

Appendix - ESG report 2020

THE GOVERNANCE GROUP

SASB PROFESSIONAL AND COMMERCIAL SERVICES DISCLOSURES

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA	CODE
Data Security	Description of approach to identifying and addressing data security risks	n/a	See note 1	SV-PS-230a.1
	Description of policies and practices relating to collection, usage, and retention of customer information	n/a	See note 2	SV-PS-230a.2
	(1) Number of data breaches, (2) percentage involving customers confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Number, Percentage (%)	1) Zero 2) N/A 3) Zero	SV-PS-230a.3
Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	Percentage (%)	1) 33 % female (1/3) 2) 56 % female (5/9)	SV-PS-330a.1
	1) Voluntary and (2) involuntary turnover rate for employees	Rate	1) 10 % 2) 0 %	SV-PS-330a.2
	Employee engagement as a percentage	Percentage (%)	See note 4	SV-PS-330a.3
Professional Integrity	Description of approach to ensuring professional integrity	n/a	See note 3	SV-PS-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Reporting currency	None	SV-PS-510a.2
ACTIVITY METRIC		UNIT OF MEASURE		CODE
Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract		Number	1) Full time: 12 2) Temporary: 3 3) Contract: 1	SV-PS-000.A
Employee hours worked, percentage billable		Hours, Percentage (%)	19 272, 61% See note 4	SV-PS-000.B

NOTES

1. We identify data security risks in our day to day business planning and operations. We address these risks through standard information technology (IT) data security systems and specified protocols.
2. The majority of our client engagements include a Non-Disclosure Agreement (NDA) which specifies how information is handled. Where an NDA does not exist, we apply similar practices in any case.
3. All team members sign up to The Governance Group's Code of Conduct as part of their employment agreement. We monitor professional integrity through our project review processes and take a proactive approach to identifying potential risks and addressing them.
4. Employee hours vary depending on our project workloads at different times. We actively monitor this. Our approach to providing services is outcome focused rather than led by optimizing billing time as a percentage of working hours. As we are a company of 14 full time employees, we do not currently run employee engagement surveys.

GRI TABLE

TOPIC	GENERAL DISCOUSURES	RESPONSE	GRI CODE
Organizational profile	Name of the organisation	The Governance Group	102-1
	Activities, brands, products, and services	https://www.thegovgroup.org/services/	102-2
	Location of headquarter	Oslo, Norway	102-3
	Location of operations	Oslo and Tromsø, Norway	102-4
	Ownership and legal form	Unlisted private company (aksjeselskap)	102-5
	Markets served	Europa, Africa and the USA	102-6
	Scale of the organization	https://www.thegovgroup.org/team	102-7
	Employees and other workers	16	102-8
	A description of the organization's supply chain	We purchase travel, contracted services and office-related products and services.	102-9
	Significant changes	None	102-10
	Precautionary Principle	The Precautionary Principle is applied in our day-to-day business decision-making and in advice to clients.	102-11
	External initiatives	UN Global Compact signatory Participant in the SASB standards advisory group	102-12
	Membership of associations	Global Reporting Initiative Community UN Global Compact Norway S-Hub Norway	102-13
Strategy	Statement from senior decision-maker	See ESG Report to be found here	102-14
Ethics and integrity	Values	https://www.thegovgroup.org/about-us	102-16
	Ethics mechanisms	We operate an independent and anonymous ethics reporting system (whistleblowing) as described in our Code of Conduct.	102-17
Governance	Governance structure	The highest governance body (the Board) is made up of the three partners of The Governance Group, who are responsible for all decision-making on economic, social and environmental topics.	102-18
	Delegating authority	No authority is delegated.	102-19
	Executive level responsibility	The CEO is responsible for economic, social and environmental topics and reports to the Board.	102-20
	Stakeholder consultation	No formal consultation undertaken.	102-21
	Governance body composition	The Board includes our three Partners (one woman and two men) who are not independent and who work at an executive level within the company. All three are recognised ESG experts.	102-22
	Governance body chair	Joachim Nahem is the Chair of the Board and an executive which is practical given the size of the business.	102-23

Governance body nomination and selection	The Annual General Meeting nominates and selects Board members (there are no committees). The most prominent selection criteria include governance experience, commercial skills and ESG expertise.	102-24
Conflicts of interest	Conflicts of interest are managed through our Code of Conduct and are disclosed to our stakeholders.	102-25
Governance body and purpose, values and strategy	The Board are responsible for setting and updating our approach to economic, social and environmental topics, including purpose, mission, values, strategies, policies and goals.	102-26
Governance body's collective knowledge	The Board members are ESG experts and are regularly updating their professional knowledge of economic, social and environmental topics. Updating knowledge includes both formal and informal training, personal study and on-the-job learning.	102-27
Evaluating governance body's performance	No current evaluation mechanism exists and will be developed in 2021, with the results of the evaluation reported in our 2021 ESG report.	102-28
Identifying and managing impacts	Stakeholders (employees and larger clients) have been engaged in identifying economic, social and environmental topics, and the Board regularly assesses the risks and opportunities of those topics, using a due diligence process.	102-29
Effectiveness of risk management processes	The Board regularly reviews the effectiveness of our risk management processes for economic, social and environmental topics.	102-30
Review of sustainability topics	The Board reviews our economic, social and environmental topics at least annually.	102-31
Governance body's role in reporting	The Board is actively involved in all aspects of our Sustainability Reporting process, including having responsibility for the final approval of our report.	102-32
Communicating critical concerns	Critical concerns may be communicated to the Board at any time through a range of channels (including the whistleblowing facility). This applies equally to staff, customers or stakeholders.	102-33
Nature and total number of critical concerns	None reported.	102-34
Remuneration policies	The Governance Group has a formal remuneration policy which includes fixed pay and bonuses. The criteria in the remuneration policy does not currently include the Board or Executive's role in achieving economic, social and environmental objectives. This will be reviewed in 2021 and reported against in our 2021 ESG report.	102-35
Process for determining remuneration	Remuneration is determined using a market-based approach. No remuneration consultants are involved.	102-36
Stakeholders' involvement in remuneration	Stakeholders are not currently involved in remuneration processes.	102-37

	Annual total compensation ratio	75 %	102-38
	Percentage increase in compensation ratio	0.43	102-39
Stakeholder engagement	Stakeholder groups	Our stakeholders include staff, clients, and ESG standard setters.	102-40
	Collective bargaining agreements	None.	102-41
	Identifying stakeholders	Stakeholders were identified using the Stakeholder Salience Model and AA1000SES.	102-42
	Stakeholder engagement	Stakeholder were engaged through formal meetings and	102-43
	Topics and concerns raised	GHG emissions, working conditions, impacts on clients' business models.	102-44
Reporting practice	Entities included	The Governance Group AS	102-45
	Boundaries	GHG reporting includes scope 1, 2 & 3 emissions. Other reported topics include impacts throughout our whole value chain.	102-46
	Material topics	GHG emissions, Relationships, Knowledge and Wellbeing.	102-47
	Restatements	None	102-48
	Changes in reporting	Shifted to more concise reporting.	102-49
	Reporting period	Calendar year 2020	102-50
	Most recent report	September 2020	102-51
	Reporting cycle	Annual	102-52
	Contact point	info@thegovgroup.org	102-53
	Claims of reporting	This report has been prepared in accordance with the GRI Standards (Comprehensive option).	102-54
	GRI index	This document	102-55
	External assurance	Data in this report has not been externally assured.	102-56

TOPIC	SPECIFIC DISCLOSURES	RESPONSE	GRI CODE
Greenhouse gas (GHG) emissions	Disclosure on management approach	In 2020 our GHG emissions were reduced by approximately 90% because of Covid-19 travel restrictions. Our management approach going forward will be to maintain this level of digital collaboration with our clients and hold emissions at 2020 levels.	103-1:3
	Direct (Scope 1) GHG emissions	1.46 tCO2e	305-1
	Energy indirect (Scope 2) GHG emissions	3.47 tCO2e	305-2
	Other indirect (Scope 3) GHG emissions	0.98 tCO2e	305-3
Wellbeing	Disclosure on management approach	The wellness and wellbeing of our team members is managed through an open and collaborative communication process. Where appropriate we enable flexible working arrangements that best suit individual working preferences and enhance team members' wellbeing. We encourage an active and healthy work-life balance, and support gym memberships.	103-1:3
	Wellness rate	This will likely be reported for 2021.	Custom
	Wellbeing score	TGG did not perform a survey assessing employee wellbeing.	Custom
Knowledge	Disclosure on management approach	We proactively identify knowledge generating opportunities and invest time and resources into building our intellectual capital – both individually and collectively. We invest in formal and informal knowledge building activity and actively share our learning and insights through a wide range of channels.	103-1:3
	Formal and informal staff training hours	336 hours	Custom
	Knowledge sharing events where TGG employees have contributed	120 hours	Custom
	Knowledge shared through media/articles	28 articles, national and international media	Custom
Relationships	Disclosure on management approach	Building meaningful and long-term relationships is key to becoming trusted advisors. We strategically target our relationship building efforts (both formal and informal) to where we believe we can add value, including for individuals, companies, organisations and industry sectors.	103-1:3
	Meetings with potential clients, membership and industry organisations	Number of unique interactions with stakeholders: 1 800	Custom

CLIMATE ACCOUNTS

	VALUE	METRIC	METRIC TONNES CO ₂ e
Company electric vehicle (1)	21000	Kilometres	1.46
Scope 1 Direct emissions			1.46
Electricity (market based) (2)	8214	kWh	3.25
District heating (3)	12688	kWh	0.22
Sum Scope 2			3.47
Flights (4)	5697	Kilometres	0.98
Sum Scope 3			0.98
Total mt GHG TGG (5)			5.91

ASSUMPTIONS

- 1) Electric cars. Assumption: 1.75 kWh per 10 km <https://www.fjordkraft.no/strom/stromforbruk/elbil/>
- 2) In 2020, the Norwegian Water Resources and Energy Directorate (NVE) estimated that emissions from electricity is 396 g/kWh CO₂ (market based calculation), since TGG don't purchase any guarantees of origin.
- 3) In 2020, the Norwegian Water Resources and Energy Directorate (NVE) estimated that emissions from district heating are 17 g/kWh CO₂ (location based calculation).
- 4) Air traffic emissions, including data from travel operator Berg-Hansen and own calculations using DEFRA emission factors per PKM.
- 5) To calculate our annual emissions, we use an operational approach as defined by the GHG protocol.