

ESG by FSG

Global Certification



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Programme Purpose

ESG stands for **E**nvironmental **S**ocial **G**overnance and refers to the three key factors when measuring the sustainability and ethical impact of an investment in a business or company.

An ESG strategy should align the company to the 17 SDGs.

E - Refers to the environmental impact of the company, which can be measured in GHG Scopes 1, 2 & 3

S - Refers to the social impact of a company to all its stakeholders which may include: employees, customers, the supply chain and the business' wider community.

G - Refers to the company's governance, having a set of policies that are actively implemented to support Planet and People.

Sustainable development refers to 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs'. Through their activities and business relationships, organizations can have a positive or negative effect on the economy, environment, and people, and in turn contribute to sustainable development.

The objective of ESG by FSG is to provide transparency on how an organization contributes or aims to contribute to sustainable development, increasing the organization's accountability.

The Standards contain disclosures that allow an organization to report information about its impacts consistently and credibly. This enhances the global comparability and quality of reported information on these impacts.

ESG Certification Objective

The objective of ESG by FSG Business Certification is to provide transparency on how an organization contributes or aims to contribute to sustainable development, increasing the organization's accountability.

The certification programme encompasses the following objectives:

- Assess and verify that the products & processes of the organisation meet specific environmental, social, and economic sustainability criteria.
- Ensure that the certified entity minimizes its environmental impact by promoting sustainable practices, reducing resource consumption, and mitigating pollution and waste generation.
- Promote ethical and responsible behavior by analysing the organisation's labor practices, workers' rights, community engagement, and social equity.
- Provide consumers with a reliable way to identify products or organisations that align with their values and preferences related to sustainability.
- Provide trust and transparency in the marketplace.

Certification Summary

The Certification Process requires that an organisation demonstrates how they have implemented sustainability standards. It is an exhaustive process and will require that the organisation provides confidential data and information. All information acquired as part of this process is confidential and will not be disclosed or shared with anybody inside or outside the reporting organisation.

The Certification price is based on the size of the organization to ensure equal access to businesses large or small.

- a. 50 or under employees €3,500 – if failed €1,500 second audit
- b. 100 or under employees €5,000 – if failed €2,500 second audit
- c. 500 or under employees €11,000 – if failed €6,000 second audit
- d. Over 500 employees €25,000 – if failed €10,000 second audit

Certification Standards

The ESG by FSG Business certification asks organisations to demonstrate their alignment with the ESG by FSG 50 standards for Environmental, Social Governance which are certified by the UN University of PEACE. The FSG standards are aligned with GRI to follow best practice.



University
for Peace



Official Certificate
Compliance with the SDGs



Certification of Recognition

By virtue of the authority granted by the United Nations General Assembly, the University for Peace hereby confers the Sustainable Development Goals (SDG) Certification upon

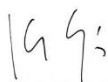
Fifty Shades Greener

to the Programme

"Environment, Social and Corporate Governance (ESG)"

This certification recognizes the company's commitment to and adherence to the Sustainable Development Goals as outlined by the United Nations.

This certification is valid for two (2) years. In witness whereof, this diploma is granted bearing the seal of the University for Peace, in San José, Costa Rica on October 20th, 2023.



Juan Carlos Sahz Borgo
Vice Rector



Environmental Standards		
No	Criteria	Alignment to SDGs
1	Measure and record the organisation's energy use monthly.	7,9,12,13
2	Have an energy management plan to reduce energy which is reviewed monthly (including switching to renewable energy).	7,9,12,13,14,15
3	Have a time-bound plan that aims to measure all relevant categories of Scope 3 emissions.	7,9,12,13,14,15
4	Measure and record the organisation's waste production and its different streams monthly.	2,7,9,12,13,14,15
5	Comply with all waste and water treatment legislation and any other environmental licensing/legislation relevant to your organisation/industry.	3,6,7,9,12,13,14,15
6	Have a waste management plan to reduce waste production which is reviewed monthly.	2,7,9,12,13,14,15
7	Measure and record the CO2 emissions of organisation-related travel annually (including employee commuting and business travel).	7,9,12,13
8	Calculate and record the organisation's Scope 1 and Scope 2 CO2 emissions annually.	7,9,12,13
9	Analyse how the organisation interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts the organisation has caused.	6, 9, 11, 12, 13, 14

10	Have a water management plan to reduce water use which is reviewed monthly.	6,7,9,12,13,14,15
11	Measure the percentage of local suppliers and upstream transportation methods annually.	2,9,10,11,12
12	Have an action plan that is time-bound to improve the percentage of local purchases and emissions from the transportation of products that are reviewed bi-annually.	2,9,10,11,12
13	Analyse the environmental impact of products when used/disposed of by the customer and include recommended actions to customers on the use and disposal method of the product.	6, 11, 12, 13, 14 & 15
14	Have an action plan which is time-bound to reduce emissions from employee commuting and business travel.	3,9,11,13
15	Analyse if the organisation's operations originate significant emissions to air (e.g., oil & gas, energy, transportation, chemical, including ozone-depleting substances).	2,3,6,9,12,13,15
16	Analyse the organisation's products and services to observe circular economy principles and develop justifications for products and services that don't meet these principles.	3,6,9,12,13,15
17	Measure and analyse the environmental impact of all raw materials and develop an action plan to replace some/all materials with eco/organic materials.	2,3,6,9,12,13,15
18	Analyse the environmental impact of all packaging and develop an action plan to replace and reduce packaging.	2,3,6,9,12,13,15

19	Assess the organisation's impacts and risks on nature and ecosystems (local to global) which includes deforestation and land degradation.	3,6,9,12,13,15
20	Engage with suppliers on their sustainability mission and ensure they are attempting to reduce their carbon footprint and address ecosystems and biodiversity impact.	3,9,11,12,13,15,17
21	Examine if there are any risks of soil/water contamination resulting from the activities of the organisation.	3,6,9,12,13,14,15
22	Have an action plan that is time-bound to address the organisation's impact on nature and ecosystems (local to global) which is reviewed annually (e.g. certified eco-cleaning products).	3,6,9,12,13,14,15
23	Act in accordance with the safe use, storage and disposal of hazardous/toxic chemicals and substances.	3,9,12,13,14,15
24	Have a sustainability training programme in place for all employees, including the formation of an internal ESG team that meets regularly.	2,3,9,12,13,14,15,17
Social Standards		
25	Measure & record employee satisfaction & well-being bi-annually.	3,8
26	Measure & record employee turnover rates, new hire rates, promotion rates and return to work from parental leave rates by gender bi-annually.	1,3,8,10
27	Design strategies to reduce employee turnover and improve talent retention.	1,3,8,10

28	Measure & record customer satisfaction bi-annually.	3,8,11
29	Measure the % of employees that have received performance and career development reviews and offer opportunities for CPD.	1,3,4,8
30	Measure gender equality within the workforce (% split of genders and salaries).	1,3,5,8,10
31	Measure diversity (race, sexuality, religion and/or culture) within the workforce.	1,3,5,8,10
32	Pay a minimum of the national living wage to all employees and subcontractors and ensure all employees have formal contracts of employment.	1,3,5,8,10,11
33	Analyse health and safety standards of all employees (full-time, part-time, contractors...) and consumers regularly and provide training on H&S.	1,3,8
34	Analyse possible risks of violations of human rights when dealing with people: employees, customers, contractors, supply chain, and the wider community (including analysing the forced and child labour risks and the rights of indigenous people).	3,5,8,10,11,17
35	Measure and report workplace incidents and accidents (including discrimination incidents), and corrective actions taken.	3,8,10
36	Measure the social impact (positive or negative) that the organisation has on the local community and develop a plan to improve annually.	1,3,5,8,10,11
37	Conduct risk assessment for employees, suppliers, and customers.	3,8,9,3,10

38	Have a well-being/benefits programme for all employees (full-time, part-time, temporary) which at a minimum includes all employee rights/policies in the organisation's country (parental leave, sick leave, retirement, health insurance...).	1,3,8,10
Governance Standards		
39	Have an environmental policy which includes annual targets commitments and measurable goals.	6,7,9,13,14,15
40	Have a detailed policy ensuring the health and safety of customers and employees (including casual workers, and volunteers).	1,3,8,10
41	Have a detailed policy for data protection, privacy, and security.	3,8,10
42	Have a comprehensive policy that identifies and addresses human rights, labour standards, sexual harassment, indigenous people's rights, and modern slavery risks.	1,3,5,8,9,10,11
43	Follow all the mandatory compliance concerning product service information and labelling.	9,12,13
44	Have a code of ethics that includes human rights and animal welfare and a responsible purchasing policy for suppliers.	9,12,13,17
45	Be transparent about ethical financing, where taxes are spent and practice responsible transparency and accountability to all stakeholders (including tax strategy, report of political contributions, direct economic value generated and distributed, financial assistance received from the government...).	1,9,11,12,13,17

46	Ensure no involvement in any illegal practices in the past three years (corruption, fraud, bribery), have an anticorruption policy and offer training about anti-corruption procedures.	1,8,12
47	Ensure no conflicts of interest when choosing the board members and analyse the board diversity and gender equality.	3,5,8,9,10,11
48	Communicate ESG/sustainability/CSR values and targets on the website/annual report.	3,4,5,6,7,8,9,10,11,13,14,15,17
49	Have a policy that supports freedom of association, the right to organise, and collective bargaining.	1,3,8,10
50	Have a policy for innovation and ensure all newly developed products or services follow ESG standards.	6, 9, 11, 12, 13, 14, 15

Award Criteria

There is a total of 50 standards:

- 24 environmental standards
- 13 social standards
- 13 governance standards

Emerald – Year 2 - when not only reporting but actually improving

Gold – achieves all 50 standards

Silver – achieves 18 Env – 9 Social – 9 governance

Bronze – achieves 12 Env - 6 social – 6 governance

An annual ESG report published on their organisations website is mandatory for all awards

Certification Steps:

1. The organisation expresses interest and completes the online self-assessment <https://www.fiftyshadesgreener.ie/esg-self-assessment> .
2. FSG identifies if this is an industry we can work with.
3. An intro call is conducted between the FSG certification team and the applicant to ensure they are ready for certification. If the organisation is not ready, further education and training will be recommended as an initial step.
4. If the organization is ready FSG sends the certification fee invoice and once it is paid, FSG sends the certification pack containing tools to measure ESG metrics, a materiality assessment template and an ESG report template.
5. Once they have received the certification pack they book a date for the Audit to commence.
6. The organisation completes all required documentation and sends to FSG, we open a google drive for each organisation to upload all their files.
7. FSG Team performs a desk review of all documents. We ask for different invoices, emails, etc to prove some of their claims. (See Appendix A)
8. On completion of the desk review, FSG experts visit the organisation for an audit, during this audit we can conduct interviews with staff, request more evidence to support the report, analyse products/packaging ourselves and speak to the ESG manager and management team.
9. If all verifications are correct, we add up the number of standards they have achieved, and we give them an award.
10. If they have not reached the minimum amount of standards, we write a recommendations report and explain how to apply again with a discounted fee.
11. We'll give the certificate, which needs to be re-validated every year, the year will appear on the badge, badge can be hyperlinked to a website page explaining the standards and awards.

Intellectual Property Rights

The ESG by FSG standards have been developed by the FSG Founder and CEO (Raquel Noboa) and the EQA (Marta Carrasco).

The standards have been mapped to the SDGs, as well as the GRI Sustainability international standards.

Furthermore, the ESG by FSG standards have been verified and certified as SDG compliant by the UN University for Peace.



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Appendix A: Desk audit required documentation.

Category	Subcategory	Required to measure?	How can we verify it?
Scope 1 -	Direct emissions arising from owned, leased, or directly controlled stationary sources that use fossil fuels and/or emit fugitive emissions	yes	Certificates of compliance from their local EPA
	Direct emissions from owned, leased or directly controlled mobile sources	yes	Fuel invoices
Scope 2	Emissions from the generation of purchased electricity, heat, steam or cooling	yes	bills
Scope 3 - Purchased Goods and services	Water consumption	yes	bills
	Packaging	Yes, at least packaging of the top 10 products purchased	Product information – certifications of packaging
	Emissions cradle to gate of purchased goods and services	optional	
Scope 3 - Capital Goods		optional	
Scope 3 - fuel related activities	transmission and distribution losses	optional	
	Upstream emissions from purchased fuels	optional	
	Upstream emissions from purchased electricity	optional	
Scope 3 - Upstream transportation	transport of purchased goods from direct suppliers to the organisation's facilities	Yes, at least the transportation of the top 10 purchased goods	Invoices where it appears the type of vehicle.
Scope 3 - Waste generated in operations		yes	bills
Scope 3 - business travel	emissions from transport by air, public transport, rented vehicle or taxi	yes	Flight tickets, bus tickets, invoices from renting a car...
	emissions from accommodation	optional	
Scope 3 employee commuting	Emissions from employees commuting from their work to their places of work	Yes, at least 80% of their employees	They'll need to be able to share the results of their survey with us
	emissions from employee working at home	optional	We can do this by averages, we can't ask for employees' personal bills.
Scope 3 - downstream transportation	transport of sold goods from work facilities to the direct customers	optional	
Scope 3 - use of sold product	Direct emissions (e.g. electronic devices)	yes	Information of the product consumption (kwh)

	Indirect emissions	optional	
Scope 3 – end of life treatment	Packaging	Yes, at least packaging of the top 10 products sold	Product information
	The product itself when it's disposed of	optional	
Scope 3 – franchisees, investments, and leased assets	Scope 1 and 2 emissions of these facilities	optional	Bills
Scope 3 – processing of sold goods	The energy required to process a good sold to an external Organisation	optional	
Ecosystems assessment tool completed	Analysis of water, soil or air pollution, identifying the organisation's activity, frequency of activity, compliance with regulation and possible solutions to reduce it.	Yes	Research their business activities to see if all forms of pollution have been reported. How often do they assess the level of risk/pollution. Example: Chemical cleaners used in kitchen in a daily basis can produce air pollution
Circular economy tool completed	Purchased products assessment of observing CE principles	Yes	Desk research, interviews with staff and suppliers. Analysis of raw materials and packaging during site visit.
Social measurement tools	Gender balance, pay gaps, minimum wage, career progression, team wellbeing	Yes	HR files audit, interview with staff and managers during site visit
Policies for ethical governance		Yes	Include policy questions on staff and management interviews to ensure policies are implemented and not just written. Suppliers code of ethics to be checked with the organization's suppliers.

Ethical financing	Tax transparency, wealth distribution		Desk analysis of revenue field accounts for the reporting year
Ethical governance	Diversity, gender equality and selection process of members		Interview with the board