ERGO

Sustainability terms

ESG (Environment, Social, and Governance) - environmental, social and governance aspects that can have a positive or negative impact on a company's financial performance or solvency.

Environmental aspects - issues related to climate, pollution, energy, biodiversity, waste and natural resource management that may have a positive or negative impact on a company's financial performance or solvency.

Social aspects - issues related to employees, partners, community inclusion, equality, healthcare, human rights and economic development that may have a positive or negative impact on the financial performance or solvency of the company.

Governance aspects - issues related to a company's decision-making, risk management, strategic development and governance that take into account environmental and social aspects, and decisions on which may have a positive or negative impact on the company's financial performance or solvency.

Strategic sustainability objectives - short, medium and long-term objectives for managing the risks and defined levels of development associated with the ESG aspects of a company.

ESG risks - any risks of adverse financial effects that may affect the company arising from the present or future impact of ESG factors on the company, its counterparties or its investments.

Climate change risks - financial risks arising from the transactions with partners that have the potential to contribute to or be affected by climate change.

Sustainable investment:

1) investment in the economic activity that contributes to the achievement of an intermediate objective, measured, for example, by key resource efficiency indicators on energy, renewable energy, raw materials, water and land use, waste generation, greenhouse gas emissions, or by indicators on its impact on biodiversity and the circular economy;

2) investments in the economic activity that contribute to the achievement of the social objective, in particular investments that contribute to tackling inequalities;

3) investments that promote social cohesion, social inclusion and labour relations;

4) investments in human capital or in economically or socially disadvantaged communities, provided that such investments do not significantly undermine the achievement of any of the objectives referred to and that the communities receiving investments implement good governance practices, in particular as regards to sound management structures, employee relations, staff remuneration and compliance with tax obligations.