

RepRisk Research Scope: ESG Issues

RepRisk’s core research scope is comprised of 28 ESG Issues that are broad, comprehensive, and mutually exclusive.

These 28 Issues drive the entire research process, and every risk incident in RepRisk’s ESG Risk Platform is linked to at least one of these Issues.

The Issues were selected and defined in accordance with the key international standards related to ESG issues and business conduct, such as the World Bank Group Environmental, Health, and Safety Guidelines, the IFC Performance Standards, the Equator Principles, the OECD Guidelines for Multinational Enterprises, the ILO Conventions, and more. In addition, the Ten principles of the UN Global Compact can be specifically mapped to RepRisk’s ESG Issues.

Clients have the ability to research these Issues within RepRisk’s ESG Risk Platform, and to analyze which companies, projects, sectors, and countries are exposed to risks related to each Issue.

In addition to the 28 ESG Issues, RepRisk also covers 73 Topic Tags, ESG “hot topics” and themes that are an extension of RepRisk’s research scope ([please see separate document](#)).

The following table provides the list of RepRisk’s 28 ESG Issues and their respective definitions:

Environmental Issues	
Issue	Definition
Animal mistreatment	<ul style="list-style-type: none"> This issue refers to the torture, mistreatment or abuse of animals, through experiments, husbandry, trophy hunting, etc.
Climate change, GHG emissions, and global pollution	<ul style="list-style-type: none"> This issue includes pollution, mainly atmospheric, that has negative impacts beyond the surroundings in which the emissions occur. This includes, for example, criticism related to climate change, carbon, and other greenhouse gas emissions, coal-fired power plants, gas flaring, carbon credits, etc.
Impacts on landscapes, ecosystems, and biodiversity	<ul style="list-style-type: none"> This issue covers impacts of company activities on ecosystems or landscapes such as forests, rivers, seas, etc., contamination of groundwater and water systems, deforestation, impacts on wildlife, etc.
Local pollution	<ul style="list-style-type: none"> This issue covers pollution into air, water, and soil that has a primarily local effect, including oil spills, etc.
Overuse and wasting of resources	<ul style="list-style-type: none"> This issue refers to a company’s overuse, inefficient use of waste of renewable and non-renewable resources, such as energy, water, commodities, etc.
Waste issues	<ul style="list-style-type: none"> This issue relates to inappropriate disposal or handling of waste from the company’s production processes or projects, as well as waste trafficking.

Social Issues

Issue	Definition
Child labor	<ul style="list-style-type: none"> ▪ This issue refers to the use of child labor by an employer, according to the ILO Conventions. ▪ This includes, for example, child prostitution, child pornography, child trafficking, etc. for those under 18 years old.
Discrimination in employment	<ul style="list-style-type: none"> ▪ This issue refers to treating people differently or less favorably because of characteristics that are not related to their merit or the inherent requirements of the job, such as gender, religion, nationality, age, etc. ▪ Discrimination can arise either when gaining access to employment or once employees are in work.
Forced labor	<ul style="list-style-type: none"> ▪ This issue refers to the use of forced or compulsory labor by an employer. ▪ This includes, for example, bonded labor, prison labor, exploitative practices, full or partial restrictions on freedom of movement, withholding of wages, threats of deportation for illegal workers, etc.
Freedom of association and collective bargaining	<ul style="list-style-type: none"> ▪ This issue refers to violations of workers' rights to organize and collectively bargain. ▪ This includes, for example, interfering with union formation and participation, retaliation against striking workers, refusal to comply with union agreements, etc.
Human rights abuses, corporate complicity	<ul style="list-style-type: none"> ▪ This issue is linked when a company is accused of committing or being complicit in human rights abuses. ▪ This includes, for example, violence against individuals, threat of violence, child and forced labor, human trafficking, organ trafficking, privatization of water sources, privacy violations, supporting oppressive regimes or terrorist organizations, trading in "blood diamonds" or "bush gold," etc.
Impacts on communities	<ul style="list-style-type: none"> ▪ This issue relates to activities of a company that leads to problems or worries for a community, such as a village or town or a group of people with common interests, values, preferences, social background, etc. ▪ This includes, for example, land- and water-grabbing, negative impacts on a community's livelihood/employment opportunities, relocation of communities, safety impacts, access to lifesaving drugs, etc.
Local participation issues	<ul style="list-style-type: none"> ▪ This issue covers instances in which local communities or individuals are not appropriately consulted about the activities of a company, do not benefit appropriately from their activities, or when companies use unethical tactics, such as imprisonment or harassment, to silence their critics.
Occupational health and safety issues	<ul style="list-style-type: none"> ▪ This issue refers to health and safety matters in the context of employee relations within a company. ▪ This includes, for example, lack of safety for employees at work, occupational accidents related to poor health and safety measures, sickness among workers related to production processes, negligence resulting in work-related accidents, etc.

Poor employment conditions

- This issue refers to poor employment conditions.
- This includes, for example, “slave-like” working conditions, “sweatshop” labor, harassment and mistreatment of employees (including sexual), issues related to labor contracts and/or pay, illegal employment, unfair dismissals, spying on employees, etc.

Social discrimination

- This issue refers to treating people differently or less favorably because of certain characteristics, such as gender, racial, ethnic, or religious, outside of an employment setting (such as customers).
- See “Discrimination in employments” for discriminatory treatment of employees.

Governance Issues

Issue

Definition

Anti-competitive practices

- This issue refers to business or government practices that prevent, reduce or manipulate competition in a market.
- This includes, for example, bid-rigging, dumping, exclusive dealing, price fixing, dividing territories, government-granted monopolies, limit pricing, tying, resale price maintenance, collusion, etc.

Corruption, bribery, extortion, money laundering

- This issue refers to corruption, bribery, extortion and money laundering.
- The understanding of corruption is based on the 10th Principle of the UN Global Compact.
- This includes, for example, use of slush funds, aggressive lobbying, overcharging, nepotism, cronyism, connections to organized crime, etc.

Executive compensation issues

- This issue refers to the compensation (salary, bonus and other remuneration) of top management, regardless of their performance.
- This includes, for example, excessive bonuses, salaries, pensions, termination settlements, benefits, etc.

Fraud

- This issue refers to intentional deception made for personal gain or damage to another individual (lying with financial or legal impacts).
- This includes, for example, counterfeiting, forgery, embezzlement, insider trading, fraud related to bankruptcy, investments or securities, breach of fiduciary duty, false advertising/billing/claims/documentation, misleading investors, stock price manipulation, etc.

Misleading communication

- This issue refers to when a company manipulates the truth in an effort to present itself in a positive light, and in the meantime contradicts this self-created image through its actions.
- Also refers to when a company misleads consumers about its products and services.
- This includes, for example, “greenwashing,” false advertising, off-label marketing, “astroturfing,” etc.

Tax evasion

- This issue refers to general efforts to not pay taxes by illegal means.
- This includes, for example, tax fraud, use of tax havens, etc.

Tax optimization

- This issue refers to the practice of minimizing tax liability through tax planning. While not illegal, it may be associated with abuse of the law.
- Often criticized for robbing a state of potential tax revenues, particularly in developing countries.
- This includes, for example, tax inversion, the relocation of a company's headquarters to a low-tax country while retaining operations in a high-tax country, and tax avoidance, taking advantage of beneficial tax "loopholes."

Cross-cutting Issues

Issue

Definition

Controversial products and services

- This issue refers to the sale of products or services that provoke strong disagreement or disapproval.
- This includes, for example, alcohol, weapons, drones, biofuels, drugs used for state executions, gambling, genetically-modified organisms, nuclear power/fuel, palm oil, ozone-depleting substances, seed and/or animal patents, PCBs, pornography, socially-controversial financial services, tobacco, tropical wood products, etc.

Products (health and environmental issues)

- This issue refers to providing a product or service which poses an unnecessary risk to the consumer's health or the environment.
- This includes, for example, recalls of toxic or dangerous products (including drugs), contaminated food, medical treatments leading to unintended health consequences, transportation services providing safety risks to customers, etc.

Supply chain issues

- This issue refers to companies who are held accountable for the actions of their suppliers. Both vendors and subcontractors are considered part of the supply chain.

Violation of international standards

- This issue refers to breaches of international standards set by:
 - International governmental organizations with a global nature that are open for all states to join, including all UN-related bodies
 - International treaties with a global nature that are currently in force and that are, in principle, open for all states to sign
 - International customary law.

Violation of national legislation

- This issue refers to the violation of national and state legislation in relation to an environmental, social, or governance issue.
- This includes, for example, breaches of national or regional laws, breaches of bilateral or regional treaties, court actions by government agencies or other companies for questionable business practices, breaches of domestic laws for crimes committed abroad, business with nationally-sanctioned countries, etc.