



ESG 1000[®]

**THE INTERNATIONAL CERTIFICATION
STANDARD FOR A NON-FINANCIAL
GOVERNANCE SYSTEM**

ESG 1000[®]

NON-FINANCIAL GOVERNANCE OF ENTERPRISES

The ESG 1000[®] standard, for Environment, Social, Governance – Index 1000, is the international certification standard for a non-financial governance system (historically referred to as a "CSR management system"). The ESG 1000[®] standard defines the requirements that an entity can use to structure and enhance its social, ethical, and environmental practices, with the objective of sustainable development.

The international ESG 1000[®] standard is a certification standard that applies to all companies and organizations, regardless of their size or industry sector. Certification to the ESG 1000[®] standard aims to ensure that the management system promotes the widespread adoption of best practices in non-financial governance.

The standard enables the measurement of an organization's non-financial performance, the evaluation of the alignment between stated objectives and observed behaviors, and the contextualization of this performance in relation to economic performance.

The standard is regulated and distributed by the IGSF.

OBJECTIVES OF THE ESG 1000[®] STANDARD

ESG 1000[®] is based on the principle of positioning the entity within a global vision, taking into account its objectives in terms of non-financial governance.

The challenge lies in fully engaging the organization in an integrated approach, thereby ensuring a genuine and effective commitment, rather than confining it to diffuse or limited policies.

ESG 1000[®] offers a direct, clear, and transparent approach. Its objective is to standardize ESG evaluation criteria by sector to harmonize international recommendations and regulations while promoting the widespread adoption of best practices on a large scale. This approach makes it easier to identify entities that are fully committed to a strong and principled approach to sustainable development.

The standardized nature of the certification approach ensures uniformity in processes and a shared understanding among all stakeholders of an entity. It thereby conveys, through tangible elements, assurances regarding overall performance, aligning economic performance with non-financial performance.

THE SPECIFICATIONS

The ESG 1000® specifications were developed in alignment with applicable standards and based on internationally recognized recommendations related to non-financial governance, such as the ESRS (European Sustainability Reporting Standards) defined by EFRAG under the CSRD (Corporate Sustainability Reporting Directive), the GRI (Global Reporting Initiative) standards, the Global Compact, the CERES 2030 principles and roadmap, ILO (International Labour Organization) conventions, IPCC reports, and standards including AML 30000, ISO 14001, ISO 26000, ISO 37001, ISO 45001, MSI 20000, and SA 8000.

The ESG 1000® Specifications describe:

- The set of measures to be implemented by companies or institutions regarding non-financial governance
- The methods used to assess compliance and the effectiveness of the management system for ESG 1000® certification

The sectoral adaptation of the specifications is designed with a focus on managing Impacts, Risks, and Opportunities (IRO) and contributing to the 17 Sustainable Development Goals established by the United Nations Member States as part of the « Agenda 2030 ».

NON-FINANCIAL REPORTING

Non-financial reporting has become essential to ensuring transparent and reliable communication with all stakeholders, including regulators. With the introduction of new regulations, such as the European CSRD directive on sustainability reporting, this obligation has taken center role in corporate governance. In this context, economic entities must provide concrete, clear, and traceable evidence demonstrating their genuine and effective consideration of environmental and societal impacts in their activities.

The ESG 1000 standard plays a key role in helping companies simplify, structure, and streamline the preparation of their non-financial reporting by providing them with a robust methodological framework. This enables companies, on the one hand, to meet regulatory requirements and, on the other, to demonstrate the reliability of their management system, mitigate risks associated with their activities, and strengthen stakeholder trust.

ASSESSMENT SCOPE

A SCOPE

Through the evaluation of the non-financial governance system, it is important to gain a clear understanding of the detailed mapping of impacts and, consequently, the related challenges that entities face and must address.

This analysis enables the identification of the fundamental risks and opportunities associated with the non-financial governance policies of entities. The objective of this exercise is to assess the impact of these risks and opportunities on the development, performance, and position of entities in the short, medium, and long term. It also aims to act on and provide insight into their ability to manage risks or seize opportunities that could significantly influence their business model, strategy, future cash flows, access to financing, and cost of capital.

The methodology of the ESG 1000® certification standard is therefore based on the interdependence between non-financial performance and economic performance.

B COVERED THEMES

The evaluation under the ESG 1000® certification standard covers a comprehensive range of non-financial issues grouped into 12 central themes and is conducted through a set of ESG criteria aimed at measuring the compliance of systems and their effectiveness. The assessment of the non-financial governance system, for the purpose of certification under the ESG 1000® standard, is integrated into a structured process, focusing on a specific scope and a set of requirements, including the 12 themes listed below:

1. Entity Profile: general information,
2. Organization governance,
3. Operational risk management in Non-Financial Governance,
4. Products and Services: drivers of responsible innovation within the framework of impact analysis, risk and opportunity management,
5. Environment and biodiversity,
6. Social: human capital,
7. Consumers and end users,
8. Recognition of stakeholders' interests and involvement,
9. Human rights,
10. Ethics and business conduct,
11. Philanthropy, community, and local development,
12. Overall performance of an entity: financial quality vs. non-financial performance.

EVALUATION PROCESS

To assess the compliance of an evolving system, at a given point in time, with a set of criteria related to non-financial governance, an evaluation is conducted by a duly accredited third-party certification body.

This involves assessing, in light of the requirements outlined in the ESG 1000® specifications, the compliance of the implemented systems in terms of non-financial governance and their effectiveness.

1 Initiation of the Mission

The evaluation process begins with a meeting to present the methodology employed and the execution timeline.

2 Analysis

Examination of the technical compliance and the effectiveness of the measures adopted by the evaluated entity within the scope of non-financial governance. This involves collecting all relevant information from the beneficiary through audit techniques adapted to the type of information needed, such as document reviews, interviews, site visits, information system reviews, and more.

These examinations are based on the verification of several factors, including the governance structure, the entity's ability to develop effective strategies and make commitments, the completeness and relevance of the materiality matrix based on an IRO (Impacts, Risks, and Opportunities) approach, the implementation of emission assessments and the definition of their scope, the evaluation of adopted policies (related to products, business relationships, environment, human capital, human rights, etc.), as well as the implementation of appropriate controls, risk prevention measures, and monitoring systems.

3 Interpretation

The relevance and effectiveness of the systems are then assessed for each requirement outlined in the ESG 1000® specifications, using a scoring system weighted by coefficients.

This step measures the quality of the non-financial governance system to determine its eligibility for certification.

4 Validation

The certification committee is responsible for ensuring that the evaluations are properly conducted in compliance with the rules and procedures established for this purpose, in accordance with the ISO 17021® standard, and for making a decision on the compliance status of the entity under evaluation. If compliance is confirmed following the evaluation, a certificate of conformity is issued to the evaluated entity by the certification body.

THE MAIN CHALLENGES OF NON-FINANCIAL GOVERNANCE BY ESG 1000®

Non-Financial Governance: A Source of Opportunity and Attractiveness

Non-financial governance, or more broadly, sustainable development, may sometimes be viewed as a constraint, driven by pressure from public opinion or governments. In reality, non-financial performance and economic performance are not contradictory - quite the opposite, they complement each other. An enterprise's non-financial governance framework should therefore be transformed into an opportunity and become a driver of sustainable growth.

The 17 Goals to Address the Challenges of Globalization

In September 2015, the Sustainable Development Goals (SDGs), part of the "2030 Agenda," were unanimously adopted by the 197 member countries of the United Nations. These goals reflect the principles of a new paradigm for universal, inclusive, and sustainable development, interlinking social, economic, and environmental dimensions. The ESG 1000® standard aims to address these goals individually and ensure that certified companies provide concrete evidence of their commitment and contribution.

Stakeholder Engagement

Establishing dialogue and mutual commitments with all stakeholders must be at the core of a company's non-financial governance framework to maximize the achievement of predefined objectives. This approach enables the identification of all impacts and the development of solutions to identified issues in collaboration with the direct ecosystem. It also allows for the creation of products and/or services tailored to market needs while managing their environmental, societal, and ethical impacts.

Competitive Development Through a "Sustainable" Business Approach

Achieving growth without increasing environmental harm is undeniably a core challenge of sustainable development. Defining a so-called "sustainable" business model is no longer just a matter of compliance or regulation but has become a sine qua non condition for the longevity and growth of companies. This involves achieving growth with a spirit of fairness, redistributing value to key stakeholders directly concerned: investors, clients, employees, and, indirectly, civil society.

Economic Viability and Non-Financial Performance: Two Interdependent Principles

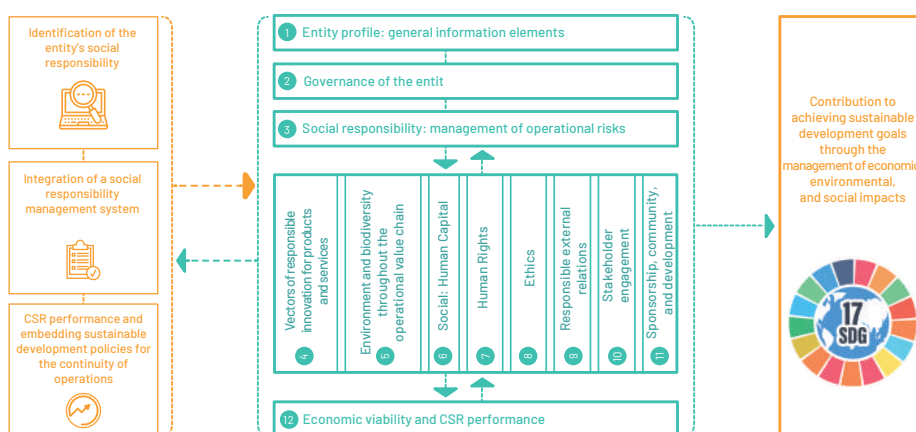
It is equally crucial for a company to follow a sustainable and committed approach while remaining economically viable and enduring. This is why the overall performance of an entity is a requirement of the ESG 1000® Standard, aiming to align economic performance with non-financial performance in the pursuit of sustainable development.

Building a Resilient Structure Through Risk and Operational Impact Management

Understanding your own risk mapping (in terms of social, environmental, business conduct, information system security, etc.) and its scope, while considering the Sector/Country correlation, enables the creation of a resilient structure. This is achieved by developing key areas of vigilance and anticipating future weaknesses and dysfunctions.

Standardization of ESG Criteria

In response to the looming wave of regulations, particularly those related to climate and sustainable development, most economic and financial players advocate for greater standardization of the approaches adopted. Standardization does not oppose innovation; on the contrary, it centralizes and facilitates access to data, allowing companies to focus fully on their activities and the products or services they offer—especially in light of increasingly demanding consumers who are themselves concerned with environmental, societal, and ethical challenges.



CERTIFICATION CYCLE

When the Certification Evaluation (CE) confirms the compliance of the evaluated entity with the ESG 1000® standard, a certificate is issued for a duration of three years, in accordance with management system certification regulations.

Follow-up Evaluations (FE) are conducted annually in year n+1 and year n+2 to ensure the entity's continued compliance with the ESG 1000® standard throughout the entire certification cycle.

The certification is renewed following a Maintenance Evaluation (ME) at the end of the 3-year validity period.

An active and valid certificate grants the right to use the ESG 1000® conformity marks.

The certificate can only be issued by a duly authorized certification body.

BENEFITS OF CERTIFICATION

A PROCESS AND EXPERTISE

Adhering to a certification process under the ESG 1000® standard allows for:

- Continuously ensuring the relevance and effectiveness of the non-financial governance systems in place;
- Promoting and strengthening a culture of compliance and performance in non-financial governance by highlighting:
 - The importance of issues related to the long-term sustainability of established business models and their ability to align with a viable and sustainable development dynamic;
 - The risks involved, particularly in terms of reputation and sanctions, in cases of deficiencies or the absence of a comprehensive and effective system.
- Ensuring the continuous improvement of the management system by:
 - Identifying weaknesses and addressing them through the implementation of corrective action plans;
 - Strengthening existing strengths.
- Guaranteeing the compliance of the governance system with the latest updates and recommendations of the standard, aligned with current international regulations;
- Encouraging the evolution of best practices in non-financial governance.

B COMMUNICATION TOOL

- Certification under the ESG 1000® standard serves as a reliable and tangible benchmark for economic and financial operators, enabling them to distinguish between companies as part of their duty of care.
- The ESG 1000® certification is a strong argument that demonstrates and validates compliance with a set of requirements related to overall performance.
- Compliance with the ESG 1000® standard reflects a commitment to ethical, social, environmental, and governance practices.
- The use of ESG 1000® conformity marks is an indicator that directly contributes to the valuation process of the certified entity.
- The use of ESG 1000® conformity marks provides a significant competitive advantage and serves as a concrete argument for differentiation and negotiation.
- Certification is a key element in strengthening brand reputation, facilitating access to investment and financing.

STANDARDIZATION BODY

IGSF & ESG 1000®

The IGSF - International Group for Sustainable Finance, A.S.B.L., is the organization responsible for the development and dissemination of the ESG 1000® standard. It is a global standardization body for financial and non-financial governance, based in Luxembourg and chaired by Véronique de La Bachelerie.

The IGSF primarily operates on two fronts: first, the technical organization of financial and non-financial governance standards by listing the normative requirements for each standard; and second, the dissemination of standards and best practices more broadly.

The topics addressed by the IGSF notably include issues related to combating financial crime, financial governance, and the non-financial governance of companies and organizations of all types.

The ESG 1000 standard is supported within the IGSF by an Internal Committee dedicated to the Non-Financial Governance of Enterprises. The ESG 1000 Committee, chaired by Mr. Christian Levesque and assisted by Mr. Alexandre Rambaud as Vice-Chairman, is composed of international experts and specialists in non-financial governance (social, ethical, and environmental practices).

Chairmanship of the ESG 1000® Committee

Christian Levesque is the President and Head of the Canadian ISO Delegation and co-author of ISO 37000 (Governance of Organizations) and ISO 37001 (Anti-Bribery Management Systems). Previously, he served as President of the Quebec Chamber of Commerce and Industry and as a Member of Parliament, overseeing portfolios such as the Treasury, Public Finances, and Economic Development.

Mr. Levesque currently serves as the Leader of Forensic Francophone Africa at Deloitte and is recognized as an international expert on ISO 37000, ISO 37001, and ESG 1000 standards. He is frequently invited to speak at international conferences and delivers higher education programs related to CSR and Governance in partnership with leading universities, including Paris Dauphine.

Vice-Chairmanship of the ESG 1000® Committee

Dr. Alexandre Rambaud, a mathematician and management sciences specialist, is a lecturer at AgroParisTech (National Institute of Life, Food, and Environmental Sciences) and a researcher at CIREN (International Research Center on Environment and Development). Dr. Rambaud co-directs the "Ecological Accounting" Chair (AgroParisTech Foundation) and the "Double Materiality" Chair (Risk Foundation). He is an Academic Fellow at the Louis Bachelier Institute and a member of the Scientific Council of the PARC Foundation (Paris Agreement Research Commons). He has also served as a member of the Climate & Sustainable Finance Commission of the French Financial Markets Authority (AMF) and the Sustainability Information Committee of the French Accounting Standards Authority (ANC). Additionally, he co-founded the CERCES (Circle of Environmental and Social Accountants), where he serves as an administrator and scientific director, as well as the ICSG (Institute for Training in Sustainable Accounting and Management), where he chairs the Supervisory Board.



VÉRONIQUE DE LA BACHELERIE



CHRISTIAN LEVESQUE



ALEXANDRE RAMBAUD



International Group for Sustainable Finance