

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are set against a clear, light blue sky. A large, white, stylized geometric logo, resembling a house or a diamond shape with a horizontal line through it, is superimposed over the center of the image. The logo's lines are thin and white, creating a frame around the central text.

CONSULTING
HAUS

ENVIRONMENTAL SOCIAL AND
GOVERNANCE REPORTING

AUGUST 2021

WITH THE PACE AT WHICH ESG REPORTING IS GAINING MOMENTUM AND SIGNIFICANCE GLOBALLY, THERE ARE SOME CRITICAL ASPECTS FOR THE BOARD AND SENIOR MANAGEMENT TO CONSIDER



KEY ASPECTS

Environment, Social & Corporate Governance (“ESG”) reporting has come into its own as a discipline, with most public companies implementing initiatives for ESG reporting. Some of the key aspects for the board and senior management to consider are:

- **Have we set adequate and compelling sustainability targets and goals in line with the market and competition:** It is essential to integrate ESG as part of the overall business strategy and integrate it with the ongoing governance and compliance.
- **Can we integrate ESG reporting into our financial reporting:** Since ESG investments and initiatives create new revenue sources and achieve operating effectiveness, positively impacting on present and future financial returns.
- **Which reporting framework are we adopting:** With the proliferation of standards and various frameworks at play, it is necessary to ensure implementing the right framework for ESG.
- **What accountabilities have we set for ESG related performance:** Integrating ESG performance with financial and operational performance will drive the progress and establish accountability.
- **What are our ESG risks, and how are we managing them:** ESG objectives and initiatives present a new range of risks and opportunities that are required to be embedded in the enterprise risk management priorities.
- **How efficiently ESG is integrated within compliance and controls:** Since ESG reporting is critical for investors, it becomes imperative to ensure the integrity of data reported by involving periodic reviews for compliance and audit.
- **Has the Covid-19 pandemic affected the ESG reporting:** With the pandemic’s effects on the customer behavior, workplace design, global supply chains and the communities in which they operate, the focus on ESG initiatives has shifted for many companies globally.

KEY CHALLENGES AND CONCERNS FACED BY ORGANIZATIONS IN COMPLYING WITH ESG REPORTING REQUIREMENTS

ESG - Increasingly, these three letters present considerable obstacles for boards navigating environmental, social and governance issues and overseeing their corporation's efforts. Too often, boards are struggling with the complexities of the evolving landscape and unable to make significant progress in implementing their ESG initiatives. To incorporate and disclose non-financial information, an organization needs to access and collect a significant quantity of ESG data aimed at tracking sustainability performance. Yet, today's challenge lies not only in ensuring access to an adequate quantity of ESG data, but more importantly, in verifying the consistency, reliability and comparability of these data. Some of the key challenges in implementing this initiative are:

VISUALIZING AND CONTROLLING RISKS MITIGATION ON STRATEGIC AND OPERATIONAL PERSPECTIVE FOR REMAINING ACTIVE, AGILE AND COMPETITIVE

DEFINING SUSTAINABILITY OBJECTIVES AND INITIATIVES BY HAVING A CLEAR UNDERSTANDING OF CUSTOMERS, STAKEHOLDERS, MARKETS AND COMPETITORS

ASSESSING, INTERPRETING AND IMPLEMENTING LEADING GOVERNANCE PRACTICES FOR MEETING STAKEHOLDER EXPECTATIONS

ENSURING COMPLETE ALIGNMENT WITH COMPANY OBJECTIVES, PRIORITIES, VISION, MISSION & DEFINITION OF SUCCESS

MEASURING AND TRACKING PERFORMANCE THROUGH INTEGRATION WITH GOVERNANCE AND INTERNAL CONTROLS

IDENTIFYING THE RIGHT FRAMEWORK AND DATA REQUIREMENTS
ENABLING ADEQUATE MEASURING AND REPORTING ON ESG



1. VALUE PROPOSITION

ESG DISCLOSURES FOR LISTED COMPANIES IN QATAR AS PER QFMA AND QSE REQUIREMENTS REQUIRES COLLATING INFORMATION FOR 37 KEY PARAMETERS

While the specifics vary from company, industry & geography, we consider a common set of factors when evaluating & engaging with companies seeking improvements in business practice & disclosure. This reporting is the disclosure of data explaining a business's impact and added value in three areas: *Environment, social & corporate governance*. *This initiative is supported by the Qatar Financial Markets Authority ("QFMA") & Qatar Stock Exchange ("QSE") for all listed companies as part of the Qatar National Vision (QNV) 2030.*



ENVIRONMENTAL

Climate Impact & Greenhouse Gas (GHG) Emissions, Energy Efficiency, Air & Water Pollution, Water Scarcity, Bio-diversity & Site Restoration

(QSE Requirements – 10 parameters)



SOCIAL

Human Rights, Local Community Impact & Employment, Child Labor, General Working Conditions, Health & Safety & Anti-Corruption

(QSE Requirements – 15 parameters)



CORPORATE GOVERNANCE

Alignment of Interests, Executive Compensation, Board Independence & Composition, & other Shareholder Rights

(QSE Requirements – 12 parameters)

BENEFITS & GROWING IMPORTANCE OF ESG REPORTING GLOBALLY

- Presents an opportunity for companies to share what they are doing to sustain the long-term interests of shareholders while also addressing the interests of customers, employees, suppliers & communities in which they operate.
- It is an inevitable response to the rapid growth of sustainable, responsible, and impact investing assets across the world.
- Board & senior management prioritize this initiative for ensuring adequate assurance to the investors, & regulatory bodies.
- It has assumed global significance in recent years for maintaining & enhancing the overall brand value, recognition & reputation of the organization.

1. VALUE PROPOSITION

OUR ESG REPORTING PROCESS IS BASED ON 5 KEY PILLARS AND IS DESIGNED TO BRING MULTIPLE BENEFITS

CONSULTING HAUS LLC'S ESG REPORTING PROCESS

- CH's governance advisory services are designed to ensure adequate and effective ESG reporting for your company.
- We will act as a vital sounding board, and it's always a relief when you can pressure test your ideas with someone who has your back.

VALUE PROPOSITION

5. GOVERNANCE AND CONTROL

Establishing robust governance framework for strengthening internal control environment enabling ESG reporting and achieving the strategic priorities.

4. RISK MANAGEMENT

Designing/enhancing the governance and risk management framework for adequate identification and mitigation of ESG risks and compliance requirements.



1. STRATEGY SETTING

Identifying sustainability objectives and priorities in line with the business strategy, to be implemented in the short and long term.

2. DATA MANAGEMENT

Identifying sources of data supporting the reporting and disclosure requirements of QFMA and QSE, as well as embedding it as an ongoing process of data development.

3. COMPLIANCE AND REPORTING

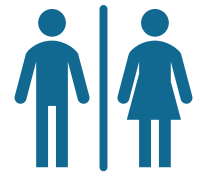
Monitoring the sustainability program objectives and reporting comprehensively on the overall ESG performance to the key stakeholders.

ASSOCIATED BENEFITS

-  ESTABLISHING ROBUST INTERNAL CONTROLS
-  EFFICIENT DATA MANAGEMENT AND DEVELOPMENT
-  EMBEDDING ESG REPORTING WITHIN GOVERNANCE AND RISK MANAGEMENT
-  EFFECTIVE AND RELIABLE ESG REPORTING
-  ASSURANCE TO KEY STAKEHOLDERS
-  COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

1. VALUE PROPOSITION

ESG REPORTING SUPPORTS THE BOARD AND SENIOR MANAGEMENT IN PROVIDING ADEQUATE ASSURANCE TO KEY STAKEHOLDERS WHILE COMPLYING WITH REGULATIONS



SENIOR MANAGEMENT

Supports in implementing sustainability initiatives and priorities with development of a framework for ensuring adequate and timely ESG reporting for enhanced assurance

BOARD OF DIRECTORS

Assists in identifying sustainability objectives and priorities for ESG reporting and support senior management in implementing the same with periodic tracking, monitoring and reporting



AUDIT & RISK MANAGEMENT

Enables them to provide their comments on the adequacy and effectiveness of the ESG reporting process with timely mitigation of risks

REGULATORY AUTHORITIES AND SHAREHOLDERS

Provides assurance and comfort that there is sound governance and oversight on the overall ESG initiatives and reporting.



OPERATIONAL OBJECTIVE

Effectiveness and efficiency of achieving ESG initiatives and associated performance goals



REPORTING OBJECTIVE

Internal/ external reporting and reliability, timeliness, transparency, or terms as per regulators and or the company's policies.



COMPLIANCE OBJECTIVE

Adherence to laws and regulatory compliance as part of business operations.

CONSULTING
HAUS

