

THE BISCAY MODEL

Summary contribution areas

UCL INSTITUTE FOR INNOVATION
AND PUBLIC PURPOSE



The Biscay Model: Summary contribution areas by UCL Institute for
Innovation and Public Purpose

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Growth has not only a rate but also a direction: IIPP confronts this directionality head on. Finding solutions to global challenges requires purposeful organisations to collaborate in fundamentally new ways — across the state, businesses and civil society.

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IIPP is a department within University College London (UCL), which was founded in 1826 to solve grand challenges; IIPP is part of The Bartlett faculty, known internationally for its radical thinking about space, design and sustainability.

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1. The Biscay Model: Summary contribution areas

The Biscay Model is a path-breaking approach to bringing together tax policy and sustainability. The model provides a recommendation from the UCL Institute for Innovation and Public Purpose for aligning regional tax policy with the 2015 United Nations (UN) Sustainable Development Goals (SDGs). This model was introduced in a Concept Note¹.

This paper develops the 28 contribution areas (CAs) presented in the Concept Note to a stage prepared for the consultation and testing phase.

The 28 CAs have been developed as far as possible before consultation and testing. This is a starting point - not meant to be perfect. It needs to go through consultation, iteration and then further refinement; and then will evolve over time.

¹ Mazzucato, M., Roll, K., Aeron-Thomas, D., McPherson, M. and Lorca de Urarte, M.A. (2021). The Biscay Model: Aligning tax policy with the United Nations Sustainable Development Goals. UCL Institute for Innovation and Public Purpose (IIPP).

2. About the contribution areas

The Concept Note laid out the rationale and design for a composite index approach, hereafter the Biscay Model, a recommended approach to support the Biscay tax authorities to compare contributions to the SDGs across participating organisations and provide tax incentives accordingly.

The proposed index is composed of 28 CAs, designed to recognise different contribution levels (awareness, action and achievement) within each CA. Three regional strategic priorities group these CAs: demographic change, climate emergency and economic resilience, linked to ten focal SDGs. Their development was based on the following principles:

- relevant to advancing regional priorities;
- central to the SDGs;
- reportable/measurable by micro and small enterprises;
- based on recognised standards; and
- applicable to multiple sectors.

For this model, in addition to identifying relevant CAs through reference to the UN Global Compact's Global Reporting Initiative and that of other reporting initiatives, certain CAs have been developed jointly between the research team and the Biscay tax authorities. These CAs capture the specific needs of the region, and also address areas in the SDGs that are less developed, for example around ageing.

This document summarises the 28 CAs developed for the Biscay Model to be used during the consultation process. Each CA summary offers a specific proposal for assessment with a concrete metric, a detailed proposition for scoring and the definitions of the main concepts related to the CAs (appendices 2 to 29). Simplicity and inclusiveness were two main principles that guided the decision-making process.

We have included placeholder definitions of the key terms used in this document. These definitions should be replaced with definitions used in existing legislation and regulation e.g. sales € or micro companies. We have included a definition of 'SDG relevant' activity adapted from existing definitions in existing legislation; this should be built on as experience of the model evolves. In one CA (5g Recovery of degraded areas) we have identified that definitions are needed but do not have a suitable definition available; these can be developed through stakeholder engagement.

3. Measurement and scoring

A company will be 'scored' and awarded points for its contribution to the SDGs in reference to three levels of effort: awareness, action and achievement.

Firstly, if a company discloses the required information for the respective CA in that year, it has fulfilled the requirements for 'awareness' and scores one point. If the company's report shows progress towards a target and this progress meets a defined threshold for 'action', this would be awarded a greater number of points – two points. In some cases, the reported performance will meet the target for 'achievement' and this would be awarded three points. We have used 0,1,2,3 throughout as an example - the actual weighting used could be different e.g. 0,2,3,5 and could change over time as the relative importance changes.

Table 1 Scoring system

Comment	Points
Achievement: Reporting and already met or exceeded the 2030 target	3
Action: Reporting and improving towards the 2030 target	2
Awareness: Reporting and no or insufficient action towards target	1
Insufficient reporting	0

Yearly tracking and reporting serve four purposes: raising awareness internally through collecting the information, setting the baseline (for future progress tracking); enabling organisations to compare themselves with others; and enabling other stakeholders to hold them to account. Public reporting or information sharing on areas that are non-sensitive would be likely to increase the efficacy of this approach; we recommend this where possible. We have suggested that, initially, reporting is to the government (or to a central agency). To achieve the full benefit that the model could deliver, a significant proportion of the disclosure should be external or externally available.

The ways in which a company's progress is defined and measured determines how that progress can be scored. The following table explains the scoring approach for 'action' and 'achievement'.

Table 2: Types of measurement and scoring

Measurement	Scoring	Explanation
Activity/plans (quantity) - e.g. has identified an Equality & Diversity champion at board level	# of actions or plans	The company will be scored based on the number of actions or plans it has taken from a list of possible actions or plans. The score is based on thresholds - if more than the threshold number of actions or plans have been taken, it scores the 2 action points. If more than the threshold number of actions or plans set as the 2030 target level have been taken, it scores the 3 achievement points. In order to encourage progression, the 'action' thresholds are increased after 3 years as follows: 2021-2024; 2025-2027; 2028-2030
Activity (yes/no) - e.g. pension plan in place	Yes/No	The company will score the 3 achievement points if it has taken the defined action. No action points available.
Performance (% , #) - e.g. the proportion of senior leadership who are women; the ratio of SDG investment/ total investment	%, # reached	The company will be scored based on the % or # reached. The score is based on thresholds - if more than the threshold % or # is reached, it scores the 2 action points. If more than the threshold % or # set as the 2030 target level is reached, it scores the 3 achievement points. In order to encourage progression, the 'action' thresholds are increased after 3 years as follows: 2021-2024; 2025-2027; 2028-2030; or are increased each year (10 thresholds).
Improvement (%) - e.g. improvement in the energy intensity ratio	% change	The company will be scored based on the % improvement (current year vs previous or base year) in the underlying measure. If the improvement is greater than the threshold %, it scores 2 action points. If more than the % improvement set as the 2030 target level is reached, it scores the 3 achievement points.

We developed the model with the following assumptions: 2021 as the first year of operation; 2030 as the final year mapped out; and the base or reference year being 2020. If the model is adopted later than planned, then these time periods should be adjusted.

The model has been designed to encourage progression and continuous improvement and to avoid 'rewarding' a company for current performance, so regardless of the starting point (high or low), a company can be encouraged to improve. However, for most of the CAs, suitable performance improvement levels e.g. % increase over the prior year (or to a base year) have been difficult to set to cover all possible companies over all years. Hence, most CAs have performance thresholds set either over 3 time periods (2021-2024; 2025-2027; 2028-2030) or over 10 time periods (2021, 2022, ..., 2030).

The model should evolve along with company performance. In some areas we are suggesting that the threshold is set low to start with, for example, "yes/no to having a policy or plan in place"; this is partly due to limited information about actual company performance; and partly to enable companies to engage from the start. We envisage that, over time, as company sophistication evolves and as certification expertise is developed, the requirements evolve too.

4. The 28 contribution areas

Each CA is summarised in the appendices 2 to 29 using the following headings:

- 1 SDG - the principal SDG that this CA contributes to; each CA will also contribute to other SDGs
- 2 Assessment - the measurement method and information (or data) used to assess progress
- 3 Scoring - the performance level that the entity must attain in order to score points on the index
- 4 Reporting - the minimum information that should be disclosed in the annual report to government (or other mechanism) to enable the score to be calculated. Note that this does not include any additional data that might be required for comparative analysis or verification.
- 5 Definitions - key definitions relevant to the CA

A summary of the measurement approaches and scoring methods for the CAs is set out in the table below.

Table 3: Summary of contribution areas

Ref	CA	SDG	Measurement	Scoring method
4a	Well-being and health	3 - Health	# policies and actions	# of plans (3 periods)
4b	Conciliation in the work environment	3 - Health	# policies and actions	# of plans (3 periods)
4c	Quality employment	3 - Health	# internships or % recruitment	Yes/No or % change from previous year and % reached
4d	Complementary corporate social security	3 - Health	Pension scheme	Yes/No modified
4e	Leadership	5 - Equality	% women in leadership	% reached (3 periods)

Ref	CA	SDG	Measurement	Scoring method
4f	Professional development	4 - Education	# policies and actions	# of plans (3 periods)
4g	Quality education	4 - Education	# partnerships with education	Yes/No
4h	Labour gap	5 - Equality	% hourly wage gap	% reached (3 periods)
4i	Gender violence in the workplace	5 - Equality	# policies and plans	List (3 periods)
5a	Consumption and production of renewable	7 - Energy	% of green electricity	% reached (10 periods)
5b	Energy efficiency	7 - Energy	Energy intensity ratio	% change from base year (10 periods)
Ref	CA	SDG	Measurement	Scoring method
5c	Use of raw materials	12 - SCP*	Material productivity ratio	% change from base year (3 periods)
5d	Circular economy	12 - SCP*	% waste diverted	% change from previous year (3 periods)
5e	Greenhouse gases	13 - Climate	GHG emissions	% change from base year (10 periods)
5f	Resilience in the face of climate change	13 - Climate	Plan	Yes/No
5g	Conservation of ecosystems	15 - Land use	Supplier screening – Yes/No or % reached	Yes/No or Phased % reached then % changed from previous year

Ref	CA	SDG	Measurement	Scoring method
6a	Entrepreneurship	8 - Sustainable growth	% SDG investing or staff policy	% reached (3 periods) or Yes/No
6b	Innovation	8 - Sustainable growth	SDG R&D %	% reached (3 periods)
6c	Collaboration and strategic alliances	8 - Sustainable growth	# partnerships	# reached (3 periods)
6d	Talent	8 - Sustainable growth	# actions	# of actions (3 periods)
6e	Private financing	9 - Sustainable industrialisation	SDG invested / sales %	% reached (3 periods)
Ref	CA	SDG	Measurement	Scoring method
6f	Financing by the financial sector	9 - Sustainable industrialisation	SDG invested %	% reached (3 periods)
6g	Structuring of productive investments	9 - Sustainable industrialisation	SDG invested %	% reached (3 periods)
6h	Digital economy	9 - Sustainable industrialisation	# changes to digital business	# reached (3 periods)
6i	Resilience of economic activity	9 - Sustainable industrialisation	New or diversified activities	Yes/No

Ref	CA	SDG	Measurement	Scoring method
6j	Small trade and fair trade	9 - Sustainable industrialisation	% of supplies	% change from base year (3 periods) and ratio reached
6k	Access to housing	11 - Sustainable cities and communities	% void properties or actions	% change from base year (3 periods) and ratio reached or # of actions (3 periods)
6l	Development of infrastructures for the promotion of productive activity	11 - Sustainable cities and communities	% invested in productive infrastructure	% reached (3 periods)

*12 - SCP = 12 - Sustainable consumption and production

3 periods = there are three thresholds each covering one of three time periods (2021-2024; 2025-2027; 2028-2030)

10 periods = as above but each year has its own threshold (2021, 2022....2030)

5. Next phase: Consultation and testing

The 28 CAs have been developed as far as possible before consultation and testing. This is a starting point - not meant to be perfect. It needs to go through consultation, iteration and then further refinement; and then will evolve over time.

There are four main stakeholder groups with whom consultation and testing is needed:

1. Government – with the relevant government departments to ensure that the proposals are in line with government thinking (both current and proposed policy; and performance and ambition); and to understand what data the department already has available (to identify current levels of company performance and whether the data is likely to be available in a suitable format)
2. Experts / NGOs – to understand current levels of performance (company size and sector); and whether there are simpler ways to obtain the information
3. Verification organisations – to understand what they can and cannot assess
4. Companies – to understand what information they will be able to deliver; and some of the practical issues associated with the CAs

This will enable the proposed CAs to be taken as a starting point and tested:

- Are the data requirements, targets, thresholds and scores in line with government policy?
- What are the current levels of company performance; and so, how would they 'score' under the current proposals?
- What data is likely to be available from companies and other sources?
- What the verification issues are likely to be – and whether the CAs need to change?

This consultation and testing could take place through:

- Direct engagement with government departments, then with experts / NGOs
- In parallel with direct engagement with verification organisations
- Then round table consultation with groups of companies to consider specific CA clusters

This will enable modelling of the effects of adjusting the targets, thresholds, scores (i.e. the ratio of scores for awareness: action: achievement, 1:2:3), index weighting factors (i.e. whether all CAs contribute equally to the final Index), overall index 'pass mark' on the number of companies (by size and sector) that 'pass' the Index in the first years.

This in turn will enable the CAs to be refined and the data requirements, targets, thresholds, and scores adjusted as appropriate. In addition, when the CAs are tested, we recommend that some common questions are considered as part of the wider testing (appendix 30).

Guidance will need to be developed in some areas e.g. the use of approximate data for estimating material consumption (kg) or greenhouse gas footprint (kg CO₂ equivalent)..

Finally, because this is a novel model in the world, it is necessary to evaluate its results and impact. In five years' time, the implemented model should be evaluated to know if current measurement methods are capturing the relevant information or whether the targets are challenging enough for different sectors and sizes of enterprises.

6. Appendices

Appendix 1. Summary of CA dossier contents

Key

Assessment = how the entity will be assessed for this contribution area.

Metric = the measurement method and information (or data) used to assess.

Scoring = the performance level that the entity must attain in order to score points on the index.

Reporting = the minimum information that should be disclosed in the annual report to government (or other mechanism) to enable the score to be calculated. Note that this does not include any additional data that might be required for comparative analysis or verification.

Note that terms underlined are defined in the 'definitions' section.

Assessment	What is being assessed? What is the performance metric?
Scoring	<i>Awareness (1 point)</i> What does the entity need to do to score 'awareness points'? <i>Action (2 points)</i> What does the entity need to do to score 'action points'? <i>Achievement (3 points)</i> What does the entity need to do to score 'achievement points'?
Reporting	What is the minimum information that needs to be disclosed for the score to be calculated?
Definitions	Key definitions relevant to the CA

Appendix 2. Health and wellbeing (4a)

Contribution area 4a
 Health and wellbeing
 SDG3 - Health

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>The entity has established a plan in these subareas, meeting the criteria set out in the definition:</p> <ul style="list-style-type: none"> ▪ Subarea 1. <u>Active lifestyle plan</u> ▪ Subarea 2. <u>Healthy eating plan</u> ▪ Subarea 3. <u>Mental health plan</u> ▪ Subarea 4. <u>Preventive action plan</u> ▪ Subarea 5. <u>Business model plan</u> <p><i>Metric</i> Total number of subarea plans in place.</p>
<p>Scoring</p>	<p><i>Awareness</i> The entity discloses the required information (see reporting) and it is below the 'action/achievement' threshold for that year.</p> <p><i>Action</i> The entity discloses the required information (see reporting) and it has:</p>

	<ul style="list-style-type: none"> ▪ during the period 2021-2024: at least two plans in place ▪ during the period 2025-2027: at least three plans in place ▪ during the period 2028-2030: at least four plans in place <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and it has:</p> <ul style="list-style-type: none"> ▪ five plans in place
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ number of subarea plans it has in place, even if the number is zero
Definitions	<p><i>Active lifestyle plan</i></p> <p>Existence of an active lifestyle plan. The active lifestyle plan defines the strategies for promoting an active life, such as sports and active ways for commuting. Examples of measures to be taken by entities: agreements with sports centres, benefits for cycling to work or promotion of sports activities within the companies. Additionally, it needs to satisfy the requirements set out in <u>plan requirements</u>.</p> <p><i>Business model plan</i></p> <p>Existence of a business model plan. The business model plan defines the strategies for having a business model that promotes consumers' health and wellbeing, and reduces the negative environmental impact on people's health. Examples of measures to be taken by entities: reviewing and redesigning its business model with the aim of contributing to consumer health and environmental care: type of material used, energy used, or CO2 emissions released. Additionally, it needs to satisfy the requirements set out in <u>plan requirements</u>.</p> <p><i>Healthy eating plan</i></p> <p>Existence of a healthy eating plan. The healthy eating plan defines the strategies for promoting access to healthy food within the company. Examples of measures to be taken by entities: healthy menu options or vending machines with healthy products.</p>

Additionally, it needs to satisfy the requirements set out in plan requirements.

Mental health plan

Existence of a mental health plan. The mental health plan defines the strategies for promoting wellbeing and mental health care.

Examples of measures to be taken by entities: proactive and preventive workplace mental health training for leaders and managers, or paying a percentage of counseling. Additionally, it needs to satisfy the requirements set out in plan requirements.

Plan requirements

Existence of a detailed plan to encourage several actions within the entity in one specific subarea. It has to meet the following requirements:

- The measures or actions have to consider all employees when it is possible to apply it.

- Only actions that represent an improvement compared to the measures provided for the current legislation and the applicable collective agreement will be valued.

- The plan describes the objectives to be achieved and, at the same time, the strategy and activities that will be implemented to achieve them. Additionally, it contains the budget, the timetable of activities to be carried out, and the roles of the different actors involved in implementing the plan.

Preventive action plan

Existence of a preventive action plan. The preventive action plan defines the strategies for encouraging healthy lifestyles and prevention. Examples of measures to be taken by entities: offering to employees annual preventive health tests differentiated by sex, or raising awareness of the dangers of tobacco and alcohol. Additionally, it needs to satisfy the requirements set out in plan requirements.

Appendix 3. Flexible and supportive workplace (4b)

Contribution area 4b
 Flexible and supportive workplace
 SDG3 - Health

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

Assessment	<p>The entity has established a plan in these subareas, meeting the criteria set out in the definition:</p> <ul style="list-style-type: none"> ▪ Subarea 1. <u>Work-life balance plan</u> ▪ Subarea 2. <u>Career opportunities plan</u> ▪ Subarea 3. <u>Child and elderly care plan</u> ▪ Subarea 4. <u>Pre-born or newborn children plan</u> <p><i>Metric</i> Total number of subarea plans in place.</p>
Scoring	<p><i>Awareness</i> The entity discloses the required information (see reporting) and it is below the 'action/achievement' threshold for that year.</p> <p><i>Action</i> The entity discloses the required information (see reporting) and it has:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: at least one plan in place

	<ul style="list-style-type: none"> ▪ during the period 2025-2027: at least two plans in place ▪ during the period 2028-2030: at least three plans in place <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and it has:</p> <ul style="list-style-type: none"> ▪ four plans in place
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ number of subarea plans it has in place, even if the number is zero
Definitions	<p><i>Career opportunities plan</i></p> <p>Existence of a career opportunities plan. The career opportunities plan defines the strategies of flexibility for promoting training and studies opportunities to improve professional careers. Some examples of measures to be taken by entities: possibility to reduce working hours to study, and a sabbatical period for up to one year. Additionally, it needs to satisfy the requirements set out in <u>plan requirements</u>.</p> <p><i>Child and elderly care plan</i></p> <p>Existence of a child and elderly care plan. The child and elderly care plan defines the strategies for promoting flexibility for taking care of the first year of a child's life and older people. Some examples of measures to be taken by entities: child care opportunities, periods of leave for children or elderly care. Additionally, it needs to satisfy the requirements set out in <u>plan requirements</u>.</p> <p><i>Plan requirements</i></p> <p>Existence of a detailed plan to encourage several actions within the entity in one specific subarea. It has to meet requirements:</p> <ul style="list-style-type: none"> -The measures or actions have to consider all employees when it is possible to apply it. -Only actions that represent an improvement compared to the measures provided for the current legislation and the applicable collective agreement will be valued.

-The plan describes the objectives to be achieved and, at the same time, the strategy and activities that will be implemented to achieve them. Additionally, it contains the budget, the timetable of activities to be carried out, and the roles of the different actors involved in implementing the plan.

Pre-born or newborn children plan

Existence of a pre-born or newborn children plan. The pre-born or newborn children plan defines the strategies for promoting specific measures of pre-born or newborn children. Some examples of measures to be taken by entities: paid leave before the expected date of birth, paid extension of paternity and maternity leave. Additionally, it needs to satisfy the requirements set out in plan requirements.

Work-life balance plan

Existence of a work-life balance plan. The work-life balance plan defines the strategies for promoting work-life balance and flexible working patterns. Some examples of measures to be taken by entities: flexible hours, working from home, time off for personal matters. Additionally, it needs to satisfy the requirements set out in plan requirements.

Appendix 4. Quality employment (4c)

Contribution area 4c

Quality employment

SDG3 - Health

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

Assessment	<p>The entity can select one of these two areas to be assessed on:</p> <p>1 People under 30 and over 45 years old doing <u>paid internships</u> that year, representing more than 3% of the workforce.</p> <p><i>Metric</i> Yes/No to the question - "Does the entity have people under 30 and over 45 years old doing <u>paid internships</u> that year, representing more than 3% of the workforce?"</p> <p>2 <u>Recruitment</u> of people under 30 and over 45 years old that year, meeting specific <u>recruitment requirements</u>.</p> <p><i>Metric</i> <u>Increase in the recruitment percentage</u> (compared with the previous year) of people under 30 and over 45 years old, meeting specific <u>recruitment requirements</u>. <u>Recruitment percentage</u>:</p> <ul style="list-style-type: none">▪ Total number of recruited employees under 30 and over 45 years old that year, meeting specific <u>recruitment requirements</u>.
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	<p>Divided by</p> <ul style="list-style-type: none"> ▪ Total number of recruited employees that year.
Scoring	<p>The entity can select one of these two areas to be assessed on:</p> <p>1 People under 30 and over 45 years old doing <u>paid internships</u></p> <p><i>Awareness</i> The entity discloses the required information (see reporting) and is below the 'action/achievement' threshold.</p> <p><i>Action</i> No action points. If 'Yes' then awarded achievement points.</p> <p><i>Achievement</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ The answer is 'yes' to the question: "Does the entity have people under 30 and over 45 years old doing <u>paid internships</u> that year, representing more than 3% of the workforce?" <p>2 <u>Recruitment</u> of people under 30 and over 45 years old</p> <p><i>Awareness</i> The entity discloses the required information (see reporting) and it is below the 'action/achievement' threshold.</p> <p><i>Action.</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>increase in the recruitment percentage</u> is greater than 2% yearly. <u>Recruitment requirements:</u> <ul style="list-style-type: none"> ○ open ended contracts ○ <u>micro or small entity:</u> part-time or full-time contracts. ○ <u>medium and large entity:</u> full-time contracts

	<p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>recruitment percentage</u> is greater than 60%. <u>Recruitment requirements</u>: <ul style="list-style-type: none"> ○ open ended contracts ○ <u>micro or small entity</u>: part-time or full-time contracts. <u>medium and large entity</u>: full-time contracts 									
<p>Reporting</p>	<p>The entity can select one of these two areas to be assessed on:</p> <p>1 People under 30 and over 45 doing <u>paid internships</u></p> <p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ yes/no to the question: “Does the entity have people under 30 and over 45 years old doing <u>paid internships</u> that year, representing more than 3% of the workforce?” <p>2 <u>Recruitment</u> of people under 30 and over 45 years old</p> <p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ <u>increase in the recruitment percentage</u> current year (compared with the previous year), even if the number is zero or negative ▪ <u>recruitment percentage</u> current year, even if the number is zero 									
<p>Definitions</p>	<p><i>Micro, small, medium and large entities</i></p> <table border="1" data-bbox="409 1098 1153 1321"> <thead> <tr> <th></th> <th>Income or assets</th> <th>Employees</th> </tr> </thead> <tbody> <tr> <td>Micro entities</td> <td>< 2 mill.</td> <td>< 10</td> </tr> <tr> <td>Small entities</td> <td>< 10 mill.</td> <td>< 50</td> </tr> </tbody> </table>		Income or assets	Employees	Micro entities	< 2 mill.	< 10	Small entities	< 10 mill.	< 50
	Income or assets	Employees								
Micro entities	< 2 mill.	< 10								
Small entities	< 10 mill.	< 50								

Medium entities	< €50 mill.	< 250
Large entities	> €50 mill.	> 250

Paid internships

As defined by existing legislation, considering its requirements. Inclusion of different types of internships - defined in the law - that consider monetary remuneration.

Recruitment

New contracts registered during the year.

Recruitment percentage

- Total number of recruited employees under 30 and over 45 years old that year, meeting specific recruitment requirements

Divided by

- Total number of recruited employees that year

Recruitment requirements

- Open ended contracts
- Micro and small entities: full-time or part-time contracts
- Medium and large entities: full-time contracts

Increase in the recruitment percentage

= (Recruitment percentage current year) - (Recruitment percentage previous year)

For example:

- Recruitment percentage current year = 15%
- Recruitment percentage previous year = 10%
- % increase = (15% - 10%) = 5%

Appendix 5. Provision for later years (4d)

Contribution area 4d
 Provision for later years
 SDG3 - Health

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>The entity has established a <u>supplementary pension scheme</u> for 100% of its employees, and it is invested in <u>responsible investments</u>.</p> <p><i>Metric</i> Yes/No to the question - "Does the entity have a <u>supplementary pension scheme</u> for 100% of its employees, and that is invested in <u>responsible investments</u>?"</p>
<p>Scoring</p>	<p><i>Awareness</i> The entity discloses the required information (see reporting) and:</p> <ol style="list-style-type: none"> 1. It has or does not have implemented a <u>supplementary pension scheme</u>; and 2. If it has implemented the scheme, it covers less than 100% of the employees. <p><i>Action</i> The entity discloses the required information (see reporting) and:</p> <ol style="list-style-type: none"> 1. It has implemented a <u>supplementary pension scheme</u>; and

	<p>2. The scheme covers 100% of the employees.</p> <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ol style="list-style-type: none"> 1. It has implemented a <u>supplementary pension scheme</u>; and 2. The scheme covers 100% of the employees, and 3. The scheme is invested in <u>responsible investments</u>.
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ whether it has or has not implemented a <u>supplementary pension scheme</u> - Yes/No ▪ if it has implemented the scheme, it discloses: <ul style="list-style-type: none"> - the % of employees covered by it - whether the <u>supplementary pension scheme</u> is invested in <u>responsible investments</u> - Yes/No
Definitions	<p><i>Responsible investments</i></p> <p>Responsible investment implies incorporating environmental, social and governance (ESG) issues into investment practice.² In practice, the <u>supplementary pension scheme</u> must be invested in funds that are registered with the Principles for Responsible Investment (PRI).</p> <p><i>Supplementary pension scheme</i></p> <p>It is a complementary contributory component, financed wholly or partially by employer's contributions and privately managed, to supplement the pension benefits.</p>

² United Nations Principles for Responsible Investment. <https://www.unpri.org/download?ac=10233>; <https://www.unpri.org/pri/about-the-pri/pri-sustainability>

Appendix 6. Women in leadership (4e)

Contribution area 4e

Women in leadership

SDG5 - Equality

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Proportion of directors and senior managers that are female.</p> <p><i>Metric for <u>medium and large entities</u></i></p> <p><u>Leadership gender percentage (medium and large):</u></p> <ul style="list-style-type: none"> ▪ Number of women in the <u>board of directors</u> and <u>senior management personnel</u> <p>Divided by</p> <ul style="list-style-type: none"> ▪ Total number of people in <u>board of directors</u> and <u>senior management personnel</u> <p><i>Metric for a <u>micro and small entities</u></i></p> <p><u>Leadership gender percentage (micro and small):</u></p> <ul style="list-style-type: none"> ▪ Number of female <u>senior management personnel</u> <p>Divided by</p> <ul style="list-style-type: none"> ▪ Total number of <u>senior management personnel</u>
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p>

	<p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: <u>leadership gender percentage is greater than 20%</u> ▪ during the period 2025-2027: <u>leadership gender percentage is greater than 25%</u> ▪ during the period 2028-2030: <u>leadership gender percentage is greater than 30%</u> <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>leadership gender percentage is between 40% and 60%</u>
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ the resulting <u>leadership gender percentage even if the figure is zero</u>
Definitions	<p><i>Board of directors</i></p> <p>The consultative, executive and collegiate body, made up of the minimum and maximum indicated in the Articles of Association or, failing this, by the General Meeting, but in no case may it be less than 3 directors or more than 12 (art. 242.2 LSC). The board of directors is the highest management group that leads a company (public or private limited company). Thus, it is made up of the managers selected by the general shareholders' meeting, acting in accordance with the provisions of the organisation's articles of association.</p> <p><i>Leadership gender percentage (medium and large):</i></p> <ul style="list-style-type: none"> ▪ Number of women in the <u>board of directors and senior management personnel</u> <p>Divided by</p> <ul style="list-style-type: none"> ▪ Total number of people in board of directors and senior management personnel <p><i>Leadership gender percentage (micro and small):</i></p> <ul style="list-style-type: none"> ▪ Number of female senior management personnel

Divided by

- Total number of senior management personnel

Micro, small, medium and large entities

	Income or assets	Employees
Micro entities	< 2 mill.	< 10
Small entities	< 10 mill.	< 50
Medium entities	< €50 million	< 250
Large entities	> €50 million	> 250

Senior management personnel

Senior management personnel are considered to be those employees who exercise powers inherent to the legal ownership of the company, and relating to its general objectives, with autonomy and full responsibility only limited by the criteria and direct instructions emanating from the person or the higher governing and administrative bodies of the entity that respectively occupies that ownership.

Appendix 7. Professional development (4f)

Contribution area 4f
 Professional development
 SDG4 - Education

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>The entity has established a plan in these subareas, meeting the criteria set out in the definition:</p> <ul style="list-style-type: none"> ▪ Subarea 1. <u>Mentoring plan</u> ▪ Subarea 2. <u>External networking plan</u> ▪ Subarea 3. <u>Internal networking plan</u> ▪ Subarea 4. <u>Training plan</u> <p><i>Metric</i> Total number of subarea plans in place.</p>
<p>Scoring</p>	<p><i>Awareness</i> The entity discloses the required information (see reporting) and it is below the 'action/achievement' threshold for that year.</p> <p><i>Action</i> The entity discloses the required information (see reporting) and it has:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: at least one plan in place

	<ul style="list-style-type: none"> ▪ during the period 2025-2027: at least two plans in place ▪ during the period 2028-2030: at least three plans in place <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and it has:</p> <ul style="list-style-type: none"> ▪ four plans in place
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ number of subarea plans it has in place, even if the number is zero
Definitions	<p><i>External networking plan</i></p> <p>Existence of an external networking plan. The external networking plan defines the strategies for promoting connections and exchanging knowledge and ideas with external people. Examples of measures to be taken by entities: actively supporting staff to participate in conferences or seminars, offering training opportunities for networking skills development. Additionally, it needs to satisfy the requirements set out in <u>plan requirements</u>.</p> <p><i>Internal networking plan</i></p> <p>Existence of an internal networking plan. The internal networking plan defines the strategies for promoting connections and exchanging knowledge and ideas with people from the entity. Examples of measures to be taken by entities: internal workshops to encourage networking, social events to encourage people from different departments to exchange knowledge and ideas. Additionally, it needs to satisfy the requirements set out in <u>plan requirements</u>.</p> <p><i>Mentoring plan</i></p> <p>Existence of a mentoring plan. The mentoring plan defines the strategies for promoting mentoring programs or knowledge transfer policies within the entity. Examples of measures to be taken by entities: mentoring programs for new employees, mentoring programs for women or mentoring programs for knowledge transfer. Additionally, it needs to satisfy the requirements set out in <u>plan requirements</u>.</p>

Plan requirements

Existence of a detailed plan to encourage several actions within the entity in one specific subarea. It has to meet the following requirements:

- The measures or actions have to consider all employees when it is possible to apply it.

- Only actions that represent an improvement compared to the measures provided for the current legislation and the applicable collective agreement will be valued.

- The plan describes the objectives to be achieved and, at the same time, the strategy and activities that will be implemented to achieve them. Additionally, it contains the budget, the timetable of activities to be carried out, and the roles of the different actors involved in implementing the plan.

Training plan

Existence of a training plan. The training plan defines the strategies for developing employees' skills and knowledge. For example, the company has a structured training programme for its employees. Additionally, it needs to satisfy the requirements set out in plan requirements.

Appendix 8. Quality education (4g)

Contribution area 4g

Quality education

SDG4 – Education

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>The entity has a <u>qualifying partnership or collaboration(s)</u> with an <u>educational centre</u> to promote quality education and training connected to the current and new economic and social needs.</p> <p><i>Metric</i> Yes/No to the question - "Does the entity have a <u>qualifying partnership or collaboration(s)</u> with an <u>educational centre</u>, meeting specific <u>collaboration requirements depending on the entity size</u>?"</p>
<p>Scoring</p>	<p><i>Awareness</i> The entity discloses the required information (see reporting) and is below the 'action/achievement' threshold.</p> <p><i>Action</i> No action points. If 'Yes' then awarded achievement points.</p> <p><i>Achievement</i> The entity discloses the required information (see reporting) and:</p>

	<ul style="list-style-type: none"> ▪ the answer is 'yes' to the question: "Does the entity have a <u>qualifying partnership or collaboration(s)</u> with an <u>educational centre</u>, meeting specific <u>collaboration requirements depending on the entity size</u>?" <u>Collaboration requirements depending on the entity size</u>: <ul style="list-style-type: none"> ○ <u>micro and small entities</u>: one <u>qualifying partnership or collaboration</u> ○ <u>medium and large entities</u>: two or more <u>qualifying partnerships or collaborations</u>
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ yes/no to the question: "Does the entity have a <u>qualifying partnership or collaboration(s)</u> with an <u>educational centre</u>, meeting specific <u>collaboration requirements depending on the entity size</u>?"
Definitions	<p><i>Collaboration requirements depending on the entity size</i></p> <ul style="list-style-type: none"> - <u>Micro and small entities</u>: one <u>qualifying partnership or collaboration</u> - <u>Medium and large entities</u>: two or more <u>qualifying partnerships or collaborations</u> <p><i>Educational centre</i></p> <p>The Organic Law on Education (LOE) of 2006 and the Organic Law for the Improvement of Educational Quality (LOMCE) of 2013, which amends it, are currently the basic rules that regulate the education system, define its structure and outline the types of institutions. Additionally, other institutions in the Biscay region (not covered by the previous legislation) are considered, such as the local development and employment centres ("Centros de desarrollo y empleo local").</p> <p><i>Independent</i></p> <p>The entity has no shareholding in the partner company, and the partner company has no shareholding in the entity.</p> <p><i>Maintained during the year</i></p> <p>The collaboration was in existence at the end of the reporting period.</p>

Micro, small, medium and large entities

	Income or assets	Employees
Micro entities	< 2 mill.	< 10
Small entities	< 10 mill.	< 50
Medium entities	< €50 mill.	< 250
Large entities	> €50 mill.	> 250

Publicly acknowledged by both parties

The entity and the partner makes the collaboration agreement public through their normal communication channels available to public audiences.

Qualifying partnership or collaboration(s)

The minimum qualities for a partnership or collaboration to count, it should:

- be with a separate, independent, named organisation

- have a written collaboration agreement or Memorandum of Understanding (MoU) that should cover:
 - clearly defined resources to be provided by each side
 - clearly defined outcomes
 - identified and named relationship manager from each side

- be publicly acknowledged by both parties

- be maintained during the year

	<p><i>Resources</i> It could be monetary and/or non monetary. For instance: money (€), hours of employees assigned to the project, infrastructure.</p> <p><i>Separate</i> Not already counted in the contribution area 6c.</p>
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Appendix 9. Employment equality (4h)

Contribution area 4h
 Employment equality
 SDG5 - Equality

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Gender wage gap</p> <p><i>Metric</i></p> <p><u>Gender wage gap percentage</u>:</p> <ul style="list-style-type: none"> ▪ <u>Difference in mean hourly wages</u> <p>Divided by</p> <ul style="list-style-type: none"> ▪ Mean hourly wages of men
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: <u>gender wage gap percentage</u> (absolute value) is less than 20% ▪ during the period 2025-2027: <u>gender wage gap percentage</u> (absolute value) is less than 15% ▪ during the period 2028-2030: <u>gender wage gap percentage</u> (absolute value) is less than 10%.

	<p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>gender wage gap percentage</u> (absolute value) is less than 5%
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ the resulting <u>gender wage gap percentage</u> even if zero or negative
Definitions	<p><i>Difference in mean hourly wages</i>³</p> <p>Difference between average hourly earnings (excluding overtime) of men and women for each <u>employee category</u>. For an example calculation see “Making your gender pay gap calculations step by step instructions on making each of the required gender pay gap calculations”⁴</p> <p><i>Employee category</i>⁵</p> <p>Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production).</p> <p><i>Gender wage gap percentage:</i></p> <ul style="list-style-type: none"> ▪ <u>Difference in mean hourly wages</u> <p>Divided by</p> <ul style="list-style-type: none"> ▪ Mean hourly wages of men

³ Combination of GRI and ONS

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2020>

⁴ <https://www.gov.uk/guidance/making-your-gender-pay-gap-calculations>

⁵ Taken from GRI <https://www.globalreporting.org/standards/media/1020/gri-405-diversity-and-equal-opportunity-2016.pdf>

For example:

- Mean hourly wages of men €16 per hour
- Mean hourly wages of women €12 per hour
- Gender wage gap percentage = $(16-12)/16 = 4/16 = 0,25 = 25\%$

Appendix 10. Workplace violence and harassment (4i)

Contribution area 4i
 Workplace violence and harassment
 SDG5 - Equality

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

Assessment	<p>The entity has established a plan and relevant actions in each of these subareas, identified in the Equality plan.⁶</p> <ul style="list-style-type: none"> A. <u>Prevention of sexual and gender-based harassment</u> (1) B. <u>Employment rights of victims of gender-based violence</u> (6) C. <u>Communication, information and awareness-raising</u> (3) <p><i>Metric</i></p> <p>Total number of actions implemented for each subarea taking into account the requirement to have one action in each subarea.</p>
Scoring	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p>

⁶ <https://www.boe.es/boe/dias/2020/10/14/pdfs/BOE-A-2020-12214.pdf>

	<p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ must implement one action in each of the 3 subareas and: <ul style="list-style-type: none"> ○ during the period 2021-2024: 2 further actions (total 5) ○ during the period 2025-2027: 4 further actions (total 7) ○ during the period 2028-2030: 6 further actions (total 9) <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ must implement every action listed (total 10).
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ whether or not it has delivered one action in each of the 3 subareas ▪ the total number of further actions implemented, even if zero
Definitions	<p><i>A. Prevention of sexual and gender-based harassment - list of actions:</i></p> <p>For the action to 'score' points, the entity must be able to answer 'yes' to all the questions in this section.</p> <p>1. Does the plan include a protocol for action on harassment at work? Yes/No.</p> <p>If 'yes':</p> <ul style="list-style-type: none"> a) Types of harassment expressly covered by the protocol: <ul style="list-style-type: none"> - Sexual harassment. Yes/No - Gender-based harassment. Yes/No b) Does the procedure established in the protocol guarantee the privacy, confidentiality and dignity of the persons affected by the harassment? Yes/No

- c) Is a joint body set up to deal with the cases of harassment envisaged? Yes/No
- d) Is there provision for professional psychological and/or medical counselling or support for victims of harassment? Yes/No

B. Employment rights of victims of gender-based violence - list of actions:

For the action to 'score' points in any area, the entity must be able to answer 'yes' to the relevant question:

- 2. Are awareness-raising measures on gender-based violence established? Yes/No
- 3. Is there specific training for human resources personnel on the rights of victims of gender-based violence? Yes/No
- 4. Are terms established for the exercise of the legally recognised rights to reduce working hours, reorganisation of working time, the application of flexible working hours or other forms of working time organisation for victims of gender-based violence? Yes/No
- 5. Is there provision for professional psychological and/or medical counselling or support for victims of gender-based violence? Yes/No
- 6. Are legally established employment rights for victims of gender-based violence extended? Yes/No
- 7. Are other measures, in addition to those provided for in the current regulations, incorporated? Yes/No

If 'yes', please provide further details.

C. Communication, information and awareness-raising - list of actions:

For the action to 'score' points in any area, the entity must be able to answer 'yes' to the relevant question:

8. Are specific measures on non-sexist and inclusive communication established? Yes/No

9. Have measures been defined for disseminating and informing staff about the Equality Plan? Yes/No

10. Have staff awareness-raising actions on gender equality been defined? Yes/No

Appendix 11. Decarbonisation - Renewable energy consumption (5a)

Contribution area 5a

Decarbonisation - Renewable energy consumption

SDG7 - Energy

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Increasing ratio of renewable electricity consumption to total electricity consumption (<u>scope 1</u> and <u>scope 2</u> equivalent).</p> <p><i>Metric</i></p> <p><u>Renewable electricity energy percentage:</u></p> <ul style="list-style-type: none"> ▪ <u>Renewable electrical energy</u> consumption <p>Divided by</p> <ul style="list-style-type: none"> ▪ Total electrical energy consumption
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ reaches the yearly threshold of <u>renewable electricity energy percentage:</u>

	<table border="1"> <thead> <tr> <th data-bbox="405 209 517 312">Year</th> <th data-bbox="517 209 754 312">% renewable electrical energy</th> </tr> </thead> <tbody> <tr><td data-bbox="405 312 517 368">2020</td><td data-bbox="517 312 754 368">14.6</td></tr> <tr><td data-bbox="405 368 517 424">2021</td><td data-bbox="517 368 754 424">23.1</td></tr> <tr><td data-bbox="405 424 517 480">2022</td><td data-bbox="517 424 754 480">31.7</td></tr> <tr><td data-bbox="405 480 517 536">2023</td><td data-bbox="517 480 754 536">40.2</td></tr> <tr><td data-bbox="405 536 517 592">2024</td><td data-bbox="517 536 754 592">48.8</td></tr> <tr><td data-bbox="405 592 517 647">2025</td><td data-bbox="517 592 754 647">57.3</td></tr> <tr><td data-bbox="405 647 517 703">2026</td><td data-bbox="517 647 754 703">65.8</td></tr> <tr><td data-bbox="405 703 517 759">2027</td><td data-bbox="517 703 754 759">74.4</td></tr> <tr><td data-bbox="405 759 517 815">2028</td><td data-bbox="517 759 754 815">82.9</td></tr> <tr><td data-bbox="405 815 517 871">2029</td><td data-bbox="517 815 754 871">91.5</td></tr> <tr><td data-bbox="405 871 517 944">2030</td><td data-bbox="517 871 754 944">100</td></tr> </tbody> </table>	Year	% renewable electrical energy	2020	14.6	2021	23.1	2022	31.7	2023	40.2	2024	48.8	2025	57.3	2026	65.8	2027	74.4	2028	82.9	2029	91.5	2030	100
Year	% renewable electrical energy																								
2020	14.6																								
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2022	31.7																								
2023	40.2																								
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2025	57.3																								
2026	65.8																								
2027	74.4																								
2028	82.9																								
2029	91.5																								
2030	100																								
Reporting	<p data-bbox="405 991 568 1023"><i>Achievement</i></p> <p data-bbox="405 1031 1196 1062">The entity discloses the required information (see reporting) and:</p> <ul data-bbox="456 1078 1106 1110" style="list-style-type: none"> <li data-bbox="456 1078 1106 1110">▪ <u>renewable electricity energy percentage</u> is 100% 																								
Definitions	<p data-bbox="405 1270 898 1302"><i>Renewable electricity energy percentage</i></p> <ul data-bbox="456 1310 1016 1342" style="list-style-type: none"> <li data-bbox="456 1310 1016 1342">▪ <u>Renewable electrical energy</u> consumption 																								

	<p>Divided by</p> <ul style="list-style-type: none"> ▪ Total electrical energy consumption <p><i>Renewable electrical energy</i> See GRI Standard 302 ⁷</p> <p>Electrical energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes. Note: renewable energy sources can include geothermal, wind, solar, hydro, and biomass</p> <p><i>Scope 1 (adapted from GRI definition 305.1 ⁸)</i> Energy used from sources that are owned or controlled by the organization.</p> <p><i>Scope 2 (adapted from GRI definition 305.2)</i> Energy used from purchased or acquired electricity, heating, cooling, and steam.</p>
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⁷ <https://www.globalreporting.org/standards/media/1009/gri-302-energy-2016.pdf>

⁸ <https://www.globalreporting.org/standards/media/1012/gri-305-emissions-2016.pdf>

Appendix 12. Energy efficiency (5b)

Contribution area 5b

Energy efficiency

SDG7 - Energy

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Reduction in energy Intensity ratio of the organization (J/€), including only energy used within the organization (<u>scope 1</u> and <u>scope 2</u>).</p> <p><i>Metric</i></p> <p><u>% reduction in energy intensity ratio</u> (compared with the <u>base year</u>). <u>Energy intensity ratio</u>:</p> <ul style="list-style-type: none"> ▪ <u>Total energy consumption of the organisation</u> measured in Joules <p>Divided by</p> <ul style="list-style-type: none"> ▪ Annual <u>sales</u> measured in € for that year
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ the <u>energy intensity ratio</u> has been reduced by at least the % shown for the relevant year in the table below.

	<table border="1" data-bbox="409 209 817 900"> <thead> <tr> <th>Year</th> <th>% reduction</th> </tr> </thead> <tbody> <tr><td>2020</td><td>0</td></tr> <tr><td>2021</td><td>3.3</td></tr> <tr><td>2022</td><td>6.5</td></tr> <tr><td>2023</td><td>9.8</td></tr> <tr><td>2024</td><td>13.0</td></tr> <tr><td>2025</td><td>16.3</td></tr> <tr><td>2026</td><td>19.6</td></tr> <tr><td>2027</td><td>22.8</td></tr> <tr><td>2028</td><td>26.1</td></tr> <tr><td>2029</td><td>29.3</td></tr> <tr><td>2030</td><td>32.6</td></tr> </tbody> </table> <p data-bbox="409 946 568 970"><i>Achievement</i></p> <p data-bbox="409 986 1193 1018">The entity discloses the required information (see reporting) and:</p> <ul data-bbox="454 1034 1093 1066" style="list-style-type: none"> ▪ <u>energy intensity ratio</u> reduction is at least 32.6% 	Year	% reduction	2020	0	2021	3.3	2022	6.5	2023	9.8	2024	13.0	2025	16.3	2026	19.6	2027	22.8	2028	26.1	2029	29.3	2030	32.6
Year	% reduction																								
2020	0																								
2021	3.3																								
2022	6.5																								
2023	9.8																								
2024	13.0																								
2025	16.3																								
2026	19.6																								
2027	22.8																								
2028	26.1																								
2029	29.3																								
2030	32.6																								
Reporting	<p data-bbox="409 1106 656 1137">The entity discloses:</p> <ul data-bbox="454 1153 1597 1185" style="list-style-type: none"> ▪ <u>% reduction</u> in <u>energy intensity ratio</u> (compared with the <u>base year</u>) even if zero or positive 																								
Definitions	<p data-bbox="409 1225 533 1257"><i>Base year</i></p> <p data-bbox="409 1265 600 1297">The year 2020.</p>																								

Energy intensity ratio:

- Total energy consumption of the organisation measured in Joules

Divided by

- Annual sales measured in € for that year

Scope 1 (adapted from GRI definition 305.1⁹)

Energy used from sources that are owned or controlled by the organization.

Scope 2 (adapted from GRI definition 305.2)

Energy used from purchased or acquired electricity, heating, cooling, and steam.

Sales (€)

Definition linked to existing legislation

Total energy consumption of the organisation

GRI Standard 302.1¹⁰

Total energy consumption within the organization (measured in Joules) =

- Non-renewable fuel consumed +
- Renewable fuel consumed +
- Electricity, heating, cooling, and steam purchased for consumption +
- Self-generated electricity, heating, cooling, and steam, which are not consumed (avoid double counting) - Electricity, heating, cooling, and steam sold

⁹ <https://www.globalreporting.org/standards/media/1012/gri-305-emissions-2016.pdf>

¹⁰ <https://www.globalreporting.org/standards/media/1009/gri-302-energy-2016.pdf>

% reduction in energy intensity ratio

$(\text{Base year} - \text{Current year}) / \text{Base year}$

For example:

- Base year, energy intensity = 2

- Current year, energy intensity = 1.5

- % reduction = $(2-1.5)/2 = 0.5/2 = 25\%$

Appendix 13. Material use (input) (5c)

Contribution area 5c

Material use (input)

SDG12 - Sustainable consumption and production

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Increase the <u>material productivity</u>, including the volume of <u>total materials</u>.</p> <p><i>Metric</i></p> <p><u>% increase in material productivity ratio</u> (compared with the <u>base year</u>). <u>Material productivity ratio</u>:</p> <ul style="list-style-type: none"> ▪ <u>Sales</u> (€) <p>Divided by</p> <ul style="list-style-type: none"> ▪ Volume (kg) of <u>total materials</u>
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action/achievement' threshold that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: <u>% increase in material productivity ratio</u> is greater than 5% ▪ during the period 2025-2027: <u>% increase in material productivity ratio</u> is greater than 11%

	<ul style="list-style-type: none"> ▪ during the period 2028-2030: <u>% increase in material productivity ratio</u> is greater than 17% <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>% increase in material productivity ratio</u> is greater than 22%¹¹
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ <u>% increase in material productivity ratio</u> (compared with the <u>base year</u>) even if the number is zero.
Definitions	<p><i>Base year</i></p> <p>The year 2020.</p> <p><i>Material productivity</i></p> <p>Material productivity is expressed as the amount of economic output generated per unit of materials consumed (OECD, 2021) ¹².</p> <p><i>Material productivity ratio:</i></p> <ul style="list-style-type: none"> ▪ <u>Sales (€)</u> <p>Divided by</p> <ul style="list-style-type: none"> ▪ Volume (kg) of <u>total materials</u> <p><i>Sales (€)</i></p> <p>Definition linked to existing legislation</p>

¹¹ These figures have been calculated using the Euskadi 2030 Target (4.47€/kg) as stated in the Euskadi Circular Economy Strategy 2030 (2019).

¹² <https://data.oecd.org/materials/material-productivity.htm>

Total materials

Total materials include energy and non-energy materials used in the current year. Amount of materials (in terms of weight) used by the entity, i.e. materials extracted or harvested plus materials and products purchased¹³.

% increase in material productivity ratio

= $(\text{Material productivity ratio current year} - \text{Material productivity ratio base year}) / (\text{Material productivity ratio base year})$

For example:

- Material productivity ratio current year = 4.28

- Material productivity ratio base year = 4.01

- % increase = $(4.28 - 4.01) / 4.01 = 0.067 = 6.7\%$

¹³ This is an adaptation of the definition used by the OECD at country level. <https://data.oecd.org/materials/material-consumption.htm> "Domestic material consumption (DMC) refers to the amount of materials (in terms of weight) used in an economy, i.e. materials extracted or harvested in the country, plus materials and products imported, minus material and products exported. The data refer to metals, non-metallic minerals (construction minerals, industrial minerals), biomass (wood, food) and fossil energy carriers."

Appendix 14. Material use (output) / Circular economy (5d)

Contribution area 5d

Material use (output) / Circular Economy

SDG12 - Sustainable consumption and production

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Increase the proportion of non-hazardous and <u>hazardous waste</u> diverted from <u>disposal</u>, with a breakdown by the following disposal methods where applicable: i. <u>reuse</u>, ii. <u>recycling</u>, iii. <u>composting</u>, iv. <u>other recovery operations</u>.</p> <p><i>Metric</i></p> <p>Increase in the <u>diverted waste percentage</u> (compared with the previous year).</p> <p><u>Diverted waste percentage</u>:</p> <ul style="list-style-type: none"> ▪ Total weight of non-hazardous and <u>hazardous waste</u> diverted from <u>disposal</u>, with a breakdown by the following disposal methods where applicable: i. <u>reuse</u>, ii. <u>recycling</u>, iii. <u>composting</u>, iv. <u>other recovery operations</u>. <p>Divided by</p> <ul style="list-style-type: none"> ▪ Total weight of <u>waste</u>
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting), and it is below the 'action/achievement' threshold.</p>

	<p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>increases the diverted waste percentage</u> by greater than 2,5% yearly <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>diverted waste percentage</u> is greater than 75%
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ <u>increase in the diverted waste percentage</u> even if the number is zero or negative ▪ <u>diverted waste percentage</u> current year even if the number is zero
Definitions	<p><i>Composting</i></p> <p>«Compost»: “Organic amendment obtained from aerobic and thermophilic biological treatment of separately collected biodegradable waste. Organic material obtained from mechanical biological treatment plants of mixed waste shall not be considered as compost and shall be referred to as bio stabilised material”¹⁴.</p> <p><i>Disposal</i></p> <p>“Any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy.</p> <ul style="list-style-type: none"> - Note 1: Disposal is the end-of-life management of discarded products, materials, and resources in a sink or through a chemical or thermal transformation that makes these products, materials, and resources unavailable for further use. - Note 2: This definition comes from the European Union (EU), Waste Framework Directive, 2008 (Directive 2008/98/EC).”¹⁵

¹⁴ Ley 22/2011, de 28 de julio, de residuos y suelos contaminados <https://www.boe.es/buscar/act.php?id=BOE-A-2011-13046>

¹⁵ GRI 306: Waste 2020 <https://www.globalreporting.org/standards/media/2573/gri-306-waste-2020.pdf>

Diverted waste percentage

- Total weight of non-hazardous and hazardous waste diverted from disposal, with a breakdown by the following disposal methods where applicable: i. reuse, ii. recycling, iii. composting, iv. other recovery operations.

Divided by

- Total weight of waste

Hazardous waste

“Waste that has one or more of the dangerous characteristics listed in Annex III, and that which may be approved by the Government in accordance with the provisions of European regulations or international conventions to which Spain is a party, as well as the containers and containers that have contained them. [Anexo III. Características de los residuos que permiten calificarlos de peligrosos: “Explosivo”, “Comburente”, “Inflamable”, “Irritante — irritación cutánea y lesiones oculares”, “Toxicidad específica en determinados órganos (STOT en su sigla inglesa)/Toxicidad por aspiración”, “Toxicidad aguda”, “Carcinógeno”, “Corrosivo”, “Infeccioso”, “Tóxico para la reproducción”, “Mutágeno”, “Liberación de un gas de toxicidad aguda”, “Sensibilizante”, “Ecotóxico”, “Residuos que pueden presentar una de las características de peligrosidad antes mencionadas que el residuo original no presentaba directamente”]”¹⁶.

Increase in the diverted waste percentage

= (Diverted waste % current year)-(Diverted waste % previous year)

For example:

- Diverted waste % current year = 14%
- Diverted waste % previous year = 10%
- % increase = (14% - 10%) = 4%

¹⁶ Ley 22/2011, de 28 de julio, de residuos y suelos contaminados <https://www.boe.es/buscar/act.php?id=BOE-A-2011-13046>

	<p><i>Other recovery operations</i> “For instance, repurposing or refurbishment”.¹⁷</p> <p><i>Recycling</i> “Any recovery operation by which waste materials are transformed back into products, materials or substances, whether for the original purpose or for any other purpose. It includes the transformation of organic material, but does not include energy recovery or transformation into materials to be used as fuels or for backfilling operations.”¹⁸</p> <p><i>Reuse</i> “Any operation by which products or components of products that are not waste are reused for the same purpose for which they were conceived.”¹⁹</p> <p><i>Waste</i> “Any substance or object which the holder discards or intends or is required to discard”²⁰.</p>
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¹⁷ Presentation GRI 306: Waste 2020 <https://assets.kpmg/content/dam/kpmg/th/pdf/2020/11/presentation-webcast-gri-306-waste-2020.pdf>

¹⁸ Ley 22/2011, de 28 de julio, de residuos y suelos contaminados <https://www.boe.es/buscar/act.php?id=BOE-A-2011-13046>

¹⁹ Ley 22/2011, de 28 de julio, de residuos y suelos contaminados <https://www.boe.es/buscar/act.php?id=BOE-A-2011-13046>

²⁰ This definition is taken from the document prepared by the Department for Environment, Food and Rural Affairs (Defra) in conjunction with the Welsh Government (WG), the Department of the Environment in Northern Ireland, the Environment Agency and the Northern Ireland Environment Agency (NIEA). https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69590/pb13813-waste-legal-def-guide.pdf. If there were a definition within Biscayan legislation, it would be strategic to use that definition.

Appendix 15. Decarbonisation - Greenhouse gas emissions/GHG (5e)

Contribution area 5e

Decarbonisation - Greenhouse gas emissions/GHG

SDG13 - Climate

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

Assessment	<p>Reduction of <u>net direct greenhouse gas (GHG) emissions (scope 1)</u>.</p> <p><i>Metric</i></p> <p><u>% reduction in net direct GHG emissions (scope 1)</u> (compared with the <u>base year</u>). <u>Net direct GHG emissions</u>:</p> <ul style="list-style-type: none"> ▪ <u>Metric tonnes of CO2 equivalent (scope 1)</u> - <u>Metric tonnes of CO2 equivalent offsets</u>
Scoring	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ The <u>net direct GHG emissions</u> has been reduced (compared with <u>base year</u>) by at least the % shown for the relevant year in the table below.

	<table border="1" data-bbox="409 209 692 900"> <thead> <tr> <th>Year</th> <th>% reduction</th> </tr> </thead> <tbody> <tr><td>2020</td><td>0</td></tr> <tr><td>2021</td><td>10.0</td></tr> <tr><td>2022</td><td>20.0</td></tr> <tr><td>2023</td><td>30.0</td></tr> <tr><td>2024</td><td>40.0</td></tr> <tr><td>2025</td><td>50.0</td></tr> <tr><td>2026</td><td>60.0</td></tr> <tr><td>2027</td><td>70.0</td></tr> <tr><td>2028</td><td>80.0</td></tr> <tr><td>2029</td><td>90.0</td></tr> <tr><td>2030</td><td>100</td></tr> </tbody> </table> <p data-bbox="409 946 568 970"><i>Achievement</i></p> <p data-bbox="409 986 1193 1018">The entity discloses the required information (see reporting) and:</p> <ul data-bbox="456 1034 999 1066" style="list-style-type: none"> ▪ reaching <u>net-zero direct GHG emissions</u>. 	Year	% reduction	2020	0	2021	10.0	2022	20.0	2023	30.0	2024	40.0	2025	50.0	2026	60.0	2027	70.0	2028	80.0	2029	90.0	2030	100
Year	% reduction																								
2020	0																								
2021	10.0																								
2022	20.0																								
2023	30.0																								
2024	40.0																								
2025	50.0																								
2026	60.0																								
2027	70.0																								
2028	80.0																								
2029	90.0																								
2030	100																								
Reporting	<p data-bbox="409 1106 656 1137">The entity discloses:</p> <ul data-bbox="456 1153 1973 1358" style="list-style-type: none"> ▪ <u>% reduction in net direct GHG emissions</u> (compared with the <u>base year</u>) ▪ <u>net direct GHG emissions</u> in the current year <ul style="list-style-type: none"> ○ <u>metric tonnes of CO2 equivalent, scope 1</u> (direct GHG emissions). GRI Standard 305.1. ○ <u>metric tonnes of CO2 equivalent offsets</u>. GRI Standard 305.5. Offsets must comply with <u>ICROA Code of Best Practice offset standards (ICROA, 2021)</u>. 																								

<p>Definitions</p>	<p><i>Base year</i> The year 2020.</p> <p><i>ICROA Code of Best Practice offset standards (ICROA, 2021)</i> ICROA recommends third-party auditing of carbon offsets to ensure actions adhere to the ICROA Code of Best Practice (see more at https://www.icroa.org/Third-Party-Auditing and https://www.climate-check.com/). However, if Biscay decides to implement a different verification of adequate carbon offsets, they should demand complying with the Code of Best Practice standards:</p> <p>Essential criteria (see complete standards at https://www.icroa.org/The-ICROA-Code-of-Best-Practice)</p> <ol style="list-style-type: none"> 1. The offset standard was designed and is managed by an independent organisation or group of organisations. 2. The offset standard has a robust governance process and is well managed: <ol style="list-style-type: none"> a. The governance process is transparent. b. Independent decision makers manage the standard. c. The standard provides oversight to the validators'/verifiers' work, and ensures the work is impartially and rigorously conducted, appropriate to the requirements of the standard. 3. The offset standard is linked to a publically accessible registry, independent of the offset provider, which tracks issued carbon credits to ensure uniqueness for each tonne. 4. The offset standard requires that offset projects and carbon reduction claims are independently validated and verified. Validation and verification must be carried out by a suitably qualified, independent organisation. 5. The offset principles identified within the ICROA Code of Practice are met by carbon credits generated using the standard. The carbon credits are: <ol style="list-style-type: none"> a. Independently Verified. b. Unique.
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- c. Real.
- d. Measurable.
- e. Permanent.
- f. Additional.

6. Legal requirements regarding the avoidance of environmental and social impacts are fulfilled.

Metric tonnes of CO2 equivalent

See GRI Standard 305.1

Gross direct (scope 1) GHG emissions in metric tons of CO2 equivalent, including CO2, CH4, N2O, HFCs, PFCs, SF6, NF3 and Biogenic CO2 emissions.

Metric tonnes of CO2 equivalent offsets

See GRI Standard 305.5

GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent, including CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3 (scope 1, scope 2 and scope 3).

Net direct GHG emissions

- Metric tonnes of CO2 equivalent (scope 1) - Metric tonnes of CO2 equivalent offsets

Net-zero direct GHG emissions

- Metric tonnes of CO2 equivalent (scope 1) - Metric tonnes of CO2 equivalent offsets is equal or less than zero

Scope 1 (adapted from GRI definition 305.1 ²¹)

Energy used from sources that are owned or controlled by the organization.

²¹ <https://www.globalreporting.org/standards/media/1012/gri-305-emissions-2016.pdf>

Scope 2 (adapted from GRI definition 305.2)

Energy used from purchased or acquired electricity, heating, cooling, and steam.

Scope 3 (adapted from GRI definition 305.3)

Energy used by sources not owned or controlled by the entity but linked to its activity either upstream (from suppliers) or downstream (from customers).

% reduction in net direct greenhouse gas emissions

$$\frac{(\text{Base year net direct GHG emissions} - \text{Current year net direct GHG emissions})}{\text{Base year net direct GHG emissions}}$$

For example:

- Base year = 10,000 tonnes

- Current Year = 8,000 tonnes

- % reduction = $(10,000 - 8,000) / 10,000 = 0.20 = 20\%$

Appendix 16. Resilience to climate change (5f)

Contribution area 5f
Resilience to climate change
SDG13 - Climate

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

Assessment	<p>Awareness of risks and opportunities from climate <u>vulnerability</u> and climate <u>resilience</u> activity</p> <p><i>Metric</i> Yes/No to the question - "Has the entity prepared a <u>resilience to climate change plan?</u>"</p>
Scoring	<p><i>Awareness</i> The entity discloses the required information (see reporting) and is below the 'action/achievement' threshold for that year.</p> <p><i>Action</i> No action points. If 'yes' then awarded achievement points.</p> <p><i>Achievement</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ the answer is 'yes' to the question: "Has the entity prepared a <u>resilience to climate change plan?</u>"
Reporting	<p>The entity discloses:</p>

	<ul style="list-style-type: none"> yes/no to the question: “Has the entity prepared a <u>resilience to climate change plan?</u>” 									
Definitions	<p><i>Micro and small entities</i></p> <table border="1" data-bbox="409 323 1043 544"> <thead> <tr> <th></th> <th>Income or assets</th> <th>Employees</th> </tr> </thead> <tbody> <tr> <td>Micro entities</td> <td>< 2 mill.</td> <td>< 10</td> </tr> <tr> <td>Small entities</td> <td>< 10 mill.</td> <td>< 50</td> </tr> </tbody> </table> <p><i>Resilience (from IPCC Glossary²²)</i> The capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganising in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation.</p> <p><i>Resilience to climate change plan</i> A ‘resilience to climate change plan’ is a plan that sets out the risks and opportunities to the entity from climate change and how it is managing those risks and opportunities. Guidance on the risks and opportunities to consider are set out in GRI 201.2 Standard. Every three years IHOBE (or a similar institution) shall prepare possible future scenarios and a set of standards and questions to be answered in organizations in their Resilience to climate change plan.</p> <p>These guidelines should be based on GRI Standard 201.2 Financial implications and other risks and opportunities due to climate change²³ and CDP Climate Change 2021 Questionnaire C2, Risks and Opportunities ²⁴ or their current versions. The plan will be considered valid for three years.</p>		Income or assets	Employees	Micro entities	< 2 mill.	< 10	Small entities	< 10 mill.	< 50
	Income or assets	Employees								
Micro entities	< 2 mill.	< 10								
Small entities	< 10 mill.	< 50								

²² IPCC Glossary

²³ <https://www.globalreporting.org/standards/media/1039/gri-201-economic-performance-2016.pdf>

²⁴ <https://guidance.cdp.net/en/guidance?cid=18&ctype=theme&idtype=ThemeID&incchild=1µsite=0&otype=Questionnaire&tags=TAG-646%2CTAG-605%2CTAG-600>

IHOBE or a similar public agency may prepare templates for small and micro entities.

Example GRI 201.2 Standard:

Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:

1. A description of the risk or opportunity and its classification as either physical, regulatory, or other;
2. A description of the impact associated with the risk or opportunity;
3. The financial implications of the risk or opportunity before action is taken;
4. The methods used to manage the risk or opportunity;
5. The costs of actions taken to manage the risk or opportunity.

Vulnerability (from IPCC glossary²⁵)

The propensity or predisposition to be adversely affected. Vulnerability encompasses a variety of concepts and elements including sensitivity or susceptibility to harm and lack of capacity to cope and adapt.

²⁵ IPCC glossary ref

Appendix 17. Recovery of degraded areas (5g)

Contribution area 5g

Recovery of degraded areas

SDG15 - Land use

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

This is an ambitious CA; supplier assessment has not been done before at this scale; it is difficult because of the interaction with the supply chain and the requirement to obtain information from suppliers that they might not be collecting already. If this turns out to be too ambitious, then an alternative to start with is to base the assessment of suppliers on:

- whether or not the suppliers are 'Biscay Model compliant'; or
- one dimension of impact, for example using Scope 3 greenhouse gas emissions

Assessment	<p>Reduction in the <u>negative environmental impact</u> of products and services consumed.</p> <p>The entity is assessed on either 1. or 2. depending on its size.</p> <p>1 <u>Micro and small entities.</u> <u>Identifying potential environmental risks</u> of the <u>20% of most relevant suppliers' products and services.</u></p> <p><i>Metric</i></p> <p>Yes/No to the question - "Does the entity <u>identify potential environmental risks</u> of the <u>20% of most relevant suppliers' products and services?</u>"</p>
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	<p><u>2 Medium and large entities.</u></p> <p>A scoring system in two stages is suggested:</p> <ul style="list-style-type: none"> ❖ 1st stage (1°- 3° years) - <u>Negative environmental impact assessment</u> of suppliers' products and services. ❖ 2nd stage (4°- 10° years) - Increasing suppliers' products and services that either do not have a <u>negative environmental impact</u> or have a <u>negative environmental impact</u>, but they have an <u>action plan agreed</u>. <p><i>Metric</i></p> <ul style="list-style-type: none"> ❖ 1st stage <ul style="list-style-type: none"> <u>Negative environmental impact assessment percentage:</u> <ul style="list-style-type: none"> ▪ Suppliers' products and services that have been <u>assessed</u> for their <u>negative environmental impacts</u> (based on € purchase value) Divided by <ul style="list-style-type: none"> ▪ Total suppliers' products and services (based on € purchase value) ❖ 2nd stage <ul style="list-style-type: none"> <u>Increase in the non-negative environmental impact percentage</u> (compared with the previous year). <u>Non-negative environmental impact percentage:</u> <ul style="list-style-type: none"> ▪ Suppliers' products and services that either do not have a <u>negative environmental impact</u> or have a <u>negative environmental impact</u>, but they have an <u>action plan agreed</u> (€ purchase value) Divided by <ul style="list-style-type: none"> ▪ Total volume of suppliers' products and services (€ purchase value)
Scoring	<p>The entity is assessed on either 1. or 2. depending on its size.</p> <p><u>1 Micro and small entities</u></p> <p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action/achievement' threshold for that year.</p>

Action

No action points. If 'yes' then awarded achievement points.

Achievement

The entity discloses the required information (see reporting), and:

- the answer is 'yes' to the question: "Does the entity identify potential environmental risks of the 20% of most relevant suppliers' products and services?"

2 Medium and large entities

1st stage

Awareness

The entity discloses the required information (see reporting) and it is below the 'action/achievement' threshold for that year.

Action

The entity discloses the required information (see reporting), and:

- 2021 (year 1): negative environmental impact assessment percentage is greater than 10%
- 2022 (year 2): negative environmental impact assessment percentage is greater than 30%
- 2023 (year 3): negative environmental impact assessment percentage is greater than 60%

Achievement

The entity discloses the required information (see reporting), and:

- the negative environmental impact assessment percentage is greater than 80%

	<p><i>2nd stage</i> <i>Awareness</i> The entity discloses the required information (see reporting) and it is below the 'action/achievement' threshold.</p> <p><i>Action</i> The entity discloses the required information (see reporting), and:</p> <ul style="list-style-type: none"> ▪ the <u>increase in the non-negative environmental impact percentage</u> is greater than 8% yearly <p><i>Achievement</i> The entity discloses the required information (see reporting), and:</p> <ul style="list-style-type: none"> ▪ the <u>non-negative environmental impact percentage</u> is greater than 80%
<p>Reporting</p>	<p>1 <u>Micro and small entities</u> The entity discloses:</p> <ul style="list-style-type: none"> ▪ yes/no to the question: "Does the entity <u>identify potential environmental risks of the 20% of most relevant suppliers' products and services?</u>" <p>2 <u>Medium and large entities</u></p> <p><i>1st stage</i> The entity discloses:</p> <ul style="list-style-type: none"> ▪ <u>negative environmental impact assessment percentage</u>, even if the number is zero <p><i>2nd stage</i> The entity discloses:</p> <ul style="list-style-type: none"> ▪ <u>increase in the non-negative environmental impact percentage</u> (compared with the previous year), even if the number is zero ▪ <u>non-negative environmental impact percentage</u> current year, even if the number is zero

<p>Definitions</p>	<p><i>Action plan agreed</i> “Actions taken to address environmental impacts can include changing an organization’s procurement practices, adjusting performance expectations, capacity building, training, changes to processes, as well as terminating supplier relationships” (GRI disclosure 308).</p> <p><i>Identify(ing/ed) potential environmental risks</i> Potential areas of environmental risks guidelines: - The GRI disclosure 308 states a path of supplier environmental assessment, including the topics in the 300 series: GRI 301 Materials, GRI 302 Energy, GRI 303 Water, GRI 304 Biodiversity, GRI 305 Emissions, GRI 306 Effluents and waste, GRI 307 Environmental Compliance. Alternatively, - The government can coordinate guidance about the most relevant aspects to be included, considering different sectors.</p> <p><i>Increase in the non-negative environmental impact percentage</i> = $(\text{Non-negative environmental impact \% current year}) - (\text{Non-negative environmental impact \% previous year})$ For example: - $\text{Non-negative environmental impact \% current year} = 55\%$ - $\text{Non-negative environmental impact \% previous year} = 45\%$ - $\% \text{ increase} = (55\% - 45\%) = 10\%$</p>
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Micro, small, medium and large entities

	Income or assets	Employees
Micro entities	< 2 mill.	< 10
Small entities	< 10 mill.	< 50
Medium entities	< €50 mill.	< 250
Large entities	> €50 mill.	> 250

Negative environmental impact; Negative environmental impact assessment; Assessed... negative environmental impact

The entity identifies if the supplier has a negative environmental impact. "Negative impacts include those that are either caused or contributed to by an organization, or that are directly linked to its activities, products, or services by its relationship with a supplier" (GRI disclosure 308). The GRI disclosure 308 states a path of supplier environmental assessment: Assessments for environmental includes the topics in the 300 series (environmental topics): GRI 301 Materials, GRI 302 Energy, GRI 303 Water, GRI 304 Biodiversity, GRI 305 Emissions, GRI 306 Effluents and waste, GRI 307 Environmental Compliance."

Negative environmental impact assessment percentage

- Suppliers' products and services that have been assessed for their negative environmental impacts (based on € purchase value)

Divided by

- Total suppliers' products and services (based on € purchase value)

Non-negative environmental impact percentage

- Suppliers' products and services that either do not have a negative environmental impact or have a negative environmental impact, but they have an action plan agreed (€ purchase value)

Divided by

- Total volume of suppliers' products and services (€ purchase value)

20% of most relevant suppliers' products and services

Sorting suppliers' products and services by order of magnitude in € euros. The top 20% of the total € corresponds to the 20% of most relevant suppliers' products and services.

Appendix 18. Increase in entrepreneurship (6a)

Contribution area 6a

Increase in entrepreneurship

SDG8 - Sustainable growth

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

Assessment	<p>The entity can select one of these two areas to be assessed on:</p> <p>1 <u>New qualifying SDG investments</u>: <u>entrepreneurial companies invested in</u>; <u>new intra-enterprise pilots with start-up</u>; and <u>new spin-offs</u> – scaled in relation to the total number of organisations invested in / launched / spun-off.</p> <p><i>Metric</i></p> <p><u>New qualifying SDG investments percentage</u>:</p> <ul style="list-style-type: none">▪ Total number of <u>qualifying SDG: new entrepreneurial companies invested in</u>; plus <u>new intra-enterprise pilots with start-up</u>; plus <u>new spin-offs</u> <p>Divided by</p> <ul style="list-style-type: none">▪ Total number of: <u>new entrepreneurial companies invested in</u>; plus <u>new intra-enterprise pilots with start-up</u>; plus <u>new spin-offs</u> <p>2 Staff time offered to pursue <u>new</u> business ventures or alternative creative approaches. (Yes/No)</p>
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	<p><i>Metric</i> Yes/No to the question - "Can the entity demonstrate that it had a <u>qualifying staff time policy</u> for the entire year that enables staff to pursue <u>new</u> business ventures or alternative creative approaches?"</p>
<p>Scoring</p>	<p>The entity can select one of these two areas to be assessed on:</p> <p>1 Number of <u>new qualifying SDG</u></p> <p><i>Awareness</i> The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: percentage greater than 40% ▪ during the period 2025-2027: percentage greater than 65% ▪ during the period 2028-2030: percentage greater than 85% <p><i>Achievement</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ percentage greater than 90% <p>2 Staff time</p> <p><i>Awareness</i> The entity discloses the required information (see reporting) and is below the 'action/achievement' threshold for that year.</p> <p><i>Action</i> No action points. If 'yes' to the question, then awarded achievement points.</p>

	<p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ the answer is 'yes' to the question: "Can the entity demonstrate that it had a <u>qualifying staff time policy</u> for the entire year that enables staff to pursue <u>new</u> business ventures or alternative creative approaches?"
<p>Reporting</p>	<p>The entity can select one of these two areas to be assessed on:</p> <p>1 Number of <u>new qualifying</u> SDG</p> <p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ ratio, even if it is zero <p>2 Staff time</p> <p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ yes/no to the question: "Can the entity demonstrate that it had a <u>qualifying staff time policy</u> for the entire year that enables staff to pursue <u>new</u> business ventures or alternative creative approaches?"
<p>Definitions</p>	<p><i>Entrepreneurial companies invested in</i></p> <ul style="list-style-type: none"> - Invested in = the entity has made a financial investment in the capital of the company that represents more than 10% of the capital of that company (after the investment). - Entrepreneurial company = a company where more than 50% of its activity is in products and services that have not been available in Biscay within the last three years. The proportion of an activity shall be determined based on sales (actual or projected). <p><i>Intra-enterprise pilots with start-up</i></p> <p>An organisation (company or partnership) that is created by the entity where the entity retains more than 50% of the control of that organisation.</p>

New

The activity happens in the current year.

New qualifying SDG investments percentage:

- Total number of qualifying SDG: new entrepreneurial companies invested in; plus new intra-enterprise pilots with start-up; plus new spin-offs

Divided by

- Total number of: new entrepreneurial companies invested in; plus new intra-enterprise pilots with start-up; plus new spin-offs

Qualifying SDG

An activity or project or investment or company counts as an SDG relevant area if more than 50% of the activity or project or company's activity (measured by sales) is included in one of the following:

- Green tech - evidenced by the Basque list of clean technologies;
- Environmental - evidenced by Art 65 of NFIS
- Health and education - for the company to propose

Qualifying staff time policy

A written staff policy included within staff terms and conditions that enables all its staff to have a specific period of paid time each week (minimum 1 hour per week) to spend on creative activity.

Spin-offs

An organisation (company or partnership) that is created by the entity where the entity retains less than 50% of the control of that organisation.

Appendix 19. Innovation (6b)

Contribution area 6b

Innovation

SDG8 - Sustainable growth

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Volume of <u>new qualifying SDG research & development (R&D) projects</u>: a) <u>taking part in</u>; b) <u>invested in by public money</u>; c) <u>financed through 64 bis</u>.</p> <p><i>Metric</i></p> <p><u>SDG R&D percentage</u>:</p> <ul style="list-style-type: none"> ▪ Total € of <u>new qualifying SDG R&D projects</u> <p>Divided by</p> <ul style="list-style-type: none"> ▪ Total € of <u>new R&D projects</u>
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: <u>SDG R&D percentage</u> is greater than 30%

	<ul style="list-style-type: none"> ▪ during the period 2025-2027: <u>SDG R&D percentage</u> is greater than 50% ▪ during the period 2028-2030: <u>SDG R&D percentage</u> is greater than 80% <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>SDG R&D percentage</u> is greater than 90%
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ the <u>SDG R&D percentage</u> even if it is zero.
Definitions	<p><i>Financed through 64 bis</i> [link to the relevant legislation]</p> <p><i>Invested in by public money</i> Funding for whole or part of the project has come from government or government agencies.</p> <p><i>New</i> The activity happens in the current year.</p> <p><i>Qualifying SDG</i> An activity or project or investment or company counts as an SDG relevant area if more than 50% of the activity or project or company's activity (measured by sales) is included in one of the following:</p> <ul style="list-style-type: none"> ▪ Green tech - evidenced by the Basque list of clean technologies; ▪ Environmental - evidenced by Art 65 of NFIS ▪ Health and education - for the company to propose <p><i>Research & development (R&D) projects</i> See Art 64.bis of NFIS; Art 61 of NFIS.</p>

SDG R&D percentage:

- Total € of new qualifying SDG R&D projects

Divided by

- Total € of new R&D projects

Taking part in

The R&D project is run by the organisation.

Appendix 20. Partnerships and collaborations (6c)

Contribution area 6c

Partnerships and collaborations

SDG8 - Sustainable growth

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

Assessment	<p>Number of <u>qualifying partnerships and collaborations maintained during the year</u>.</p> <p><i>Metric</i></p> <p>Number of <u>qualifying partnerships and collaborations maintained during the year</u></p>
Scoring	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: metric is greater than A (see table below) ▪ during the period 2025-2027: metric is greater than B (see table below) ▪ during the period 2028-2030: metric is greater than C (see table below)

	<p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> metric is greater than D (see table below) <table border="1" data-bbox="412 384 1283 751"> <thead> <tr> <th>Company Size:</th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> </tr> </thead> <tbody> <tr> <td><u>Micro</u></td> <td>1</td> <td>1</td> <td>2</td> <td>3</td> </tr> <tr> <td><u>Small</u></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td><u>Medium</u></td> <td>2</td> <td>4</td> <td>6</td> <td>8</td> </tr> <tr> <td><u>Large</u></td> <td>3</td> <td>6</td> <td>9</td> <td>12</td> </tr> </tbody> </table>	Company Size:	A	B	C	D	<u>Micro</u>	1	1	2	3	<u>Small</u>	1	2	3	4	<u>Medium</u>	2	4	6	8	<u>Large</u>	3	6	9	12
Company Size:	A	B	C	D																						
<u>Micro</u>	1	1	2	3																						
<u>Small</u>	1	2	3	4																						
<u>Medium</u>	2	4	6	8																						
<u>Large</u>	3	6	9	12																						
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> number of <u>qualifying partnerships and collaborations maintained during the year</u> even if zero 																									
Definitions	<p><i>Independent</i></p> <p>The entity has no shareholding in the partner company, and the partner company has no shareholding in the entity.</p> <p><i>Maintained during the year</i></p> <p>The partnership or collaboration was in existence at the end of the reporting period.</p>																									

Micro, small, medium and large entities

	Income or assets	Employees
Micro entities	< 2 mill.	< 10
Small entities	< 10 mill.	< 50
Medium entities	< €50 mill.	< 250
Large entities	> €50 mill.	> 250

Publicly acknowledged by both parties

The entity and the partner makes the partnership or collaboration agreement public through their normal communication channels available to public audiences.

Qualifying partnerships and collaborations

For a partnership or collaboration to count, it should:

- be with a separate, independent, named organisation
- have a written partnership & /collaboration agreement or Memorandum of Understanding (MoU) that should cover:
 - clearly defined resources to be provided by each side
 - clearly defined outcomes
 - identified and named relationship manager from each side
- be publicly acknowledged by both parties
- be maintained during the year

Resources

It could be monetary and/or non monetary. For instance: money (€), hours of employees assigned to the project, infrastructure.

	<p><i>Separate</i> Not already counted in the contribution area 4g.</p> <p><i>Written partnership & /collaboration agreement</i> Written document that specifies the alliance between two or more parties.</p>
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Appendix 21. Attracting and retaining talent (6d)

Contribution area 6d

Attracting and retaining talent

SDG8 - Sustainable growth

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>The entity has delivered on actions in each of the four categories (of plans and policies for diversity and inclusion):</p> <ul style="list-style-type: none"> A. <u>Leadership and management</u> (12) B. <u>Policy and practice</u> (7) C. <u>The working environment</u> (7) D. <u>Promotion, publicity and external relations</u> (9) <p>Metric Total number of actions in place throughout the different subareas.</p>
<p>Scoring</p>	<p><i>Awareness</i> The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ must implement one action in each of the 4 categories and:

	<ul style="list-style-type: none"> ○ during the period 2021-2024: 3 further actions (7/35 = 20%) ○ during the period 2025-2027: 10 further actions (14/35 = 40%) ○ during the period 2028-2030: 17 further actions (21/35 = 60%) <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ must implement one action in each of the 4 subareas and, ▪ by 2030, 24 further actions(28/35 = 80%)
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ whether it has delivered an action from each category ▪ the total number of actions delivered
Definitions	<p><i>Leadership and management - list of actions</i></p> <ol style="list-style-type: none"> 1. Makes a link between the vision, mission and ethos of the company and the principles of equality and diversity (E&D) 2. Has a business case for diversity, recognising it as a contributing factor to organisational performance and success. 3. Embeds E&D principles and practice into its strategic planning, organisational change, and other operational processes across the Institution. 4. Has identified an E&D Champion at board and/or executive level. 5. Includes responsibility for E&D in senior and other managers' job descriptions. 6. Makes clear that managers are expected to implement E&D policies in their areas of authority and responsibility. 7. Through monitoring, identifies E&D issues specific to particular commercial and support areas, and supports managers in addressing these. 8. Equips and supports directors members / senior managers in their E&D responsibilities through a programme of training, coaching, briefing notes, and other management development initiatives.

9. Promotes fair and equitable management in all aspects of managing and development staff, including use of appraisal, target setting, conflict resolution techniques, performance management and disciplinary procedures.
10. Ensures that managers at all levels provide regular progress reports on E&D activity.
11. Gives senior management recognition to E&D achievements in departments, units and teams.
12. Ensures there are appropriate mechanisms for dealing with complaints and appeals, in the event of alleged discrimination.

Policy and practice - list of actions

13. Has written and published an equality and diversity policy/ scheme and action plan that addresses all equality strands appropriately.
14. Consults and involves all relevant stakeholders in policy development and review.
15. Widely promotes the policy/schemes and action plans, both internally and externally, to employees, contractors, and other stakeholders.
16. Has an equality code of practice for the RAE 2008, and ensures its effective communication and implementation.
17. Has policies specifically addressing harassment, bullying, victimisation, hate crimes and other behaviours inappropriate to a working environment, with procedures to follow for those affected.
18. Makes it clear to staff that harassment, bullying, and other forms of unfair discrimination are unacceptable and may result in disciplinary action.
19. Provides confidential advice and support services for staff.

The working environment - list of actions

20. Encourages applications for jobs from a diverse range of applicants.
21. Seeks feedback on the recruitment and selection and applications process from successful candidates, to inform future procedural review.
22. Provides induction programmes for newly recruited and promoted staff, which incorporates E&D issues.

- 23. Has a systematic approach to identifying staff training and development needs, which addresses organisational requirements in respect of equality and diversity.
- 24. Involves E&D specialists in the planning and review of staff training and development programmes, and their delivery where appropriate.
- 25. Evaluates the effectiveness of staff training and other development interventions supporting equality and diversity, and uses this to inform review of future provision.
- 26. Regularly seeks feedback from staff on how well equality and diversity principles are implemented, and acts on the findings.

Promotion, publicity and external relations - list of actions

- 27. Promotes a positive E&D image of the organisation through the media, intranet, and other communication methods.
- 28. Makes specific reference to E&D in its corporate literature and publicity, including the intranet, web sites, prospectus, and course materials, using appropriate visual imagery.
- 29. Actively invites feedback from staff, students and other stakeholders on any aspect of E&D in the institution.
- 30. Considers E&D issues in planning and evaluating market research and client and customer surveys.
- 31. Produces corporate information in a range of suitable formats, other languages (where appropriate), and which is culturally sensitive.
- 32. Ensures that E&D issues are raised with external bodies where the organisation has influence, nationally, regionally, and locally, providing expertise and making representations as required.
- 33. Sends senior managers to act as ambassadors for E&D at external events, including conferences, career fairs, other meetings involving the organisation.
- 34. Participates in local, regional, and national training and development initiatives for underrepresented groups, as appropriate.
- 35. Works with others on measures that have wider implications for E&D in the community, e.g., improving transport facilities, public safety, reporting of harassment, etc.

Appendix 22. Investing: non-financial organisations/ Private financing (6e)

Contribution area 6e

Investing: non-financial organisations/ private financing

SDG9 - Sustainable industrialisation

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Non-financial sector: € value <u>invested in new qualifying SDG investments</u> in <u>other companies</u> scaled by size of the organisation</p> <p><i>Metric</i></p> <p>The <u>SDG investment percentage</u>:</p> <ul style="list-style-type: none"> ▪ € value <u>invested in other companies</u> in <u>new qualifying SDG investments</u>. <p>Divided by</p> <ul style="list-style-type: none"> ▪ Total € <u>sales</u>
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: <u>SDG investment percentage</u> is greater than 2%

	<ul style="list-style-type: none"> ▪ during the period 2025-2027: <u>SDG investment percentage</u> is greater than 5% ▪ during the period 2028-2030: <u>SDG investment percentage</u> is greater than 8% <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>SDG investment percentage</u> is greater than 10%
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ <u>SDG investment percentage</u>
Definitions	<p><i>Independent</i></p> <p>The entity has no shareholding in the partner or other company, and the partner or other company has no shareholding in the entity.</p> <p><i>Invested in</i></p> <p>The € value of the shareholding or direct investment in the other company or that company's project.</p> <p><i>Investments</i></p> <p>Shareholding or direct investment in another company</p> <p><i>New</i></p> <p>The activity happens in the current year.</p> <p><i>Non-financial sector</i></p> <p>Entities that are not in the financial sector - as defined by existing legislation.</p>

Other companies

A company that is independent of the entity.

Qualifying SDG

An activity or project or investment or company counts as an SDG relevant area if more than 50% of the activity or project or company's activity (measured by sales) is included in one of the following:

- Green tech - evidenced by the Basque list of clean technologies;
- Environmental - evidenced by Art 65 of NFIS
- Health and education - for the company to propose

Sales

Definition linked to existing legislation

SDG investment percentage

- € value invested in other companies in new qualifying SDG investments.

Divided by

- Total € sales

Appendix 23. Investing: financial organisations (6f)

Contribution area 6f

Investing: financial organisations

SDG9 - Sustainable industrialisation

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Financial sector: € value <u>invested in new qualifying SDG investments</u>.</p> <p><i>Metric</i> The financial investment percentage: <ul style="list-style-type: none"> ▪ € value <u>invested in new qualifying SDG investments</u> Divided by: <ul style="list-style-type: none"> ▪ Total € <u>investments</u> </p>
<p>Scoring</p>	<p><i>Awareness</i> The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i> The entity discloses the required information (see reporting) and: <ul style="list-style-type: none"> ▪ during the period 2021-2024: <u>financial investment percentage</u> is greater than 40% </p>

	<ul style="list-style-type: none"> ▪ during the period 2025-2027: <u>financial investment percentage</u> is greater than 60% ▪ during the period 2028-2030: <u>financial investment percentage</u> is greater than 80% <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>financial investment percentage</u> is greater than 90%
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ <u>financial investment percentage</u>
Definitions	<p><i>Financial investment percentage:</i></p> <ul style="list-style-type: none"> ▪ € value <u>invested in new qualifying SDG investments</u> <p>Divided by:</p> <ul style="list-style-type: none"> ▪ Total € <u>investments</u> <p><i>Financial sector</i></p> <p>As defined by existing legislation</p> <p><i>Invested in</i></p> <p>The € value of the shareholding or direct investment in the other company or that company's project.</p> <p><i>Investments</i></p> <p>Shareholding or direct investment in another company</p> <p><i>New</i></p> <p>The activity happens in the current year.</p>

Qualifying SDG

An activity or project or investment or company counts as an SDG relevant area if more than 50% of the activity or project or company's activity (measured by sales) is included in one of the following:

- Green tech - evidenced by the Basque list of clean technologies;
- Environmental - evidenced by Art 65 of NFIS
- Health and education - for the company to propose

Appendix 24. Investing: groups / Structuring of productive investments (6g)

Contribution area 6g

Investing: groups / Structuring of productive investments.

SDG9 - Sustainable industrialisation

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p><u>Investing groups</u>: € value invested in <u>qualifying SDG investments</u>.</p> <p><i>Metric</i></p> <p>The <u>investing investment percentage</u>:</p> <ul style="list-style-type: none"> ▪ € value <u>invested in qualifying SDG investments</u> <p>Divided by:</p> <ul style="list-style-type: none"> ▪ Total € <u>investments</u>
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: the <u>investing investment percentage</u> is greater than 40% ▪ during the period 2025-2027: the <u>investing investment percentage</u> is greater than 60% ▪ during the period 2028-2030: the <u>investing investment percentage</u> is greater than 80%

	<p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ the <u>investing investment percentage</u> is greater than 90%
Reporting	<p>The entity discloses:</p> <p><u>investing investment percentage</u></p>
Definitions	<p><i>Invested in</i></p> <p>The € value of the shareholding or direct investment in the other company or that company's project.</p> <p><i>Investing groups</i></p> <p>'Collective funds and certain other sectors'.</p> <p><i>Investing investment percentage:</i></p> <ul style="list-style-type: none"> ▪ € value <u>invested in qualifying SDG investments</u> <p>Divided by:</p> <ul style="list-style-type: none"> ▪ Total € <u>investments</u> <p><i>Investments</i></p> <p>Shareholding or direct investment in another company.</p> <p><i>Qualifying SDG</i></p> <p>An activity or project or investment or company counts as an SDG relevant area if more than 50% of the activity or project or company's activity (measured by sales) is included in one of the following:</p> <ul style="list-style-type: none"> ▪ Green tech - evidenced by the Basque list of clean technologies; ▪ Environmental - evidenced by Art 65 of NFIS ▪ Health and education - for the company to propose

Appendix 25. Knowledge and digital economy / Digital economy (6h)

Contribution area 6h

Knowledge and digital economy / Digital economy

SDG9 - Sustainable industrialisation

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

Assessment	<p>Number of <u>cumulative qualifying changes linked to the industry 4.0</u>.</p> <p><i>Metric</i></p> <p>Number of <u>cumulative qualifying changes linked to the industry 4.0</u></p>
Scoring	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: greater than 2 <u>cumulative qualifying changes linked to the industry 4.0</u> ▪ during the period 2025-2027: greater than 4 <u>cumulative qualifying changes linked to the industry 4.0</u> ▪ during the period 2028-2030: greater than 6 <u>cumulative qualifying changes linked to the industry 4.0</u>

	<p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ greater than 8 <u>cumulative qualifying changes linked to the industry 4.0</u>
Reporting	<p>The entity <u>discloses</u>:</p> <ul style="list-style-type: none"> ▪ the total numbers of <u>cumulative qualifying changes linked to the industry 4.0</u>
Definitions	<p><i>Base year</i></p> <p>The year 2020</p> <p><i>Cumulative</i></p> <p>The total number of changes made during the period from the <u>base year</u> up to and including the current year.</p> <p><i>Qualifying changes linked to the industry 4.0</i></p> <ul style="list-style-type: none"> ▪ A specific investment that has been made in one of the following areas: <ul style="list-style-type: none"> ○ <i>Interconnection</i> — the ability of machines, devices, sensors, and people to connect and communicate with each other via the Internet of things (IoT), or the internet of people (IoP) ○ <i>Information transparency</i> — the transparency afforded by Industry 4.0 technology provides operators with comprehensive information to make decisions. Inter-connectivity allows operators to collect immense amounts of data and information from all points in the manufacturing process, identify key areas that can benefit from improvement to increase functionality ○ <i>Technical assistance</i> — the technological facility of systems to assist humans in decision-making and problem-solving, and the ability to help humans with difficult or unsafe tasks ○ <i>Decentralized decisions</i> — the ability of cyber physical systems to make decisions on their own and to perform their tasks as autonomously as possible. Only in the case of exceptions, interference, or conflicting goals, are tasks delegated to a higher level

	<ul style="list-style-type: none">▪ For an investment to count as a change the investment needs to be of a value greater than the equivalent of 5% of <u>sales</u> (€). <p><i>Sales</i> (€) Definition linked to existing legislation.</p>
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Appendix 26. Resilience of organisations (6i)

Contribution area 6i
 Resilience of organisations
 SDG9 - Sustainable industrialisation

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

Assessment	<p>The entity develops <u>new / diversified products or markets or business models</u> in a <u>qualifying SDG</u> relevant area</p> <p><i>Metric</i></p> <p>Yes/No to the question - "Can the entity demonstrate that in the current year it developed:</p> <ul style="list-style-type: none"> ▪ <u>qualifying SDG new / diversified products</u>; or ▪ <u>qualifying SDG new / diversified markets</u>; or ▪ <u>qualifying SDG new / diversified business models</u>?"
Scoring	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action/achievement' threshold for that year.</p> <p><i>Action</i></p> <p>No action points. If 'yes' then awarded achievement points.</p>

	<p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ The answer is 'yes' to the question: "Can the entity demonstrate that in the current year it developed: <ul style="list-style-type: none"> ○ <u>qualifying SDG new / diversified products</u>; or ○ <u>qualifying SDG new / diversified markets</u>; or ○ <u>qualifying SDG new / diversified business models</u>?"
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ yes/no to the question: "Can the entity demonstrate that in the current year it developed: <ul style="list-style-type: none"> ○ <u>qualifying SDG new / diversified products</u>; or ○ <u>qualifying SDG new / diversified markets</u>; or ○ <u>qualifying SDG new / diversified business models</u>?"
Definitions	<p><i>New / diversified business models</i></p> <p>The business model has not been used before the current year and its <u>sales potential</u> is greater than 5%. Examples of business model types include (but many others are possible): 1. Subscription model; 2. Bundling model; 3. Freemium model; 4. Razor blades model; 5. Product to service model; 6. Leasing model; 7. Crowdsourcing model; 8. One-for-one model; 9. Franchise model; 10. Distribution model; 11. Manufacturer model; 12. Retailer model.</p> <p><i>New / diversified markets</i></p> <p>The market (geographic or sector or demographic) has not been operated before the current year and its <u>sales potential</u> is greater than 5%.</p> <p><i>New / diversified products</i></p> <p>The product or service has not been offered for sale before the current year and its <u>sales potential</u> is greater than 5%.</p>

	<p><i>Qualifying SDG</i></p> <p>An activity or project or investment or company counts as an SDG relevant area if more than 50% of the activity or project or company's activity (measured by sales) is included in one of the following:</p> <ul style="list-style-type: none">▪ Green Tech - evidenced by the Basque list of clean technologies;▪ Environmental - evidenced by Art 65 of NFIS▪ Health and education - for the company to propose <p><i>Sales (€)</i></p> <p>As defined by current legislation.</p> <p><i>Sales potential</i></p> <p>A reasonable estimate for the level of future annual <u>sales</u> that are planned as a percentage of total future annual <u>sales</u> for that year.</p>
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Appendix 27. Small trade and fair trade (6j)

Contribution area 6j
 Small trade and fair trade
 SDG9 - Sustainable industrialisation

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p>Increase the ratio of special products and services purchased: from <u>micro and small</u> suppliers and <u>fair trade products</u>.</p> <p><i>Metric</i> <u>% increase in small and fair trade ratio</u> (compared with the <u>base year</u>). <u>Small and fair trade ratio</u>:</p> <ul style="list-style-type: none"> ▪ Purchased products and services (based on € purchase value) from <u>micro and small suppliers</u>, and <u>fair trade products</u>. <p>Divided by:</p> <ul style="list-style-type: none"> ▪ Total volume of purchased products and services (based on € purchase value)
<p>Scoring</p>	<p><i>Awareness</i> The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: <u>% increase</u> is greater than 20% ▪ during the period 2025-2027: <u>% increase</u> is greater than 30%

	<ul style="list-style-type: none"> during the period 2028-2030: <u>% increase</u> is greater than 40% <p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> <u>% increase</u> is greater than 50%; or <u>small and fair trade ratio</u> greater than 50% 									
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> <u>% increase</u> in <u>small and fair trade ratio</u> (compared with the <u>base year</u>) even if zero or negative <u>small and fair trade ratio</u> in the current year 									
Definitions	<p><i>Base year</i></p> <p>The year 2020.</p> <p><i>Fair trade products</i></p> <p>The product has a fair trade certification. List of certifications: Asociación por un Turismo Equitativo y Solidario (ATES), Biopartenaire, Fair For Life, Fairtrade International, Fair Trade USA, Naturland Fair, Símbolo de Pequeños Productores (SPP), Organización Mundial del Comercio Justo (WFTO). [It is important to check this list of certifications together with Biscay experts (to consider contextual aspects)].</p> <p><i>Micro and small</i></p> <table border="1" data-bbox="409 1086 1043 1310"> <thead> <tr> <th></th> <th>Income or assets</th> <th>Employees</th> </tr> </thead> <tbody> <tr> <td>Micro entities</td> <td>< 2 mill.</td> <td>< 10</td> </tr> <tr> <td>Small entities</td> <td>< 10 mill.</td> <td>< 50</td> </tr> </tbody> </table>		Income or assets	Employees	Micro entities	< 2 mill.	< 10	Small entities	< 10 mill.	< 50
	Income or assets	Employees								
Micro entities	< 2 mill.	< 10								
Small entities	< 10 mill.	< 50								

Small and fair trade ratio:

- Purchased products and services (based on € purchase value) from micro and small suppliers, and fair trade products.

Divided by:

- Total volume of purchased products and services (based on € purchase value)

% increase in small and fair trade ratio

= (Small and fair trade ratio current year) - (Small and fair trade ratio base year)/(Small and fair trade ratio base year)

For example:

- Small and fair trade ratio in current year = 55%

- Small and fair trade ratio in base year = 40%

- % increase = (55% - 40%)/(40%) = 15%/40% = 0.375 = 37.5%

Appendix 28. Access to housing and accessible work (6k)

Contribution area 6k
Access to housing and accessible work
SDG11 - Sustainable cities and communities

Key
See appendix 1 for key.
Note that terms underlined are defined in the 'definitions' section.

Assessment	The entity can select one of these two areas to be assessed on: 1 <u>Companies with properties</u> Reduction in void rates. <i>Metric</i> <u>% reduction in void rate ratio</u> (compared with the <u>base year</u>). <u>Void rate ratio</u> : <ul style="list-style-type: none">▪ <u>Void entity properties</u> Divided by <ul style="list-style-type: none">▪ <u>Total entity properties</u>
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	<p><u>2 Companies with employees</u></p> <p>Employers establish measures that facilitate access to housing including: transport, rental guarantees, subsidised housing. List approach: employers should offer something to all employees that is relevant to their situation.</p> <p><i>Metric</i></p> <p>The number of actions in the following action areas:</p> <p>Schemes to get employees on the housing ladder or into accommodation</p> <ol style="list-style-type: none"> 1. <u>Loans to cover the costs of rental deposits</u> 2. <u>Guarantees for deposits</u> 3. <u>Making connections between employees and empty property owners</u> 4. Other <p>Schemes to help employees with location or transport</p> <ol style="list-style-type: none"> 5. <u>Access to bicycles - loans, subsidies, rental</u> 6. <u>Access to electric car shares - making connections</u> 7. <u>Access to public transport - reduced travel passes</u> 8. Telecommuting - upgrading employees' internet access, flexible working, home office arrangements 9. Other
Scoring	<p>The entity can select one of these two areas to be assessed on:</p> <p><u>1 Companies with properties</u></p> <p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p>

	<p><i>Action</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: <u>% reduction</u> in <u>void rate ratio</u> is greater than 10% ▪ during the period 2025-2027: <u>% reduction</u> in <u>void rate ratio</u> is greater than 20% ▪ during the period 2028-2030: <u>% reduction</u> in <u>void rate ratio</u> is greater than 30% <p><i>Achievement</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>void rate ratio</u> less than 1/10; or ▪ <u>% reduction</u> in <u>void rate ratio</u> is greater than 40% <p><u>2 Companies with employees</u></p> <p><i>Awareness</i> The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: one action or more are in place ▪ during the period 2025-2027: three actions or more are in place ▪ during the period 2028-2030: four actions or more are in place <p><i>Achievement</i> The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ five actions or more are in place
Reporting	The entity can select one of these two areas to be assessed on:

	<p>1 <u>Companies with properties</u></p> <p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ <u>% reduction in void rate ratio</u> ▪ <u>void rate ratio</u> in current year <p>2 <u>Companies with employees</u></p> <p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ the total number of actions in place
Definitions	<p><i>Access to bicycles - loans, subsidies, rental</i></p> <p>The entity offers employees facilities to access bicycles: loans, subsidies, etc.</p> <p><i>Access to electric car shares - making connections</i></p> <p>The entity facilitates access to electric car shares for employees through, for example, sponsoring or joining a scheme.</p> <p><i>Access to public transport - reduced travel passes</i></p> <p>The entity covers part of the cost of public transport for its employees.</p> <p><i>Base year</i></p> <p>The year 2020.</p> <p><i>Companies with employees</i></p> <p>It includes entities without properties</p> <p><i>Companies with properties</i></p> <p>It includes entities which own properties.</p>

Guarantees for deposits

The entity offers to act as guarantor for employees.

Loans to cover the costs of rental deposits

The entity offers employees affordable loans to cover the cost of rental deposits.

Making connections between employees and empty property owners

The entity actively connects employees with owners of empty properties.

Total entity properties

Whole portfolio of properties owned by an entity.

Void entity properties

All unoccupied properties owned by an entity.

Void rate ratio

- Void entity properties

Divided by

- Total entity properties

% reduction in void rate ratio

$$= ((\text{Void rate ratio in base year}) - (\text{Void rate ratio in current year})) / (\text{Void rate ratio in base year})$$

For example:

- Void rate ratio in current year = 1/10

- Void rate ratio in base year = 3/10

- % reduction = $(0.3 - 0.1) / 0.3 = 0.667 = 66.7\%$

Appendix 29. Development of infrastructures to promote productive activity (6l)

Contribution area 6l

Development of infrastructures to promote productive activity

SDG11 - Sustainable cities and communities

Key

See appendix 1 for key.

Note that terms underlined are defined in the 'definitions' section.

<p>Assessment</p>	<p><u>Real estate sector: % of € value invested in productive infrastructure.</u></p> <p><i>Metric</i></p> <p><u>Productive investment percentage:</u></p> <ul style="list-style-type: none"> ▪ € value <u>invested in productive infrastructure</u> <p>Divided by</p> <ul style="list-style-type: none"> ▪ € total <u>investments at the balance sheet date</u>
<p>Scoring</p>	<p><i>Awareness</i></p> <p>The entity discloses the required information (see reporting) and is below the 'action' threshold for that year.</p> <p><i>Action</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ during the period 2021-2024: <u>productive investment percentage</u> is greater than 40% ▪ during the period 2025-2027: <u>productive investment percentage</u> is greater than 60% ▪ during the period 2028-2030: <u>productive investment percentage</u> is greater than 80%

	<p><i>Achievement</i></p> <p>The entity discloses the required information (see reporting) and:</p> <ul style="list-style-type: none"> ▪ <u>productive investment percentage</u> is greater than 90%
Reporting	<p>The entity discloses:</p> <ul style="list-style-type: none"> ▪ <u>productive investment percentage</u>
Definitions	<p><i>At the balance sheet date</i></p> <p>At the end of the current year.</p> <p><i>Invested in</i></p> <p>The € value of the shareholding or direct investment in the asset or the other company or that company's project.</p> <p><i>Investments</i></p> <p>Shareholding or direct investment in another company</p> <p><i>Productive infrastructure</i></p> <p>As defined by existing or proposed legislation.</p> <p><i>Productive investment percentage:</i></p> <ul style="list-style-type: none"> ▪ € value <u>invested in productive infrastructure</u> <p>Divided by</p> <ul style="list-style-type: none"> ▪ € total investments <u>at the balance sheet date</u> <p><i>Real estate sector</i></p> <p>Real estate companies and those that have real estate. E.g. factory buildings.</p>

Appendix 30: Common questions to be considered as part of the wider testing

Table 4: Target levels

Area	Issue	Possible resolution
Scores, thresholds, targets and data requirements have been suggested.	These will need to be tested for a) how many companies will comply (and size and sector); b) scale of ambition; etc	Testing phase.
Behaviour change / link with target setting and scoring	How much do we think companies will actually change behaviour - in the short-term at least? Or is the real value in the direction that is being set?	Useful area for research. Factor into target setting.
Simplicity and Ambition	In most CAs we have a balance to be struck - both in terms of the measure itself and in the target levels of performance. Very simple - so easy to roll out and apply; but risks losing the ability to capture everything that we would like to capture (and with an associated message that the missing areas are not important).	If we want to draw people into the system the barriers to entry must be really low - so in some cases this might mean starting out with a very simplified approach (with a view that greater depth can be brought in later (say 5 years) by which time evidence and practice will have evolved).
What does a good score on the index signify? Performance or improvement?	The Index is being constructed to encourage improvement. We need to think about the balance of improvement/performance and the message that it sends. The best improver probably won't be the best performer.	Testing phase and modelling.

Area	Issue	Possible resolution
Special gender lens / bonus points.	Should we give 'bonus points' to companies that do especially well in terms of gender balance (e.g. internships) or other over-arching ambitions?	Best to consider this across the whole suite of CAs in the modelling phase.

Table 5: Communication

Area	Issue	Possible resolution
Disclosure of information by the company	General principle needed i.e. should be publicly available unless a strong argument against. Part of the value of the index is that it is starting to make information available that can be used to assess performance and progress and identify areas for improvement.	Testing phase.
Communication	Need to think about how the model is communicated - including rationale, how to comply, etc.	Walk-through testing and user-experience testing.
Publicising the results by the government- What information will be publicly available on the index results?	Options include: an overall anonymised analysis of the number of companies submitted, passed and scores on each CA; specific to a company - whether it has submitted, 'passed' and scores on each CA; pros include useful data, encouragement and healthy competition; cons include - would a company risk submitting if it meant that it was publicly shown to have 'failed'.	To be explored during testing.

Table 6: Specific company performance

Area	Issue	Possible resolution
Accessibility to small companies	There is a risk that we are setting significant bureaucratic burdens, which small companies will not be able to cope with. 90% of the companies in Biscay have 0-5 employees.	Keep it as simple as possible without favouring one set of companies (e.g. larger ones). Include in testing. We recommend that support be given to smaller companies to help take appropriate actions (and report on them).
Start-up companies	Start-up companies might not have all the processes in place to enable them to 'compete equally'. But we would still like to draw them in.	So, they could be given a settling-in period - with a lower threshold to enable them to do well in the index
Companies joining late	Should companies joining late (i.e. have been operating since before 2020) but decide to only 'enter' in say, 2025 be given any special allowance to get up to speed?	The thresholds based on time bands allow for progression and development.

Table 7: Future development of the model

Area	Issue	Possible resolution
Implementation research	For several CAs the track record of what works in practice will be limited - hence, it would be useful to be able to research and analyse performance in the first couple of years with a view to 'course correction'.	This would be worth following up in a future evaluation of the model and also to determine impact.
Evolution of the model	We have assumed that we are starting simple with a view to revisiting / changing in later years.	The testing will identify where any further simplification is needed.

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