



Sustainability analysis for Mitsubishi Logistics

Aomiao Dong¹

Abstract: This report analyses Mitsubishi Logistics' sustainability performance following the Global Reporting Standards (GRI). The study overviews their sustainability strategy and its implementation across various sustainability dimensions such as Environment and Social.

Although they do not report their performance across various indicators in the GRI standards, Mitsubishi Logistics has achieved tremendous progress in reducing their carbon emissions through the implementation of different energy- efficient measures and use of renewable energy sources in terms of environmental sustainability. In terms of social sustainability, they have shown commitment to encouraging diversity and inclusion in the workplace and ensuring itsemployees' health and safety.

According to the report, Mitsubishi Logistics has achieved significant progress in improving its sustainability performance across multiple aspects. However, there is still ton of room for development, particularly in categories such as water, biodiversity conservation, product responsibility and other areas.

1. Introduction

Corporate social responsibility (CSR) activities are gaining increasingly more attention nowadays. Companies are applying large amounts of resources to various CSR aspects. Du et al. (2010) indicate that by doing so, companies can gain stakeholder support and enhance its image and reputation. According to Gao YongQiang (2011), It is now common for organisations to import environmental equipment, assess certificated suppliers and produce recyclable products.

However, despite the growing attention in Europe and North America, the awareness and implementation of CSR in Asia is relatively lower, additionally, very little is known about the practices of the companies in Asia(Ip, 2008). To fill this gap, the purpose of this report is to explore what has done and what has not been done about the environmental and social aspects of Mitsubishi Logistics, a Japanese corporation, based on the assessment of information & data collected employing GRI framework and using company reports.

¹ RMIT University, batman St, west Melbourne, VIC, 3003, E-mail: dam5207758@163.com



2. Data and methods

2.1 Background of Mitsubishi Logistics Corporations and its sustainability strategy

Mitsubishi Logistics Corporation was founded in 1887 as Tokyo Warehouse Limited Company. With its development, it provides comprehensive and global logistics service and operates a real estate business encompassing commercial facilities and residential homes (Mitsubishi,2022). Along with their philosophy-‘Engage in fair business activities to obtain appropriate profits and promote growth steadily, appropriately compensating our stakeholders at the same time contributing to an affluent and sustainable society. Since 2017, Mitsubishi has published the Environmental and Social report every year to fulfil its accountability. What’s more, in order to promote ESG (Environment, Society, Governance) and SDGs (Sustainable Development Goals), they have established six key themes which are the response to safety and disaster, environmental initiatives, cutting-edge technology, partnerships, human resource development (Mitsubishi,2022).

For environmental responsibility, Mitsubishi Logistics has been working with their customers and partners to address complex supply chain issues, such as reducing the vehicle’s numbers, promoting modal shifts by improving truck loading efficiency, and reviewing delivery conditiating the truck reservation system. In terms of CO₂ or GHG emissions, they will further construct disaster-resistant eco-friendly warehouses and office buildings which will be helpful. Moreover, they have considered to use solar power to generate electricity and to reduce power consumption by using LED lighting in warehouses. What’s more, they have targeted that the rate of CO₂ emissions reduction will be 50% by 2023 against 2013, and the rate of transportation CO₂ emissions reduction will be 50% in terms of 2018.

For the social responsibility, they have developed personnel and welfare programs which will help employees accommodate various workstyles and balance work with life. Meanwhile, they have targeted that the ratio of regional general employees will be 30% in 2030, and the ratio of employees taking child-care leave will be 60%. By 2030, they have claimed that the response rate of CSR questionnaire will be over 90% each year.

Overall, Mitsubishi logistics corporation’s commitment to sustainability is clearly visible through their initiatives. As a global logistics company, they can make a great effort to help the world become more sustainable.

2.2 Discussion on firm’s Supply chain orientation and Corporate Governance issues



2.2.1 Mitsubishi Logistics' Supply Chain Orientation

Mitsubishi Logistics Corporation is a logistics firm that offers warehousing, transportation, customs clearance, and consultancy services. Their supply chain focus is on optimising their customer's supply chains through reliable and efficient logistics solutions. Mitsubishi Logistics seeks to add value to their client's lives by identifying and meeting their logistics needs. They collaborate extensively with their clients to understand their individual demands and build logistics solutions to satisfy those objectives. This customer-centric strategy enables them to create personalised solutions that improve the supply chain performance of its customers.

The utilisation of technology is an important part of their supply chain orientation. They use technology to improve visibility and control across the supply chain. For example, they use a proprietary warehouse management system to optimise their inventory management system and order fulfilment procedures.

The dedication to sustainability is another significant part of Mitsubishi Logistics' supply chain philosophy. They intend to reduce the environmental impact of their operations by lowering glasshouse gas emissions, supporting environmentally friendly practices and investing in renewable energy sources.

Overall, Mitsubishi Logistics' supply chain beliefs is centred upon providing value to its customers through customised logistics solutions, modern technology, and environmentally friendly practices.

2.2.2 Mitsubishi Logistics' Corporate Governance Issues

Mitsubishi Logistics has previously experienced various corporate governance challenges. One noteworthy concern was its former chairman, Takashi Kikuchi's, involvement in a financial scandal in 2015. Kikuchi was shown to have overstated the company's profits over a number of years, resulting in a large overstatement of earnings.

Kikuchi and other top executives resigned due to the incident, and Mitsubishi Logistics was penalised by the Japanese financial regulator for misrepresenting financial statements. In addition, the corporation implemented several initiatives to improve corporate governance, including forming a new audit committee and strengthening internal controls.

Furthermore, Mitsubishi Logistics has been criticised for the lack of diversity on its board and executive team. The corporation has been sluggish to select female directors, with only two of its 11 board members being female as of 2021. Some stakeholders have expressed worry about the company's lack of diversity, arguing that a more diverse leadership team could improve decision-making and overall performance.



Mitsubishi Logistics has taken initiatives to address the issue of diversity, such as appointing a female executive officer in 2021. Some stakeholders, however, believe that the corporation should do more to diversify its executive team.

In all, Mitsubishi Logistics has had substantial corporate governance difficulties in the past, most notably in financial reporting and diversity. The corporation has taken steps to strengthen its governance practices, but stakeholders are still keeping an eye on its development in these areas.

2.3 Analysis of the data and information

2.3.1 Environment

Appendix Table 1 outlines the scale of the environmental section of the GRI-G4 framework, which comprises 12 categories and 34 corresponding indicators. All data is from Mitsubishi Logistics Integrated Report 2022. From the Appendix Table 1, we can find the disclosed scale of the environment is 2.2. As obvious from Figure 1, the top 1 category in the environment section is transport.

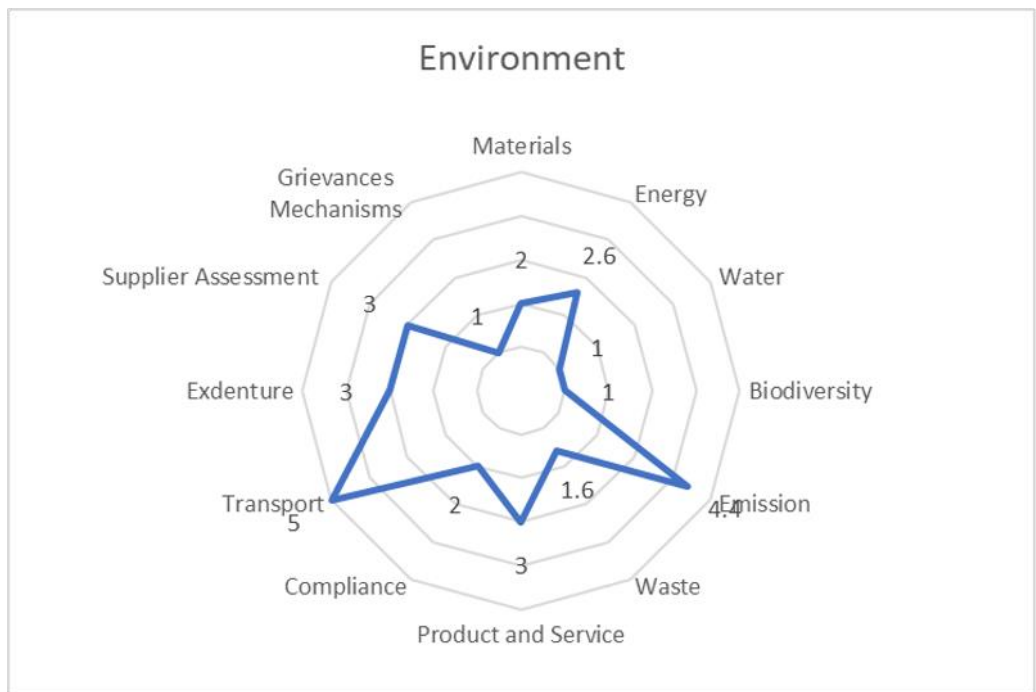




Figure 1: Extent of environmental sustainability categories as benchmarked against GRI-G4

- Materials

According to GRI301-1, Mitsubishi Logistics Corporation only reported the total volume of fuel -16550m² that they are going to use during large-scale emergencies, but it doesn't specify the non or renewable materials used. In addition, they reported that they will offer high-quality logistics services which will adapt temperature controls for pharmaceutical products. Moreover, they have claimed that their fuel supply priorities to the company's Osaka Branch in the Sakurajima and Ibaraki regions during the disasters. But they didn't report anything relates to GRI301-2, GRI 301-3, at the same time, for GRI301-1, they only reported a few parts of input materials used which relate to disasters solely, so the scale for materials is 2.

- Energy

For the energy part, according to GRI302-5, Mitsubishi Logistics Corporation only talked about how they reduce energy consumption, like by upgrading air conditioners and existing lighting equipment, but they didn't report how much equipment they have changed. In addition, they just reported how much percentage reduction they are going to achieve or have met, but they have not divided the types of energy used. For the rest of the part of GRI302, they didn't mention about it. So, the energy scale for it is 2.6.

- Water

About the water sustainability, Mitsubishi Logistics Corporation haven't talk about it at all, so the scale for water is 1.

- Biodiversity

The scale of biodiversity is 1 because there is no information on the report about GRI 304. The only information available is that Mitsubishi Logistics is a subsidiary of Mitsubishi Corporation. The corporation is a part of the Japan Business Initiative for Biodiversity (JBIB), a business-led initiative promoting biodiversity conservation in Japan and beyond.

- Emissions

The scale for emissions is 4.4 since Mitsubishi Logistics is dedicated to reducing its direct greenhouse gas (GHG) emissions through various strategies to enhance



energy efficiency and reduce. They worked to increase their loading rates of the DP-Cool temperature-controlled pharmaceuticals delivery service, and reduced CO₂ emissions and transportation distance for products that are transported using this service. As a result, they achieved their target, reducing CO₂ emissions in FY2021 by 44% compared with FY2018.

- Waste

The scale for GRI 306 is 1.8 since there is little to no information about waste on their report but their environmental policy states that they strive to restrict their environmental impact by purchasing eco-friendly goods and promoting the reduction of waste volume and recycling.

- Product and service

The scale of product and service is 3. Because the company invests in eco-friendly products and services, such as solar power generation, Disaster-resistant and eco-friendly office buildings, LED lighting, conducting visualisation tests of CO₂ emission. But it didn't claim product and packaging materials reclaim.

- Compliance

The scale of compliance is 2. Because the report asserts that Mitsubishi provided its employees with a Compliance handbook as part of its efforts to prevent and promptly address any actions that could potentially violate laws and regulations. However, the report notes that the company did not disclose the complete number of non-monetary penalties imposed for failing to comply with environmental laws.

- Transport

The scale of transport is 5. Because the report explains Mitsubishi reduced CO₂ emissions in FY 2021 by 44% compared with FY2018(down 14%-point year on year) in terms of the DP-Cool temperature-controlled pharmaceuticals delivery service.

- Expenditure

The scale of expenditure is 3. Because the report suggests the total investment expenditure based on external environment is ¥ 562.2 billion. But it doesn't show single types.

- Supplier Assessment



The scale of supplier Assessment is 3. Because oil suppliers provide fuel priority in the event of a large-scale disaster. But the report doesn't show the percentage of new suppliers.

- Grievances Mechanisms

The scale of Grievances Mechanisms is 1. Because the report didn't explain anything about Grievances.

2.3.2 Social

The social category of GRI-G4 framework has 4 sub-categories, including Labour Practices and Decent work, Human Rights, Society and Product Responsibility. We used 48 social sustainability performance indicators to benchmark and find the gap between Mitsubishi Logistics Corporation's Integrated Report 2022 and GRIframework's requirements.

For the Employment aspect, Mitsubishi Logistics Corporation has 2 out of 3 indicators that have been extensively reported in their integrated report in 2022. The ratio of their new employees retained after three years by gender from 2017 to 2021 shows its extensive scale in indicator G4-LA-1. Also, Mitsubishi Logistics Corporation reaches an extensive scale in indicator G4-LA-3 with a graphic showing Number of employees taking child-care leave by gender as well as their ambitious target 60% on the Ratio of employees taking child-care leave in the financial year 2030.

The indicator G4-LA-2 on comparing benefits of full-time and temporary or part-time employees has not been reported.

The only indicator in Labour/Management Relation aspect G4-LA-4 period of notice has not been reported.

Mitsubishi Logistics Corporation only reports Moderately on indicator G4-LA-5 because it requires each department to coordinate with a subcommittee in the Sustainability committee but does not show the percentage or number of the total workforce.

Instead of reporting in detail the average hours of training per year per employee as required by indicator G4-LA-9 in Training and Education aspect, Mitsubishi Logistics Corporation only shows the total number of participants in training in their report, giving 2 scores out of 5.

However, 2 other indicators in the Training and Education aspect reach an Extensively level with their initiatives in human resource development and employee satisfaction, including IT literacy and skill training, and regional and overseas job allocation for employees.



G4-LA-12 indicator in Diversity and Equal Opportunity has been highly reported with 4 points, because the report shows many data but is not categorised.

Mitsubishi Logistics Corporation invested enormously in earthquake resistance distribution and logistics centres which help their employees and customers prepare for emergencies. Therefore, we can benchmark indicator G4-LA-15 with 4 points. The indicator G4-HR-1 has been reported extensively with the number and percentage of investment to Disaster-Resistant and Eco-Friendly warehouses and office buildings.

Similar to indicator G4-LA-9, Mitsubishi Logistics Corporation only reports a number of participants in human rights training whereas indicator G4-HR-2 requires total hours data, reaching a Moderate level in our 5-point Likert scale.

Mitsubishi Logistics Corporation only shows the number of reports made to their Internal Reporting Hotline but without details about its category as well as final feedback. Therefore, 2 indicators of Labour Practices Grievance Mechanisms and Human Rights Grievance Mechanisms aspects have been reported moderately.

Totally, there are 36 requirements that have not been reported and are ranked 1 point.

Compressed 48 indicators by sub-categories, we have scales of 4 social sub-categories of Mitsubishi Logistics Corporation in Figure 2.

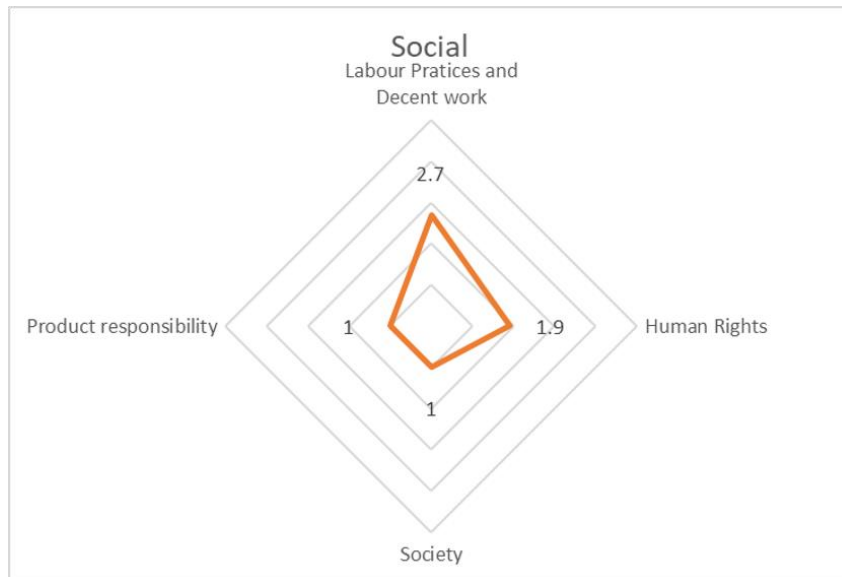




Figure 2: Extent of social sustainability categories as benchmarked against GRI-G4

The overall average scale for social sustainability disclosure is 1.7, lower than its environmental sustainability disclosure (2.2). The disclosure on labour practices and decent work is highest with 2.7 points, and human rights' disclosure is 1.9. The two other sub-categories society and product responsibility, have the same scale of 1 point as there is no requirement that has been reported in Mitsubishi Logistics Corporation report.

2.4 Discussion of the findings and implications for the firm

2.4.1 The relationship between disclosure of environment and financial performance.

In environment analysis, the level of environment disclosure is low as the scale is 2.2. This suggests the company's emphasis on environmental issues is not high enough. Environmental disclosures feature prominently in ESG investments and ratings, which are often seen as a manifestation of a company's sustainability and social responsibility. For many investors and stakeholders, a company's ESG performance is one of the key factors in assessing its long-term sustainability and business risk.

In addition, Mitsubishi Logistics Corporation has a lower level of financial performance as well in Figure 3. Therefore, according to Jadhav et al. (2022), Mitsubishi logistics is Laggards. In terms of financial performance, According to the MarketScreen company database, In Figure 2, the Sales of Mitsubishi is 257230 M JPY in 2022, increasing by 1.2% compared with 213729 M JPY in 2021. In addition, Return on Equity is 5.40% in 2022, decreasing by 7.5% compared with 12.9% in 2021. Moreover, in 2022, Mitsubishi logistics corporation's sales ratio (operating revenue) is 270000 M JPY and operating Cash flow is 36216 M JPY. Thus, Cash flow/ sales ratio is 7.46%.

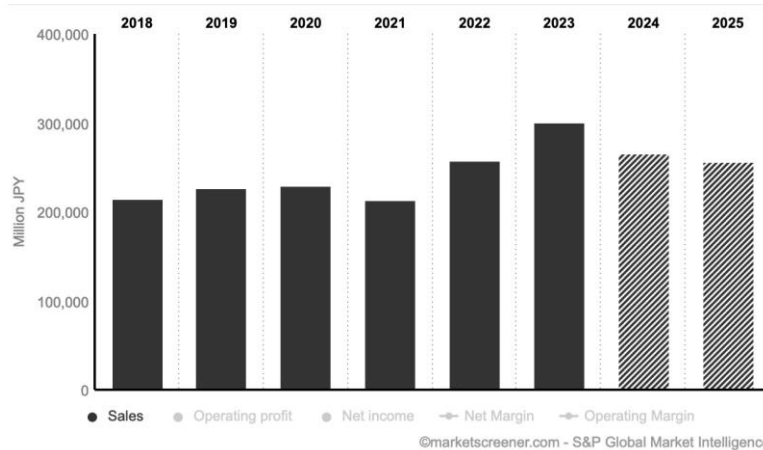


Figure 3: The sales of Mitsubishi Logistics Corporation from 2018 to 2022

From another perspective, there is a relationship between environmental disclosure and financial performance. Environmental issues can impact a company's financial performance and its long-term profitability. For example, if a company neglects environmental issues, it may face increasing regulatory and regulatory pressure, resulting in increased financial losses and business risks, Legal action, reputational damage, etc. These issues may impact the company's financial performance, such as increased costs, risks, and uncertainties, and thus affect shareholder returns and the long-term sound development of the company. Therefore, companies need to strengthen the management and disclosure of the environment to improve corporate performance and sustainability.

In order to fill these gaps, here are some recommendations for Mitsubishi Logistics Corporation. Firstly, the company should strengthen internal management, formulate stricter environmental protection and disclosure regulations, strengthen staff training and supervision, and ensure the smooth development of environmental protection and disclosure work. Secondly, the company can strengthen communication with stakeholders (including consumers, investors, regulators, social organisations, etc.), provide timely feedback on the company's environmental protection and disclosure, accept social supervision and suggestions, and actively improve and perfect relevant work. Lastly, Mitsubishi Logistics can also actively participate in environmental public welfare activities, strengthen the connection between the enterprise and the society, and establish the company's environmental image



In the service industry, particularly in the logistics area, companies focus more on their human resources, including training and employee satisfaction.

Analysing the top ten logistics companies in Australia, Jadhav et al. (2022) find that the most common categories that have been reported are health and safety, training, employment, diversity, and remuneration. As a company operating in logistics and real estate, Mitsubishi Logistics Corporation's report also has a larger scale on employee-related sub-categories Labour Practices and Decent work including employment, health and safety, training and education, and diversity indicators.

Our analysis finds that Mitsubishi Logistics Corporation has performed better in sustainable supply chains than its social disclosure in its integrated report. For example, over the 3 years from 2019 to 2021, the ratios of their employees who underwent health check-ups and stress checks are at least 97.9% and 79.3%, respectively. However, their report does not report any requirements following GRI indicators G4-LA-6, G4-LA-7, G4-LA-8 on occupation health and safety, leading to 1 point on the benchmarking process.

Mitsubishi Logistics Corporation also shows its commitment to society in its Corporate Philosophy, Code of Conduct, Business Management Philosophy "Shoki Hok" (fulfilling responsibility to society) as well as in their operation for example investing in higher than resistant standard warehouses which can be used in crises like earthquakes and tsunami. Nonetheless, all its social indicators scored 1 point following GRI requirements.

3 Conclusions and limitations

In this report, we have assessed the sustainability discourse of Mitsubishi Logistics Corporation so based on the analysis scale, they do not really good at material, energy and water categories. For example, they did not divide the specification of material and energy used, they just talk about the targets or how much reduction percentage they want to achieve. What's more, their report is not in accordance with GSI standards, so some of the categories have not been mentioned.

In our Corporate Philosophy, Mitsubishi Logistics Corporation dedicates to "an affluent and sustainable society" (MLC, 2022). However, our benchmarking process of social category by GRI framework shows many jobs to be done. The Mitsubishi Logistics Corporation integrated report in 2022 is not following GRI standards. Many important indicators and sub-categories have not been reported, including material, energy, water, society, and product responsibility. Also, some sub-categories have been taken care of well but are not reported following GRI's indicator requirements.



As a comprehensive reporting framework, GRI requires consistent commitment and enormous efforts from Mitsubishi Logistics Corporation.

As for the limitations, Mitsubishi Logistics faces quite a few drawbacks when it comes to environment and social sustainability. Few of them being:

- While they have implemented various measures to reduce carbon emissions and improve energy efficiency, they have been slower than some of their competitors in adopting green technologies such as renewable energy sources.
- Mitsubishi Logistics' transport and logistics activities continue to rely heavily on fossil fuels, which can have significant influence on their carbon footprint.
- While they have policies in place to encourage diversity and inclusion in the workplace, their supplier chain may have a limited focus on human rights problems. This is in contrast to several of their competitors, who have been more proactive in addressing human rights risks and ensuring that their suppliers follow responsible labour practices.

References

- Du S, Bhattacharya C B and Sen S (2010), 'Maximising business returns to corporate social responsibility (CSR): The role of CSR communication', *International journal of management reviews*, 12(1): 8-19. doi: 10.1111/j.1468-2370.2009.00276.x
- Gao, Yongqiang(2011). 'CSR in an emerging country: a content analysis of CSR reports of listed companies', *Baltic Journal of management*.
- Ip, P.K. (2008), 'Corporate social responsibility and crony capitalism in Taiwan', *Journal of Business Ethics*, Vol. 79 Nos 1/2, pp. 167-77. DOI: 10.1007/s10551-007-9385-5.
- Jadhav, A., Rahman, S., & Ahsan, K. (2022). 'Sustainability practices disclosure of top logistics firms in Australia'. *The International Journal of Logistics Management*, 33(5), 244–277. <https://doi.org/10.1108/IJLM-09-2021-0452>
- MarketScreen 2022, *Equities of Mitsubishi Logistics Corporation*, MarketScreen, viewed 3 May 2023, <
<https://www.marketscreener.com/quote/stock/MITSUBISHI-LOGISTICS-CORP-6491914/financials/>>
- Mitsubishi Logistics Integrated report 2022, viewed 3 May 2023, <
https://www.mitsubishi-logistics.co.jp/english/esg_sdgs/pdf/csr2022e.pdf>
- Mitsubishi Logistics' Environmental Policies, viewed 5 May 2023, <
https://www.mitsubishi-logistics.co.jp/english/esg_sdgs/environment/environment_policy.html>



Appendix

Table 1: Scale of the extent of environmental sustainability indicators

| GRI indicators | Scale |
|---|-------|
| <i>Environmental Sustainability Disclosure</i> | 2.2 |
| <i>Materials</i> | 2 |
| G4-EN-1: materials used by weight or volume (renewable and non-renewable) | 3 |
| G4-EN-2: percentage of materials used that are recycled input materials. | 1 |
| <i>Energy</i> | 2.6 |
| G4-EN-3: energy consumption within the organisation | 1 |
| G4-EN-4: energy consumption outside of the organisation | 1 |
| G4-EN-5: energy intensity | 1 |
| G4-EN-6: reduction of energy consumption | 5 |
| G4-EN-7: reduction in energy requirements of products and services | 5 |
| <i>Water</i> | 1 |
| G4-EN-8: total water withdrawal by source | 1 |
| G4-EN-9: water sources significantly affected by withdrawal of water. | 1 |
| G4-EN-10: percentage and total volume of water recycled and reused. | 1 |
| <i>Biodiversity</i> | 1 |
| G4-EN-11: operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside areas | 1 |
| G4-EN-12: description of significant impacts of activities, products, and services on biodiversity in protected areas | 1 |
| G4-EN-13: habitats protected or restored | 1 |
| G4-EN-14: total number of icon red list species and national conservation list species with habitats in areas affected by operation | 1 |
| <i>Emission</i> | 4.4 |
| G4-EN-15: direct greenhouse gas (GHG) emissions | 5 |
| G4-EN-16: energy indirect greenhouse gas emissions | 5 |



| | |
|---|-----|
| G4-EN-17: other indirect greenhouse gas emissions | 5 |
| G4-EN-18: greenhouse gas emissions intensity | 5 |
| G4-EN-19: reduction of greenhouse gas emissions | 5 |
| G4-EN-20: emissions of ozone-depleting substances | 3 |
| G4-EN-21: NOx, SOx, and other significant air emissions | 3 |
| Waste | 1.6 |
| G4-EN-22: total water discharge by quality and destination | 1 |
| G4-EN-23: total weight of waste by type and disposal method | 3 |
| G4-EN-24: total number and volume of significant spills | 2 |
| G4-EN-25: weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the base convention 2 annex | 1 |
| G4-EN-26: identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected | 1 |
| Product & Service | 3 |
| G4-EN-27: extent of impact mitigation of environmental impacts of products and services | 5 |
| G4-EN-28: percentage of products sold and their packaging materials that are reclaimed by category. | 1 |
| Compliance | 2 |
| G4-EN-29: monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws | 2 |
| Transport | 5 |
| G4-EN-30: significant environmental impacts of transporting products and other goods and materials for the organization's operations | 5 |
| Expenditure | 3 |
| G4-EN-31: total environmental protection expenditures and investments by type | 3 |
| Supplier Assessment | 3 |
| G4-EN-32: percentage of new suppliers that were screened using environmental criteria. | 2 |
| G4-EN-33: significant actual and potential negative environmental impacts in the supply chain and actions taken. | 4 |
| Grievances Mechanisms | 1 |
| G4-EN-34: number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms | 1 |



where 1 = NOT REPORTED, and 5 = EXTENSIVELY REPORTED, whereas 3 = MODERATELY REPORTED.

Table 2: Scale of the extent of environmental sustainability indicators

| GRI indicators | Scale |
|---|-------|
| <i>Environmental Sustainability Disclosure</i> | 2.2 |
| <i>Materials</i> | 2 |
| G4-EN-1: materials used by weight or volume (renewable and non-renewable) | 3 |
| G4-EN-2: percentage of materials used that are recycled input materials. | 1 |
| <i>Energy</i> | 2.6 |
| G4-EN-3: energy consumption within the organisation | 1 |
| G4-EN-4: energy consumption outside of the organisation | 1 |
| G4-EN-5: energy intensity | 1 |
| G4-EN-6: reduction of energy consumption | 5 |
| G4-EN-7: reduction in energy requirements of products and services | 5 |
| <i>Water</i> | 1 |
| G4-EN-8: total water withdrawal by source | 1 |
| G4-EN-9: water sources significantly affected by withdrawal of water. | 1 |
| G4-EN-10: percentage and total volume of water recycled and reused. | 1 |
| <i>Biodiversity</i> | 1 |
| G4-EN-11: operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside areas | 1 |
| G4-EN-12: description of significant impacts of activities, products, and services on biodiversity in protected areas | 1 |
| G4-EN-13: habitats protected or restored | 1 |
| G4-EN-14: total number of icon red list species and national conservation list species with habitats in areas affected by operation | 1 |
| <i>Emission</i> | 4.4 |
| G4-EN-15: direct greenhouse gas (GHG) emissions | 5 |
| G4-EN-16: energy indirect greenhouse gas emissions | 5 |
| G4-EN-17: other indirect greenhouse gas emissions | 5 |



| | |
|---|-----|
| G4-EN-18: greenhouse gas emissions intensity | 5 |
| G4-EN-19: reduction of greenhouse gas emissions | 5 |
| G4-EN-20: emissions of ozone-depleting substances | 3 |
| G4-EN-21: NOx, SOx, and other significant air emissions | 3 |
| Waste | 1.6 |
| G4-EN-22: total water discharge by quality and destination | 1 |
| G4-EN-23: total weight of waste by type and disposal method | 3 |
| G4-EN-24: total number and volume of significant spills | 2 |
| G4-EN-25: weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the base convention 2 annex | 1 |
| G4-EN-26: identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected | 1 |
| Product & Service | 3 |
| G4-EN-27: extent of impact mitigation of environmental impacts of products and services | 5 |
| G4-EN-28: percentage of products sold and their packaging materials that are reclaimed by category. | 1 |
| Compliance | 2 |
| G4-EN-29: monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws | 2 |
| Transport | 5 |
| G4-EN-30: significant environmental impacts of transporting products and other goods and materials for the organization's operations | 5 |
| Expenditure | 3 |
| G4-EN-31: total environmental protection expenditures and investments by type | 3 |
| Supplier Assessment | 3 |
| G4-EN-32: percentage of new suppliers that were screened using environmental criteria. | 2 |
| G4-EN-33: significant actual and potential negative environmental impacts in the supply chain and actions taken. | 4 |
| Grievances Mechanisms | 1 |
| G4-EN-34: number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms | 1 |

where 1 = NOT REPORTED, and 5 = EXTENSIVELY REPORTED, whereas 3 = MODERATELY REPORTED.



Table 3: Scale of MLC' social performance indicators

| Aspect | Social sustainability performance indicator | Scale |
|---|---|------------|
| <i>Environmental Sustainability Disclosure</i> | | 1.7 |
| <i>Labour Practices and Decent work</i> | | 2.7 |
| Employment | G4-LA-1: total number and rates of new employee hires and employee turnover by age group, gender, and region | 5 |
| | G4-LA-2: benefits provided to full-time employees that are not provided to temporary or parttime employees | 1 |
| | G4-LA-3: return to work and retention rates after parental leave, by gender | 5 |
| Labour/Management Relation | G4-LA-4: minimum notice periods regarding operational changes, including whether these are specified in collective agreements | 1 |
| Occupational Health and Safety | G4-LA-5: percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs | 3 |
| | G4-LA-6: type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities | 1 |
| | G4-LA-7: workers with high incidence or high risk of diseases related to their occupation | 1 |
| | G4-LA-8: health and safety topics covered in formal agreements with trade unions | 1 |
| Training and Education | G4-LA-9: average hours of training per year per employee by gender, and by employee category | 2 |
| | G4-LA-10: programs for skills management and lifelong learning that support the continued employability of employees | 5 |
| | G4-LA-11: percentage of employees receiving regular performance and career development reviews, by gender and by employee category | 5 |
| Diversity and Equal Opportunity | G4-LA-12: composition of governance bodies and breakdown of employees per employee category | 4 |
| Equal Remuneration for Women and Men | G4-LA-13: ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | 1 |
| Suppliers Assessment for Labour Practices | G4-LA-14: percentage of new suppliers that were screened using labour practices criteria | 1 |



| | | |
|---|---|------------|
| | G4-LA-15: significant actual and potential negative impacts for labour practices in the supply chain and actions taken | 4 |
| Labour Practices Grievance Mechanisms | G4-LA-16: number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms | 3 |
| Human Rights | | 1.9 |
| Investment and Procurement Practices | G4-HR-1: total number and percentage of significant investment agreements and contracts that include human rights clauses | 5 |
| | G4-HR-2: total hours of employee training on human rights policies or procedures concerning practices of human rights | 3 |
| Non-discrimination | G4-HR-3: total number of incidents of discrimination and corrective actions taken | 1 |
| Freedom of Association and collective bargaining | G4-HR-4: operations and suppliers identified in which the right to exercise freedom of association and collective bargaining | 1 |
| Child labor | G4-HR-5: operations and suppliers identified as having significant risk for incidents of child labor | 1 |
| Forced or compulsory labor | G4-HR-6: operations and suppliers identified as having significant risk for incidents of forced or compulsory labor | 1 |
| Security practices | G4-HR-7: percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations | 1 |
| Indigenous Rights | G4-HR-8: total number of incidents of violations involving rights of indigenous peoples and actions taken | 1 |
| Assessment | G4-HR-9: total number and percentage of operations that have been subject to human rights reviews or impact assessments | 1 |
| Supplier Human Right Assessment | G4-HR-10: percentage of new suppliers that were screened using human rights criteria | 1 |
| | G4-HR-11: significant actual and potential negative human rights impacts in the supply chain and actions taken | 1 |
| Human Rights Grievance Mechanisms | G4-HR-12: number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms | 3 |
| Society | | 1 |
| Local Communities | G4-SO-1: percentage of operations with implemented local community engagement, impact | 1 |



| | | |
|---|--|----------|
| | G4-SO-2: operations with significant actual and potential negative impacts on local communities | 1 |
| Anti-corruption | G4-SO-3: total number and percentage of operations assessed for risks related to corruption and the significant risks identified | 1 |
| | G4-SO-4: communication and training on anti-corruption policies and procedures | 1 |
| | G4-SO-5: confirmed incidents of corruption and actions taken | 1 |
| Public policy | G4-SO-6: total value of political contributions by country and recipient/beneficiary | 1 |
| Anti-competitive behaviour | G4-SO-7: total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes | 1 |
| Compliance | G4-SO-8: monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | 1 |
| Suppliers Assessment for impacts on society | G4-SO-9: percentage of new suppliers that were screened using criteria for impacts on society | 1 |
| | G4-SO-10: significant actual and potential negative impacts on society in the supply chain and actions taken | 1 |
| Grievance Mechanisms for Impact on Society | G4-SO-11: number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms | 1 |
| <i>Product responsibility</i> | | 1 |
| Customer Health and Safety | G4-PR-1: percentage of significant product and service categories for which health and safety impacts are assessed for improvement | 1 |
| | G4-PR-2: total number of incidents of non-compliance with regulations and voluntary codes of the health and safety impacts of products | 1 |
| Product and Service Labelling | G4-PR-3: type of product and service information required by the organisation's procedures for product and service information and labelling | 1 |
| | G4-PR-4: total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information | 1 |
| | G4-PR-5: results of surveys measuring customer satisfaction | 1 |
| | G4-PR-6: sale of banned or disputed products | 1 |



ISSN (Print Version) 0975-3931
ISSN (On Line Version) 2278-1277

| | | |
|--------------------------|--|---|
| Marketing Communications | G4-PR-7: total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications | 1 |
| Customer Privacy | G4-PR-8: total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | 1 |
| Compliance | G4-PR-9: monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products | 1 |