicate

Guidance for implementing different types of metrics in compensation.

Metrics to communicate results and non-numeric efforts as seen in the implementation of policies, strategies, initiatives, reporting and audit.

Assignment of GRI categories to all metrics for ease of reporting.

### Collaborate

Continued know-how transfer with fellow experts in Sustainability, Finance, Investor Relations, HR, etc.

Regular update on metrics, methodology and industry trends.

Direct line to Obermatt experts for specific questions related to implementation.

