

Covalence uses 50 Environment, Social, Governance (ESG) criteria inspired by the Global Reporting Initiative's sustainability reporting guidelines as well as by international norms and conventions.

id	Criteria name	Definition and coverage of criteria
1	Governance	"Corporate governance is "the system by which companies are directed and controlled". It involves regulatory and market mechanisms, and the roles and relationships between a company's management, its board, its shareholders and other stakeholders, and the goals for which the corporation is governed" (Wikipedia). It covers topics such as: Governance structure, Cumulative functions, Board independence, Shareholders expression rights, Sustainable compensation (link between compensation and the company's social and environmental performance), Conflicts of interest, Board diversity, Mission statements and codes of conduct (GRI G3.1 4. Governance, Commitments, and Engagement)
2	United Nations Policy	Dialogue, partnerships, or controversies between a company and the United Nations (programmes, agencies, or UN-supported projects, such as the Global Compact, UNEP, UNDP, the Global Reporting Initiative, etc.); addressing the precautionary approach or principle as stated in Article 15 of the Rio Principles
3	Commitments to External Initiatives	Participation in economic, environmental, and social charters, principles, platforms, partnerships or other initiatives that haven't been principally created by the company itself, but by external organisations. (GRI G3.1 Part 2.4).
4	Stakeholder Engagement	Engagement, consultation, dialogue of a company with its stakeholders regarding its impact on sustainable development and on stakeholders, such as civil society, NGOs, customers, employees, other workers, local communities, shareholders and providers of capital, suppliers. (GRI G3.1 Part 2.4)
5	Fiscal Contributions	Payment of taxes by the company, globally and in individual countries; fiscal policy; transparency about the payment of taxes; impact of fiscal contributions on local economic and social development
6	Social Sponsorship	Donation of money or goods by a company to an external organization in the pursuit of social or environmental objectives; cause-related marketing: when the support to social / environmental projects is linked to the selling of a product.
7	Public Funding	Financial assistance received from government by a company: "subsidies; investment grants, research and development grants, and other relevant types of grants; Awards; Royalty holidays; Financial assistance from Export Credit Agencies (ECAs); Financial incentives; Other financial benefits received or receivable from any government for any operation." (GRI G3.1 EC4)
8	Wages	Wages paid to employees and executives within the company; comparisons with local minimum wage; Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. (GRI G3.1 EC5)
9	Local Sourcing	"Use of locally-based suppliers at significant locations of operation"; "Supporting local business in the supply chain" (GRI G3.1 EC6)
10	Local Hiring	Hiring of employees and managers from the local community at locations of significant operation. (GRI G3.1 EC7)
11	Infrastructures	"Development and impact of infrastructure investments and services provided primarily for public benefit", such as water supply facility, road, hospital, and other public services (GRI 3.1 EC8)
12	Indirect Economic Impacts	Indirect economic impacts: "additional impacts generated as money circulates through the economy" (Direct economic impacts: "immediate consequences of monetary flows to stakeholders"). Examples of Indirect economic impacts: "Economic development in areas of high poverty (e.g., number of dependents supported through income from one job)"; "Wages paid by suppliers and sub-contractors; "Enhancing skills and knowledge amongst a professional community or in a geographical region"; "Jobs supported in the supply chain or distribution chain"; "Economic impact of change in location of operations or activities (e.g., outsourcing of jobs to an overseas location)"; "Economic impact of the use of products and services (e.g., linkage between economic growth patterns and use of particular products and services)." (GRI G3.1 EC9)
13	Pricing / Needs	Price of products and services considering their social utility and capacity to respond to essential human needs, such as life-saving drugs, electricity or water supply; "Availability of products and services for those on low incomes (e.g., preferential pricing of pharmaceuticals contributes to a healthier population that can participate more fully in the economy"; "pricing structures that exceed the economic capacity of those on low incomes" (GRI G3.1 EC9)
14	Intellectual Property Rights	Social and environmental impacts of a company's intellectual property rights on other companies and countries. In relation to the management of intellectual property rights and patents, measures - or lack of measures - that promote human and economic development, the protection of biodiversity, respect of traditional knowledge and local natural resources, for example through research & development, voluntary licenses, agreements, cooperation with research institutes and local communities. (GRI G3.1 EC9)
15	Materials	Environmental impact of use of materials by the company; "contribution to the conservation of the global resource base and efforts to reduce the material intensity and increase the efficiency of the economy"; use of recycled input materials (GRI G3.1 EN1, EN2)

16	Energy	Direct energy consumption; Indirect energy consumption; "Energy saved due to conservation and efficiency improvements"; "Initiatives to provide energy-efficient or renewable energy based products and services" (GRI G3.1 EN3, EN4, EN5, EN6, EN7)
17	Water Management	Management of water used by the company; water withdrawal from any kind of source; environmental impact of the use of water; recycling and reuse of water. (GRI G3.1 EN8, EN9, EN10)
18	Biodiversity	Impacts of activities, products, and services on biodiversity; Habitats protected or restored; IUCN Red List species and national conservation list species with habitats in areas affected (GRI G3.1 EN11, EN12)
19	Emissions	Direct and indirect greenhouse gas emissions; Initiatives to reduce greenhouse gas emissions; Emissions of ozone-depleting substances; NO, SO, and other significant air emissions; Initiatives to reduce emissions of ozone-depleting substances and air emissions. (GRI G3.1 EN16, EN17, EN18, EN19, EN20)
20	Waste Management	Waste management and disposal method; Transport of hazardous waste; Water discharge; Impact of water discharge on biodiversity. (GRI G3.1 EN21, EN22, EN24, EN25)
21	Pollution	Pollution; Significant spills of chemicals, oils, wastes, and fuels; Impact of pollution on the environment; Initiatives to avoid pollution and spills of hazardous materials. "Spill: accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water." (GRI G3.1 EN23)
22	Environmental Impacts of Products	Impacts of products and services on the environment, nature, and animals; Initiatives to mitigate such impacts; Reuse and recycling of products and package; New products or services that are friendly to the environment, nature, animals. (GRI G3.1 EN26, EN27)
23	Environmental Compliance	Compliance and noncompliance with environmental laws and regulations; "Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations." (GRI G3.1 EN28)
24	Environmental Impact of Transport	"Environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce" (GRI G3.1 EN29)
25	Employment	Employment; Creation of jobs; Job cuts (downsizing, restructuring); Rate of new employee hires and employee turnover; "workforce by employment type, employment contract, and region, broken down by gender"; "new employee hires and employee turnover by age group, gender, and region." (GRI G3.1 LA1, LA2)
26	Employee Benefits	Benefits attributed to a company's employees in addition to wages: pension plan, retirement plan, health insurance, parental leave, maternity leave, paternity leave, return to work and retention rates after parental leave (GRI G3.1 LA3, LA15)
27	Trade Unions	Relations of companies' management with trade unions (dialogue, partnership or confrontations); Freedom of Association and Collective Bargaining within the company as well as at major suppliers; Employees covered by collective bargaining agreements; Strikes; "Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements" (GRI G3.1 LA5)
28	Health and Safety	Health and safety of employees with the company and in the supply chain (occupational health and safety); Injury, occupational diseases, lost days, absenteeism; Work-related fatalities (deaths); "Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases"; "Health and safety topics covered in formal agreements with trade unions" (GRI G3.1 LA6, LA7, LA8, LA9)
29	Training and Education	Training and education offered by a company to its employees, "skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings"; Performance and career development reviews (GRI G3.1 LA10, LA11, LA12)
30	Diversity and Equal Opportunity	Diversity and equal opportunities among employees and in governance bodies, "according to gender, age group, minority group membership, and other indicators of diversity." (GRI G3.1 LA13)
31	Human Rights Policy	Incorporation of human rights concerns when deciding major investments or contracts; relations of companies with governments regarding human rights issues; human rights screening; boycott of certain countries and governments because of the human rights situation (GRI G3.1 HR1, HR2, HR3, HR10, HR11)
32	Discrimination	Discrimination: "the unjust or prejudicial treatment of different categories of people, especially on the grounds of race, age, or sex" (Oxford Dictionaries); Initiatives aiming at reducing or avoiding discrimination within the company, along the supply chain and in other sectors of society. (GRI G3.1 HR4, LA14)
33	Child Labor	"Risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor" (GRI G3.1 HR6)
34	Forced Labor	Operations and significant suppliers confronted to, or risking incidents of forced or compulsory labor, "and measures to contribute to the elimination of all forms of forced or compulsory labor." (GRI G3.1 HR7)
35	Security Practices	Impact of a company's security practices on the respect of human rights among its stakeholders; Training of security personnel on human rights. (GRI G3.1 HR8)
36	Indigenous Rights	Initiatives in favor of indigenous people; "Incidents of violations involving rights of indigenous people and actions taken" (GRI G3.1 HR9)

37	Local Communities	Positive or negative impacts on local communities; Prevention and mitigation of negative impacts; "Local community engagement, impact assessments, and development programs"; Community investments; Involvement in local communities related to topics such as education, health, the environment, or security. (GRI G3.1 SO1)
38	Humanitarian Action	Behavior of a company within and about emergency situations such as wars, civil wars and natural disasters. (GRI G3.1 SO1)
39	Corruption	Cases of corruption and bribery of public or private actors by a company; actions taken by the company to avoid the use of corruption; anti-corruption training; analysis of risks related to corruption. To bribe: "Dishonestly persuade (someone) to act in one's favour by a gift of money or other inducement" (Oxford Dictionaries); (GRI G3.1 SO2, SO3, SO4)
40	Lobbying Practices	Lobbying activities of companies: activities aiming at influencing decisions taken by governments at the national and international levels; Social and environmental impacts of such lobbying activities; "Public policy positions and participation in public policy development" (GRI G3.1 SO5)
41	Contributions to Political Parties	"Financial and in-kind contributions to political parties, politicians, and related institutions" (GRI G3.1 SO6)
42	Competition	"Anticompetitive behavior, anti-trust, and monopoly practices and their outcomes"; Unfair business practices; Measures oriented towards fair competition. (GRI G3.1 SO7)
43	Social Compliance	Compliance and noncompliance with social laws and regulations; Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. (GRI G3.1 SO8)
44	Awards, Reports and Comments	Award, prize and other marks of recognition received or given by a company in the field of sustainability, ethics, Corporate Social Responsibility (CSR); inclusion in, or exclusion from, Socially Responsible Investing (SRI) funds and indexes; publication of CSR and sustainability reports; general comments, positive or negative, about a company's behavior and international presence
45	Product Safety	Impacts of products and services on health and safety of consumers; Risks relating to the health and safety of consumers, and measures mitigating such risks; compliance and noncompliance "with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle" (GRI G3.1 PR2)
46	Product Labeling	Information about labeling of products and services; compliance and "noncompliance with regulations and voluntary codes concerning product and service information and labeling" (GRI G3.1 PR4); "Practices related to customer satisfaction, including results of surveys measuring customer satisfaction" (GRI G3.1 PR5)
47	Marketing Communications	Compliance and noncompliance with "laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship" (GRI G3.1 PR6, PR7)
48	Customer Privacy	Respect and "breaches of customer privacy and losses of customer data" (GRI G3.1 PR8)
49	Product Compliance	Compliance and "noncompliance with laws and regulations concerning the provision and use of products and services" (GRI G3.1 PR9)
50	Social Impacts of Products	Impacts of products and services on society and the people; human and social utility of products and services; socially innovative products and services such as life-saving drugs, education material or communications facilities; research & development (R&D) of products or services that present a particular interest for responding to human needs and contributing to economic and social development.