

How to Begin Your ESG Reporting Journey.

July 2023

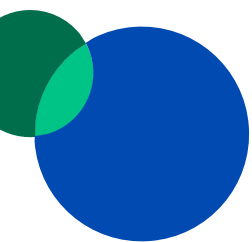


LABRADOR

Transparency by design

Table of Contents

3	Introduction
3	What is ESG?
3	How do you begin your ESG reporting journey?
6	Remember: it's a journey
7	Disclosure Examples



Introduction

You've heard the phrase "ESG."
Now your boss has asked you to publish
your company's first ESG report.

Where do you begin?

What is ESG?

The topics that fall under the umbrella of corporate environmental, social and governance (ESG)—from ethics to human capital management to climate change—are not new. But the imperative for businesses to address them and report publicly on progress is.

New ESG-related regulations, questionnaires and rankings, and voluntary standards seem to emerge every year and evolve quickly. As a result, it can be daunting to know where to begin.

How do you begin your ESG reporting journey?

While each company might travel a different path, we recommend six strategic steps to help publish a first report.

1. Get the right people in the room.

Before publishing an ESG report, you need to have information worth reporting. Bring together the right people to help determine your company's most important (or "material") ESG topics and what data and information you will share around each. Typical reporting teams often include staff from communications and marketing, legal, investor relations, environmental health and safety, and other departments. Many companies now have chief sustainability officers and teams. If your company does, involve them early and often throughout the reporting process.

2. Plan ahead.

Below are suggestions on what early decisions to make when developing a project timeline and budget.

When to publish? Will you publish before or after your company's annual meeting?

Most ESG reports cover the prior fiscal year's progress, and more companies are publishing them around the same time as their proxy statements to provide investors and other stakeholders with information they may find useful.

Who should provide data or review the report before it publishes? Identify subject matter experts across the company from whom you will gather information to include in the report. Concurrently, outline the internal reviews needed for sign-off before publication. These usually include legal, board committees, the CEO, and the board itself.

How to publish? Will you publish a PDF report on your company's website, web pages only, or both? Labrador's benchmarking of 2021 ESG reports from the Standard & Poor 500's Top 50 Companies (S+P 50) found that a majority do not print their ESG reports. Will your report be compliant with the Americans with Disabilities Act (ADA)? Deciding these issues early will support a smooth publication process.

3. Finalize tools and resources needed.

ESG reporting is becoming more like financial reporting, with quality control and audit trails to support consistent, reliable, and accurate information sharing year-over-year. Review the existing digital tools you have and determine what outside help you might need to assist with (1) interviewing subject matter experts for data related to your ESG topic areas; (2) data management and analysis; (3) audit trail development; (4) writing and proofreading; (5) photo management; (6) report design; (7) external assurance of data like greenhouse gas emissions; and (8) publishing the report. External experts like Labrador can assist with many of these needs.

4. Determine key topics on which to report.

There are a variety of sources you can use to determine which ESG topics to include in the report. Your sources could include:

Stakeholder requested information	One way to determine your company's most important ESG topics for disclosure is through a materiality assessment, which uses interviews, surveys and other engagement to compare what ESG topics are most important to your stakeholders to what is most important to your company's leadership.
--	--

ESG regulations in the countries in which you report	While several ESG-related regulations are still pending in the US—including on climate, board diversity and cybersecurity—financial reporting includes information on ESG topics like human capital management. In addition, new European Sustainability Reporting Standards (ESRS) and other EU ESG-related regulations might affect your company’s reporting over the next few years.
What peer companies report	Companies often benchmark the ESG disclosures of their peers to see what ESG topics and information they share.
Guidelines from institutional investors and ESG rating agencies	Talk to your investor relations colleagues to learn what institutional investors, proxy advisory firms and ESG rating agencies might require or score highly.
Questions asked by ESG-related rankings	Groups like Ecovadis, CDP and others invite companies to answer ESG-related questions for scoring.
Recommendations from international voluntary ESG frameworks, standards and guidelines	Many companies follow the recommendations of international organizations like the Global Reporting Initiative (GRI), the International Sustainability Standards Board (home to the Sustainability Accounting Standards Board (SASB) standards), and the Task Force on Climate-Related Financial Disclosures (TCFD). Additionally, many companies disclose how their ESG initiatives support the United Nations Sustainable Development Goals (UN SDGs).

5. Communicate your ESG story transparently.

We recommend short sentences and an active voice. While you will need to use certain ESG-related terminology around topics like climate or cybersecurity—partly to help artificial intelligence (AI) bots employed by ESG rating agencies find information needed to rate your company—try to stay away from too much jargon.

Remember: an ESG report is not a marketing piece. It is meant to be a transparent document that investors and other stakeholders can use to understand your ESG context, priorities and progress. Discuss not only your ESG achievements but also your challenges. If your company is not as far along in its ESG journey as your stakeholders

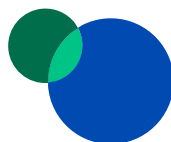
might expect, discuss what is in place to support progress going forward, like oversight of ESG risks and plans to set goals and targets or to improve discloser quality. The more concrete and less vague you can be, the better: aspirational claims without evidence your company can meet them might come across as “greenwashing.” We suggest sharing things that will be implemented over the next 1-2 years.

6. Make design work for you, not against you.

In addition to following your company’s branding guidelines, the strategic use of quotes, tables, infographics, charts, and other design elements can help your readers more easily understand your information. This is especially important for complex topics. If a simple infographic can convey information faster and more clearly than text, use it.

7. Publish the report and celebrate!

It’s finally time to publish the report! Engage early with your company’s marketing and web teams to promote a smooth report launch. We suggest including links to the report on your company’s investor relations web page and creating at least one web page dedicated to ESG on which you can include links to the report and your company’s ESG-related policies.



Remember: it’s a journey

ESG reporting is a journey, not a one-time event. Start planning early for next year’s report. Take the time to solicit feedback from the investors and other stakeholders who may have read your report. You can apply these lessons learned to make next year’s ESG report even better.

Disclosure Examples

Below are examples of first-time ESG reports.


Table of Contents

A Message from Our President and Chief Executive Officer	2	Driving Social Impact	24
Introduction	3	Technology and Innovation	24
About This Report	3	Product Affordability and Accessibility	26
Purpose, Mission and Values	4	Product Quality and Safety	26
Company Overview	5	Cybersecurity and Data Protection	28
Approach to Corporate Responsibility	7	Supply Chain Responsibility	29
		Philanthropy	30
Growing Our Business Responsibly	9	Reducing Our Environmental Impact	31
Corporate Governance and Shareholder Practices	9	Climate Risk and Resilience	31
Our Board of Directors	10	Operational Footprint	31
Ethics and Compliance	11	Product Stewardship	33
Anti-Bribery and Anti-Corruption	13	Disclosure Index	35
Marketing and Sales Practices	13	Global Reporting Initiative (GRI) Index	
Human Rights	14	Sustainability Accounting Standards Board (SASB) Index — Medical Equipment and Supplies	
Political Spending	14		
Investing in Our People	15		
Talent Attraction and Retention	15		
Employee Engagement	18		
Diversity, Equity and Inclusion	19		
Employee Well-Being	22		
Occupational Health and Safety	23		

HAEMONETICS®

2022 Corporate Responsibility Report

We Make It Possible. You Make It Matter.

 [Haemonetics 2022 Corporate Responsibility Report ►](#)



[Bloom Energy 2020 Sustainability Report ►](#)



Table of Contents			
Message from Leadership			
About This Report			
About Us	Our Strategy	Innovation	Environment
07 Sustainable Energy for the Digital World	11 Materiality	20 Bloom's Long History of Innovation	31 Greenhouse Gas Emissions
08 What's in the Bloom Energy Server	12 Green Finance Program	21 Making Clean Energy Efficient and Affordable	32 Energy Management
09 Our Value Proposition	15 Climate Related Risks and Opportunities		32 Product Efficiency
			33 Air Quality
			33 Water & Wastewater Management
			34 Product Stewardship and Circularity
People	Management	Appendices	
37 Supporting Our Communities	45 ESG Management and Oversight	51 TCFD Reference Index	
42 Taking Care of Our Employees		52 SASB Standards Table	
		54 GRI Index	
		59 Assurance	




TABLE OF CONTENTS	
Letter from CEO	1
About Cognex	3
Approach to Sustainability	4
Environment	7
Social	16
Governance	28
Appendices	35

About This Report

This Sustainability Report was published in September 2022 and covers data from Cognex's fiscal year ended December 31, 2021, and prior years as indicated. This report was developed based on the recommendations of the Sustainability Accounting Standards Board (SASB) (Software and IT Services standard) and the Task Force on Climate-related Financial Disclosures (TCFD). The report encompasses the operations and geographies noted specifically throughout the report. Information contained in this document is summary in nature and subject to change without notice. Further information on Cognex's financial information and sustainability strategy can be found in our Annual Report and Form 10-K for the fiscal year ended December 31, 2021.

Forward-Looking Statements

This report, including the CEO's letter, contains "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements are based on our current estimates and are not intended to be a guarantee of performance. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those expressed or implied by the forward-looking statements. For more information, please see the "Risk Factors" section of our Annual Report and Form 10-K for the fiscal year ended December 31, 2021.

COGNEX® 2021 SUSTAINABILITY REPORT



[Cognex 2021 Sustainability Report ►](#)



About Labrador

Labrador exists to offer the science of transparency to corporations wishing to communicate effectively with their readers.

Our experienced and passionate team is composed of attorneys, designers, project managers, thinkers and web developers. We collaborate together around a process that encompasses drafting, editing, designing and publishing across all digital and print channels.

We are thrilled that communications prepared by Labrador have contributed to trustful relationships between our clients and their readers, whether investors, employees or other stakeholders.

In turn, our commitment to our clients has resulted in meaningful long-term relationships with some of the most respected public and private companies in the world.

contact-us@labrador-company.com

530 Means Street
Suite 410
Atlanta, GA 30318
(404) 688 3584

Copyright © 2023 by Labrador

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law. For permission requests, email the publisher at contact-us@labrador-company.com.