GIST IMPACT

Summary

Methodology

Impact on Society



SDG Impacts

Get in Touch

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Key Features

Positive and negative impacts on the UN SDGs, valued in monetary terms

Built on Impact Valuation across natural, human and produced capital

150+ SDG targets classified as drivers, outcomes or impacts, and weighted

Mapping specific to sector and country income group, at company and location level

Introduction

As investors seek to align their strategies with the United Nations Sustainable Development Goals (SDGs), stakeholders increasingly ask for evidence that portfolios are aligned with the goals, or at least not misaligned. That means understanding how each company's business activities affect each goal, in both relative (sectoral) and absolute (impact) terms.

GIST Impact's **SDG Impacts** provides a scientific measurement and economic assessment of companies' positive and negative impacts, planned or unplanned, on the SDGs. It answers the question: "How are my investments contributing to or detracting from the achievement of the SDGs?" It lets users:

- See the size of each company's contribution to, or detraction from, each goal in dollar terms.
- Compare companies within and across sectors on a consistent basis.
- Trace every SDG value back to the natural, human and produced capital impacts behind it.

Institutional and individual investors, asset managers, financial advisers, regulators, policymakers, corporate executives and rating agencies can all use it.



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Methodology Overview

The methodology is based on **impact valuation and accounting**, and is aligned with the approaches of the Value Balancing Alliance, the Value Reporting Foundation and the Capitals Coalition. It rests on peer-reviewed science and economic modelling, using location-specific environmental, ecological, health and demographic data from official global databases.

The SDGs are read through the **"wedding cake" model** developed at the Stockholm Resilience Centre, in which economies and societies are embedded in the biosphere. Rather than treating social, economic and ecological development separately, the economy serves society so that it can thrive within the planet's safe operating space:

Layer	SDGs	Role for Organisations
Biosphere	6 Clean Water; 13 Climate Action; 14 Life Below Water; 15 Life on Land	Essential for the planet's survival and to be prioritised: the licence to exist
Society	1 No Poverty; 2 Zero Hunger; 3 Good Health; 4 Quality Education; 5 Gender Equality; 7 Clean Energy; 11 Sustainable Cities; 16 Peace and Justice	Vital for healthy, productive relationships with stakeholders: the licence to operate
Economy	8 Decent Work; 9 Industry and Innovation; 10 Reduced Inequalities; 12 Responsible Consumption	Recommended for fair and sustainable development: the licence to grow

SDG 17, Partnerships for the Goals, runs through all three layers. The methodology then works in three steps:

1

Value Impacts

Positive and negative impacts across natural, human and produced capital are sized in dollars through impact valuation

2

Map to Targets

Impact values are attributed to SDG targets classified as drivers, outcomes or impacts, using their weights

3

Aggregate to Goals

Target-level values are summed to their goals, with mapping by sector and location where possible



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Impact Valuation Inputs

The inputs to SDG Impacts are GIST Impact's **Impact Valuation** results. Impact valuation measures the effect of an entity's activities on people's individual or collective well-being in monetary terms, which allows straightforward comparison with financial results. GIST Impact follows the capitals approach of the Capitals Coalition, which defines well-being in terms of natural, human, social and produced capital.

Impacts are measured with the **Drivers-Outcomes-Impacts** (DOI) method, a type of Theory of Change:

- **Drivers** are the activities and transactions of agents (governments, corporations, individuals) that result in significant outcomes.
- **Outcomes** are the changes in the condition of systems (physical, biological, psychological) caused by drivers.
- **Impacts** are the resulting changes in people's well-being, which can be actual or potential, direct or indirect, intended or unintended, and positive or negative.

Valuing an impact requires a description of what should be valued (the relevant capital stocks, flows, drivers, outcomes and impacts) and **value factors**: monetary coefficients that determine the worth of an impact in a given context. Both draw on peer-reviewed literature, official (inter-)government data, proprietary analysis and collaboration with clients and partners. SDG Impacts takes 18 impact KPIs from three of the four capitals; social capital, which is measured only for specific programmes using client data, is not an input.

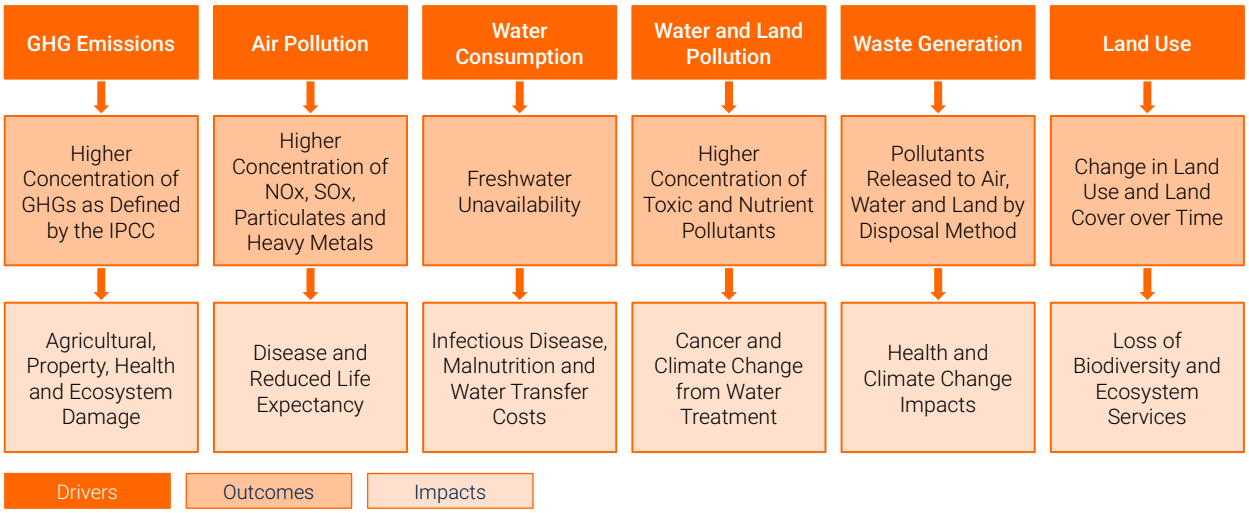
Capital	Scope	Impact KPIs
Natural	Change in the world's stocks of physical and biological resources and ecosystem services	GHG emissions; air pollution; water consumption; toxic pollutants; nutrient pollutants; waste generation; land use
Human	Knowledge, skills and health embodied in individuals, measured 'gate-to-grave' until retirement	Human capital creation; occupational health and safety; mental health
Produced	Total contribution to GDP, using the income approach	Profit after tax; depreciation and amortisation; lease rentals; interest expense; tax payable; R&D; employee compensation; employee health insurance



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Natural Capital

Natural capital measures the change in the world's limited stocks of physical and biological resources, and in the capacity of ecosystems to provide services to people. GIST Impact values six drivers, each followed from driver to outcome to impact:



- **GHG emissions** cover Scopes 1, 2 and 3, valued with the average damage cost from Social Cost of Carbon models such as DSCIM and GIVE at a suitable discount rate (e.g. 2%).
- **Air pollution** follows the European Commission's Impact Pathway Approach, with 67,420 location-specific value factors at 50 km resolution, AERMOD dispersion modelling and health costs from the USEtox model.
- **Water consumption** is valued along three pathways: infectious disease, malnutrition, and the energy needed to move water to water-scarce regions.
- **Water and land pollution** distinguishes toxic pollutants, valued with USEtox, from nutrient pollutants, which degrade water quality.
- **Waste generation** is valued by disposal method: incineration releases air emissions, while landfill releases toxic leachate to water and soil.
- **Land use** applies LANCA coefficients for four ecosystem services to Copernicus land-cover data at 100 m resolution across 23 classes.



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Human and Produced Capital

Human capital is the knowledge, skills, competencies and attributes embodied in individuals that create personal, social and economic well-being. GIST Impact takes a 'gate-to-grave' approach, assuming an individual's economic life lasts until retirement. It counts the salary increase attributable to skills developed in employment and on exit, together with losses from health and safety issues. Inputs include standard HR data (number of employees, average cost per employee, attrition) and data from the World Bank, WHO, ILO and OECD.

Produced capital measures an entity's total contribution to GDP, which includes but is not limited to its profits. Following the income approach to GDP, it adds the compensation paid to employees, gross operating surplus and, where applicable, gross mixed income. It therefore recognises financial value added beyond shareholder value, including value passed to employees, lenders, landlords and government. Inputs are standard financial data and official (inter-)government data such as the World Bank's.

Produced Capital KPI	Recipient
Employee compensation; employee health insurance	Employees
Profit after tax	Shareholders and the firm
Interest expense; lease rentals	Lenders and lessors
Tax payable	Government
Depreciation and amortisation; R&D	Reinvestment in the firm's productive capacity and innovation

Every impact is expressed in dollars, positive or negative, so impacts in different units can be compared and added. These values are what SDG Impacts attributes to the goals.



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SDG Target Classification

Impacts are mapped to SDG targets rather than directly to goals. Target statements are focused, have a specific interpretation and are largely exclusive of one another, whereas the goals are closely intertwined and harder to interpret exclusively.

Each target statement is classified by how it relates to the DOI method: as a **driver** of impact, an **outcome**, or an **impact** in itself. Because SDG Impacts maps impacts, impact-type targets carry the highest weight:

Class	Weight	Targets	Example
Impact	3	12	1.1 Eradicate extreme poverty: a quantifiable impact, raising incomes above $1.25 a day
Outcome	2	44	1.2 Halve the proportion of people living in poverty: an effect on the number of people in poverty
Driver	1	95	1.3 Implement social protection systems: a call to action that will benefit the poor

In total, the 150 targets of SDGs 1 to 16 are classified, together with an impact-type entry for SDG 13 as a whole, to which climate impacts are mapped. The 19 targets of SDG 17, which concern the means of implementing the goals, are not classified.



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Mapping and Attribution

Attribution follows two rules. The **mapping logic** links each of the 18 impact KPIs to the SDG targets it affects, following the impacts-based approach of the underlying impact valuation. The **attribution logic** then shares the KPI's impact value among those targets: each target impact value is the KPI impact value multiplied by the target's weight, divided by the sum of mapped target weights:

$$\text{Target Impact Value} = \frac{\text{KPI Impact Value} \times \text{Target Weight}}{\text{Sum of Mapped Target Weights}}$$

Shares are a frequency-weighted composition: where a target appears more than once in a KPI's mapping, each appearance counts. A goal's value is the sum of its targets' values, and a negative impact attributes a negative value.

Impact KPI	Default SDG Targets
Profit after tax; depreciation and amortisation; lease rentals; interest expense; tax payable	8.1; 8.2; 9.2
Employee compensation	8.1; 8.2; 8.5; 9.2
Employee health insurance	3.8
R&D	9.5
GHG emissions	SDG 13
Air pollution	3.9; 11.6; 12.4
Water consumption	3.2; 6.4; 6.6; 15.1
Toxic pollutants	3.3; 3.9
Nutrient pollutants	3.9; 12.4; SDG 13; 14.1
Waste generation; land use	3.2; 3.3; 3.9; 6.3; 6.4; 6.6; 11.6; 12.4; SDG 13; 14.1; 15.1
Human capital creation	4.7; 8.5
Occupational health and safety	8.8; 10.3
Mental health	3.4; 3.5

Mappings are set for each country income group (high, upper-middle, lower-middle and low income). In lower-middle and low-income countries, tax payable also maps to 1.a (mobilising resources to end poverty). For produced capital, a sector-specific target set replaces the default in 16 sectors, so value is attributed to the sector's core activity: transport to 11.2, energy and utilities to 7.1, financial services to 8.10, healthcare to 3.8 and waste management to 11.6. For tobacco, produced capital is reversed in sign and mapped to 3.4 (non-communicable diseases).

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Worked Example — Employee Compensation

Take a company in a default sector in a high-income country whose employee compensation produces an illustrative positive produced capital impact of **$10 million**. Employee compensation maps to four targets with a combined weight of five:

Target	Class	Weight	Share	Impact Value
8.1 Sustain per capita economic growth	Driver	1	20%	$2.0m
8.2 Raise economic productivity	Driver	1	20%	$2.0m
8.5 Full and productive employment	Outcome	2	40%	$4.0m
9.2 Inclusive and sustainable industrialisation	Driver	1	20%	$2.0m
Total		5	100%	$10.0m

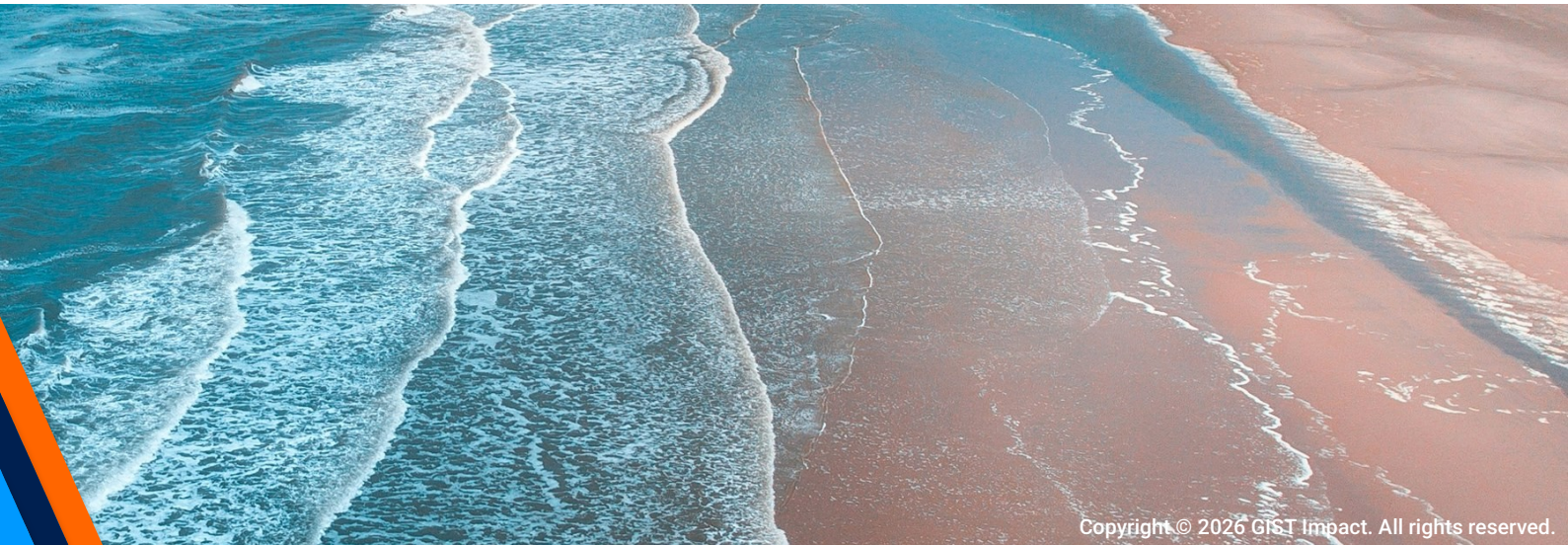
Summed to goals, the company contributes **$8.0 million to SDG 8** and **$2.0 million to SDG 9**. Target 8.5 receives twice the share of each driver-type target because it is classified as an outcome. Had the same value come from airline operations, the sector-specific mapping would attribute it to 11.2 instead. A negative impact works the same way: a GHG emissions impact of −$5 million is attributed in full to SDG 13.

Impacts-Based Approach

Many SDG products link a company's revenue or activities to the goals they are meant to serve. GIST Impact delivers an **impacts-based approach** instead, which maps the actual effects of activities, planned and unplanned, to the relevant targets:

	Drivers-Based Approach	Impacts-Based Approach
What is mapped	The objective of an activity, mapped to relatable SDG targets	The impact of the activity, mapped to relatable SDG targets
Effects captured	Only the expected, planned effects	All effects, planned and unplanned
What it shows	Intentions, targets and programmes, which may not lead to the anticipated effects	That the status quo has changed and an SDG has been affected

Because every impact is valued in dollars, users can make like-for-like comparisons across fundamentally different metrics. The results are not directly comparable with revenue-based SDG measures, which show what a company sells and intends rather than what changed as a result.



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Data Sources and Updates

Input	Sources
Natural capital	Company environmental disclosures, with location-specific environmental, ecological, health and demographic data from official global databases
Human capital	Standard HR data, with World Bank, WHO, ILO and OECD data
Produced capital	Standard financial data, with official (inter-)government data such as the World Bank's
Target classification and mapping	SDG Matrix v6: target classes and weights, and mappings by sector and country income group

Inputs come from public company disclosures (annual, sustainability and regulatory reports), government and multilateral databases, other public datasets and specialised data vendors. Where reported data is unavailable, documented estimation techniques are applied, and estimated values are flagged and kept distinct from disclosed figures. Data quality is maintained through source traceability, accuracy and completeness checks, duplicate detection and validation.

SDG impact values are produced for each **annual reporting period**. The methodology, including the target classification and mappings, is reviewed at least annually under GIST Impact's ESG Ratings & Methodologies Review Procedure.



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Applications

Because results are expressed in dollars, SDG Impacts gives investors a common yardstick for materiality across goals, sectors and portfolios.

It supports **screening** on the size of positive and negative impacts on each goal; **integrated impact reporting** for clients seeking double materiality, taking an 'inside-out' view of a company's effect on society and the environment; **portfolio construction**, such as sizing the effect of an exclusion strategy, meeting impact mandates and comparing companies within and across sectors; and **risk management**, revealing whether on-the-ground impacts match sustainability claims, or whether focus on one area has led to neglect of another.

Considerations

Inherited inputs: SDG values carry the assumptions of the impact valuation behind them, so any change to its value factors or proxies flows through.

Attribution rules: target classes, weights and sector mappings are classification rules, not statistical estimates; SDG 17 is not covered.

Not revenue-based: results are not directly comparable with SDG measures that apportion revenue to the goals.

Disclosure lag: company data is published annually and with a lag, and unassured figures cannot always be verified.

As such, GIST Impact applies one consistent set of valuation and mapping rules to every company, so each SDG value can be traced to the impacts behind it.



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Appendix — ESMA Disclosure Checklist

Product / methodology name	Version	Date
SDG Impacts	Initial Version	15 October 2026

This checklist sets out the disclosures required under Article 23 and Annex III, point 1, and Article 24 and Annex III, point 2, of Regulation (EU) 2024/3005, as specified by Delegated Regulation (EU) 2026/871. Sections A to D follow the order prescribed in the Annex to the Delegated Regulation; Section E follows the order of Annex III, point 2.

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
Section A – Disclosures on the rating product (Annex III, point 1)				
A.1	**Annex III 1(f) / Art. 3(1) Del. Reg.**	Objective of the rating; whether it assesses risks, impacts, double materiality or other dimensions; in case of double materiality, the proportion of risk and impact materiality. Del. Reg.: (a) description of risks covered; (b) description of impacts covered; (c) how materiality of risks and impacts is considered under double materiality, where applicable; (d) description of other materiality dimensions, if any.	The SDG Impacts product measures and values, in economic terms, the positive and negative impacts of a company's operations on the UN Sustainable Development Goals (SDGs), whether planned or unplanned. It answers how investments contribute to or detract from the achievement of the SDGs. Risks (Art. 3(1)(a)): Not applicable, this product does not assess risks. Impacts (Art. 3(1)(b)): impacts of company operations across natural, human and produced capital, quantified through scientific and economic modelling, expressed in monetary ($) value, attributed to SDG targets and aggregated to SDG goals. Double materiality (Art. 3(1)(c)): Not applicable Other dimensions (Art. 3(1)(d)): Not applicable	SDG Impacts Methodology Explainer, pp. 1, 3–4 (Overview; Methodology in action; Integrated Impact Reporting)
A.2	**Annex III 1(g) / Art. 3(2) Del. Reg.**	Scope: single E, S or G factor, aggregated rating, or specific aspects (e.g. transition risks). Del. Reg.: (a) what is covered within E, S and G and which factors are aggregated, if any; (b) specific aspects covered.	The product is organised around the SDGs and three capitals rather than around E, S and G factors. It covers impacts across natural capital, human capital and produced capital, mapped to 150+ SDG targets and aggregated to SDG goals. Specific issues covered (Art. 3(2)(b)): the SDG targets and goals, with SDG target statements classified as drivers, outcomes or impacts for attribution.	SDG Impacts Methodology Explainer, pp. 1–3 (Overview; Highlights; Methodology in action)
A.3	**Annex III 1(h)**	For aggregated ESG ratings: weighting of the E, S and G categories and explanation of the weighting method. If not aggregated: negative statement.	Not applicable – this product does not provide an aggregated ESG rating.	SDG Impacts Methodology Explainer, p. 3; negative statement
A.4	**Annex III 1(i)**	Topics covered within E, S and G and whether they correspond to the topics of the sustainability reporting standards under Article 29b of Directive 2013/34/EU (ESRS).	The product organises topics by SDG targets and capitals and makes no ESRS mapping.	Methodology Document and ESMA Disclosure Checklist
A.5	**Annex III 1(j)**	Whether the rating is expressed in absolute or relative terms.	The product expresses results in both absolute and relative terms. Absolute: the monetary ($) value of positive and negative impacts on the SDGs. Relative: company impacts can be compared within and across sectors and peer groups (sectoral comparison).	Methodology Document and ESMA Disclosure Checklist

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
A.6	**Annex III 1(o) / Art. 3(3) Del. Reg.**	If the E factor is covered: whether the rating considers the Paris Agreement or other relevant international agreements. Del. Reg.: (a) which agreements are considered, information to identify them, and why they are relevant; (b) whether alignment of commitments with these agreements is assessed.	No – SDG Impacts measures the positive and negative impacts of company operations on the UN Sustainable Development Goals and does not assess alignment of company commitments with the Paris Agreement or other international agreements. The UN Sustainable Development Goals are the only international framework referenced in the product (see A.7).	Methodology Document: p. 3 (Methodology Overview); p. 13 (Appendix – ESMA Disclosure Checklist, A.7)
A.7	**Annex III 1(p) / Art. 3(3) Del. Reg.**	If the S and G factors are covered: whether the rating considers relevant international agreements. Same elements as A.6.	The methodology maps impacts to the UN Sustainable Development Goals and their targets, which is the only international framework referenced in the product. Alignment of commitments (Art. 3(3)(b)): the product follows an impacts-based approach, measuring actual effects (planned and unplanned) rather than companies' intentions, targets or programmes.	SDG Impacts Methodology Explainer, pp. 1, 5–6 (Purpose; FAQ)
Section B – General disclosures on methodologies (Annex III, point 1)				
B.1	**Annex III 1(a) / Art. 4(1) Del. Reg.**	Overview of methodologies and changes, whether backward- or forward-looking, time horizon. Del. Reg.: (a) name of the methodology; (b) types of rated items; (c) validity period of the rating, where applicable; (d) list and overview of relevant models and key assumptions, where applicable; (e) measures and procedures to ensure data quality and reliability; (f) ranking system: meaning of each rating category for absolute and relative values, interpretation, and for relative values the reference (sector, geography, peer group, other); (g) date of the most recent update and description of changes compared with the previous version.	(a) Methodology: SDG Impacts. (b) Rated items: companies, with impacts calculated at company and location level. (c) Validity period: Annual reporting period (d) Models and key assumptions: impact valuation and accounting, in three steps: (1) positive and negative impacts across natural, human and produced capital are sized through scientific and economic modelling and expressed in $ value; (2) impacts are mapped to SDG targets by classifying target statements as drivers, outcomes or impacts, assigning weights to that classification (frequency-weighted composition, %) and attributing impact values to targets on those weights; (3) target-level values are aggregated to SDG goals, with additional mapping by industry sector and location where possible. The approach is described as aligned with the Value Balancing Alliance, the Value Reporting Foundation and the Capitals Coalition. (e) Data quality and reliability: algorithms use location-specific environmental, ecological, health and demographic data from official global databases. GIST maintains data quality through reliable data sources, data accuracy and completeness checks, source traceability, duplicate detection, and data validation to ensure consistency, reliability and auditability of product outputs. (f) Ranking system: The product generate monetary values and describes no rating categories. (g) Most recent update and changes: The product was last updated in 2024 which was v6.	Methodology Document, ESMA Disclosure Checklist And Separate Policy Documents

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
B.2	**Annex III 1(b) / Art. 4(2) Del. Reg.**	Industry classification used. Del. Reg.: (a) name of the issuing body; (b) name and version of the classification; (c) publicly accessible link to official documentation, where available.	GIST Impact uses a selection of industry classification systems depending on the dataset and use case; in every instance, the classification is clearly specified. These classification systems include the NACE Rev 2.1 activity-level classification (651 Level 4 activities rolling up to 22 Level 1 high-level sections), as well as a proprietary classification system comprising 57 sectors. GIST Impact provides crosswalks to other recognised classification systems such as ISIC or NAICS where required. Further information on NACE Rev 2.1 can be found here. Further information on the GIST Impact classification system can be found here.	Methodology Document and ESMA Disclosure Checklist
B.3	**Annex III 1(c) / Art. 4(3) Del. Reg.**	Overview of data sources, including whether data derive from sustainability statements under Directive 2013/34/EU or disclosures under Regulation (EU) 2019/2088, and whether sources are public or non-public; overview of data processes, estimation of missing input data and frequency of data updates. Del. Reg.: description of engagement with rated items or issuers and how input from that engagement is taken into account.	Directive 2013/34/EU: Yes, GIST Impact uses information disclosed under Directive 2013/34/EU of the European Parliament as amended by Directive 2022/2464 ("CSRD") as a data source for its ESG ratings. This includes a diverse range of publicly disclosed data sources including non-financial and sustainability reporting aligned with Directive 2013/34/EU, together with complementary voluntary frameworks. CSRD disclosures provide meaningful insight into entity-level sustainability governance, strategy, policies, targets and performance, as well as each entity's own assessment of its material impacts, risks and opportunities. GIST Impact integrates these inputs with other publicly available data sources to build a comprehensive view of corporate sustainability across environmental, social and governance dimensions. GIST Impact's methodology leverages non-financial reporting across all sectors aligned to Directive 2013/34/EU, enabling consistent assessment across investee and corporate portfolios regardless of financial services status. This approach ensures broad applicability and robustness across our ESG ratings products. Regulation (EU) 2019/2088: No. GIST Impact does not source information from SFDR reports under Regulation (EU) 2019/2088 (SFDR). SFDR disclosures operate at the fund level, which assess entities rather than funds. Our primary data sources are entity-level disclosures published directly by companies — including annual reports, sustainability reports (including those prepared under the Corporate Sustainability Reporting Directive (CSRD), Directive (EU) 2022/2464, and its underlying European Sustainability Reporting Standards (ESRS), where applicable), and financial reports. Where a portfolio or fund management company itself forms part of GIST Impact's rated universe, GIST Impact continues to rely on that entity's own sustainability or annual report rather than any SFDR disclosure it may separately produce or be subject to as a financial market participant.	Methodology document and ESMA Disclosure Checklist

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
B.4	**Annex III 1(e) / Art. 4(4) Del. Reg.**	Whether and to what extent the methodologies are based on scientific evidence. Del. Reg.: process for identifying relevant scientific evidence, where applicable.	The impact valuation behind SDG Impacts is based on peer-reviewed scientific literature and official data. The attribution of the resulting values to SDG targets is rule-based. Impact valuation follows the capitals approach of the Capitals Coalition. Impacts are traced from driver to outcome to impact using the Drivers-Outcomes-Impacts (DOI) method, a form of Theory of Change, and valued with monetary value factors drawn from peer-reviewed literature, official (inter-)government data, GIST Impact's own analysis, and collaboration with clients and partners. Natural capital uses established scientific models. GHG emissions (Scopes 1, 2 and 3) are valued with the average damage cost from the Social Cost of Carbon models DSCIM and GIVE. Air pollution follows the European Commission's Impact Pathway Approach, with 67,420 location-specific value factors at 50 km resolution, AERMOD dispersion modelling and health costs from the USEtox model. Toxic pollutants are valued with USEtox. Land use applies LANCA coefficients for four ecosystem services to Copernicus land-cover data at 100 m resolution. Human capital draws on World Bank, WHO, ILO and OECD data, and produced capital measures a company's contribution to GDP using the income approach. Attribution to SDG targets uses documented classification rules: each target statement is classified as a driver, outcome or impact and weighted accordingly (3 for impact, 2 for outcome, 1 for driver), and KPIs are mapped to targets by sector and country income group (SDG Matrix v6). The SDG framing follows the wedding cake model developed at the Stockholm Resilience Centre. These are classification rules, not statistical estimates. Process for identifying scientific evidence: evidence is sourced from peer-reviewed literature, official (inter-)government data, proprietary analysis and collaboration with clients and partners. The methodology, including the target classification and mappings, is reviewed at least annually under GIST Impact's ESG Ratings & Methodologies Review Procedure (publicly available on the GIST Impact website).	Summary Methodology – SDG Impacts – V1, pp. 3–7
B.5	**Annex III 1(k)**	Use of artificial intelligence in data collection or rating, including current limitations and risks, where applicable. If no AI is used: negative statement.	Refer GIST Impact AI Usage Policy for ESG Rating Activities	Separate Policy Document

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
Section C – Limitations of data sources, methodologies and information (Annex III, point 1)				
C.1	**Annex III 1(m) / Art. 5 Del. Reg.**	Limitations of data sources and methodologies. Del. Reg.: limitations regarding (a) availability or coherence of data; (b) completeness, timeliness and accuracy of information; (c) inclusion of assumptions, proxies and data estimates.	(a) Availability and coherence of data. The methodology uses location-specific environmental, ecological, health and demographic datasets, which are available only at fixed spatial resolutions (for example 50 km for the air pollution value factors and 100 m for land cover). Social capital is not an input to SDG Impacts, because it is measured only for specific programmes using client data. SDG 17 is not covered. Limitations on company-reported information are set out in C.2. (b) Completeness, timeliness and accuracy. SDG impact values are produced for each annual reporting period and depend on company data that is published annually and with a lag. Figures that are not independently assured cannot always be verified. (c) Assumptions, proxies and estimates. SDG values are calculated from the monetised impacts produced by GIST Impact's Impact Valuation. They therefore carry that valuation's assumptions, value factors and proxies, and a change to any of these changes the SDG results. Where reported data is unavailable, documented estimation techniques are applied and estimated values are flagged. Attribution to SDG targets applies classification rules (target class and weight, and sector and income-group mapping), which reflect methodological choices and are not statistical estimates. Results are not directly comparable with revenue-based SDG measures.	Impact Valuation Methodology for Natural, Produced and Human. Summary Methodology – SDG Impacts – V1, pp. 4–5, 7, 10–11.
C.2	**Annex III 1(q) / Art. 5 Del. Reg.**	Limitations of the information available to the ESG rating provider. Same elements (a) to (c) as C.1.	Information available to GIST Impact (Annex III 1(q)). GIST Impact's SDG Impacts product relies on publicly available information, namely corporate disclosures (annual, sustainability and regulatory reports), government and multilateral databases, other public datasets and third-party specialised data vendors under contractual arrangements. It does not rely on information obtained through direct engagement with rated entities, and it does not have access to management or non-public internal documents of rated entities. Availability and consistency (Art. 5(a)). The information available depends on what each company chooses or is required to disclose, so the scope, granularity and reporting boundaries of disclosures differ between companies, sectors and jurisdictions. Completeness, timeliness and accuracy (Art. 5(b)). Disclosures are typically published annually and with a lag, and GIST Impact generally cannot independently verify unassured company-reported figures. Estimates (Art. 5(c)). Where actual, reported or verified data is unavailable or incomplete, documented estimation techniques are applied, and estimated values are flagged and distinguished from disclosed or verified.	SDG Impacts Methodology Explainer. SDG Matrix v6

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
Section D – Disclosures on the organisation of the ESG rating provider (Annex III, point 1)				
D.1	**Annex III 1(d) / Art. 6(1) Del. Reg.**	Ownership structure of the applicant. Del. Reg.: chart of ownership links with all parent undertakings and subsidiaries, showing, where applicable, whether any of them carries out activities under Article 16(1) or provides other services under Article 16(6) of Regulation (EU) 2024/3005.	GIST Impact Netherlands B.V. will submit a detailed organisational ownership structure chart to ESMA. The chart will also be made available (upon request) via the GIST Impact website.	Separately provided to ESMA
D.2	**Annex III 1(l) / Art. 6(2) Del. Reg.**	General information on fee criteria and business/payment model. Del. Reg.: (a) how fee criteria ensure fair, reasonable, transparent and non-discriminatory fees (Article 27); (b) subscription, issuer-pays, combined or other model; (c) description of the business model and share of total annual turnover from each model; (d) where applicable, how fees for non-ESG-rating services affect ESG rating fees, with a description of those services.	Fees for ESG rating services are determined based on transparent criteria, including data scope, coverage, and service level, and are entirely independent of rating outcomes. All ESG rating products are offered exclusively either on (i) a User-paid subscription basis or (ii) an Issuer-paid model. Clients — such as investors, asset managers, or corporates — engage GIST Impact through subscription or contractual arrangements under which no fee is linked to, or contingent upon, the outcome or content of any ESG rating; GIST Impact has also established a dedicated Pricing Policy (publicly available on the GIST Impact website). ESG Ratings and data products are determined solely through the consistent application of defined methodologies, and are never affected by existing or potential business relationships with rated entities, including where GIST Impact also delivers direct data and analytics services to corporates and investors: where such clients also sit within their rated universe, this engagement is operationally and methodologically independent, and does not influence, inform, or modify our rules-based scoring for any product (under the Issuer-paid model). GIST Impact does not enter into contingent fee arrangements tied to ESG rating outcomes, and its compensation structures are fully independent of the assigned ratings. All fees charged to clients are fair, transparent, and non-discriminatory.	Separate Policy document

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
D.3	**Annex III 1(n) / Art. 6(3) Del. Reg.**	Main risks of conflicts of interest and mitigating measures. Del. Reg.: areas of activities, services or organisational structures posing the greatest risk of conflicts of interest.	GIST Impact has adopted a Group-level Conflict of Interest Policy for ESG Rating Activities (the "COI Policy") that establishes the governance framework, principles, and procedures for the identification, prevention, management, and mitigation of conflicts of interest arising in connection with ESG Rating activities conducted by GIST Impact Netherlands B.V. The COI Policy is adopted at Group level and applies to GIST Advisory Switzerland S.A., including its UK branch, and its subsidiaries, including GIST Impact Netherlands B.V. and GIST Advisory Private Limited (collectively, "GIST Impact"), to the extent that any such entity, function, or individual supports, participates in, or may otherwise influence ESG Rating activities conducted by GIST Impact Netherlands B.V. GIST Impact has established internal policies and procedures to ensure our independence and mitigate potential conflicts of interest that may arise from our ownership structure or group-level interests, as well as from any parties or rated entities that may influence our rating activities. We ensure the independence of our rating activities, including from political and economic constraints. GIST Impact's ESG Rating activities operate according to a rules-based methodology grounded in data and science. GIST Impact operates two business models, namely (i) a User-paid model and (ii) an Issuer-paid model. Under the User-paid model, which generates the majority of its revenue, ESG ratings and analytics built from publicly available sources are delivered on a subscription basis. Under the Issuer-paid model, GIST Impact charges rated entities fees for ESG analytics built from publicly available sources; where applicable, these are supplemented by limited data provided by that entity, solely to support the entity's own independent assessment of risks and opportunities within its operations. These analytics are data products only. In the course of Issuer-paid engagements, GIST Impact does not advise any entity on how to improve the ESG rating issued to it under the User-paid model, or on its public disclosures with a view to improving that ESG rating. Issuer-paid activities are kept separate from User-paid ESG rating activities, and information generated through Issuer-paid engagements is not used as an input to, and does not inform, the datasets, methodologies, or ratings provided under the User-paid model. Where clients of GIST Impact's data or analytics services also sit within its rated universe, such engagement is operationally and methodologically independent and does not influence ESG Ratings. Across both models, GIST Impact does not enter into contingent fee arrangements tied to rating outcomes, its compensation structures are independent of the ratings assigned, and all fees are fair, transparent, and non-discriminatory.	Separate Policy document

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
			…The COI Policy is designed to ensure that ESG Rating activities are conducted in accordance with the general principles set out in Article 15 of Regulation (EU) 2024/3005, including the principles of independence, integrity, transparency, and impartiality in the provision of ESG Ratings. The Policy forms part of the broader governance framework applicable to GIST Impact Netherlands B.V. and is intended to safeguard the independence, objectivity, integrity, and impartiality of its ESG Rating activities and to ensure that potential and actual conflicts of interest are appropriately identified, assessed, managed, and mitigated. The Conflict-of-Interest Policy for ESG Rating Activities is publicly available on the GIST Impact website.	
Section E – Disclosures to users, rated items and issuers (Annex III, point 2; Article 24)				
E.1	**Annex III 2(a) (i)**	Scientific evidence and assumptions on which the ratings are based, where applicable.	Scientific evidence: the monetary value of each impact is based on peer-reviewed literature and official data, as set out in B.4. Assumptions used to attribute impact values to the SDGs: 1. Each of the 150 targets under SDGs 1 to 16 is classed as a driver, an outcome or an impact. SDG 17 is not classed. 2. Because the product maps impacts, impact-type targets carry the most weight: impact = 3, outcome = 2, driver = 1. 3. Each impact KPI (for example GHG emissions) is linked to the SDG targets it affects, and its value is shared among those targets in proportion to their weights. If a target appears more than once in a KPI's mapping, each appearance counts. 4. A goal's value is the sum of the values of its targets. A negative impact gives a negative value. Example: employee compensation of $10 million is linked to four targets with weights 1, 1, 2 and 1 (total 5). The target with weight 2 receives 40% ($4 million) and each of the other three receives 20% ($2 million).	Summary Methodology – SDG Impacts – V1, pp. 7–9
E.2	**Annex III 2(a) (ii)**	Key performance indicators per E, S and G factor and weighting method.	Key performance indicators: monetary impact values (positive and negative) by capital (natural, human and produced), attributed to SDG targets and then to SDG goals. Weighting method: classification of SDG targets as drivers, outcomes or impacts, frequency-weighted composition (%), with a higher weight for impact-type targets. The product does not organise KPIs per E, S and G factor.	SDG Impacts Methodology Explainer, pp. 3, 6
E.3	**Annex III 2(a) (iii)**	For aggregated ratings: result for each E, S and G category in a form ensuring comparability. If not aggregated: negative statement.	Not applicable – this product does not provide an aggregated ESG rating.	SDG Impacts Methodology Explainer, p. 3; negative statement

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
E.4	**Annex III 2(a) (iv) / Art. 7(2) Del. Reg.**	Deficiencies in the methodologies and remedial measures. Del. Reg.: deficiencies related to the use of pre-determined statistical or algorithmic systems.	Many SDG product link a company's revenue to the SDGs: each product or business line is tagged to the SDG it is meant to serve, and its revenue is counted as the company's contribution to that goal. This shows what a company sells and intends, but not what changed in the world as a result. GIST Impact applies the SDGs to impacts instead. Positive and negative impacts across natural, human and produced capital are valued in monetary terms, mapped to SDG targets, and aggregated to SDG goals, capturing actual effects, both planned and unplanned. As a result, outputs are not directly comparable with revenue-based SDG measures.	SDG Impacts Methodology Explainer
E.5	**Annex III 2(a) (v) / Art. 8(1) Del. Reg.**	Methodology review policies. Del. Reg.: (a) review process and frequency; (b) conditions triggering a review; (c) stakeholder consultation during reviews, where applicable; (d) process for assessing the impact of revisions on ratings; (e) criteria for a material change.	GIST Impact reviews its ESG Rating methodologies on an ongoing basis, and at least annually, to ensure that they remain accurate, relevant, robust, and aligned with applicable regulatory requirements and evolving market standards. GIST Impact has established a dedicated Board-approved ESG Ratings & Methodologies Review Procedure, which sets out the governance framework and processes for the review, assessment, and, where appropriate, revision of its ESG Rating methodologies. The ESG Ratings & Methodologies Review Procedure is publicly available on the GIST Impact website.	Separate Policy Document
E.6	**Annex III 2(a) (vi)**	Where a rating is up- or downgraded due to material changes in methodology, models, key assumptions or data sources (including estimates): reasons and impact. Rating-specific.	Not applicable, this product does not assign ratings that are upgraded or downgraded.	
E.7	**Annex III 2(a) (vii) / Art. 8(2) Del. Reg.**	Date of last revision of the methodology. Del. Reg.: version number of the methodology. (Cross-reference: B.1(g))	The product was last updated in 2024 which was v6.	SDG Matrix v6
E.8	**Annex III 2(a) (viii)**	If the E factor is covered: whether and to what extent the rating correlates with the percentage of taxonomy alignment under Regulation (EU) 2020/852 or is aligned with other international agreements, and explanation of material deviations. (Cross-reference: A.6)	Not Applicable	

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
E.9	**Annex III 2(b) (i) / Art. 7(1) Del. Reg.**	A more detailed explanation of data sources used, including whether public or non-public, whether subject to assurance engagement, and whether derived from the sustainability reporting standards developed pursuant to Articles 19a and 29b of Directive 2013/34/EU concerning sustainable economic activities and disclosure of information pursuant to Regulation (EU) 2020/852 and Regulation (EU) 2019/2088, including whether and how information on companies' transition plans derived from such sustainability reporting standards is used. Del. Reg.: methods used to collect any non-public data.	See response to B3 above. To add, GIST Impact's ESG Ratings Products draw on publicly available data sources, including corporate disclosures (annual reports, sustainability/ESRS reports, regulatory filings), government and multilateral databases, other public datasets, and third-party specialised data vendors via contractual arrangements. The specific data sources relied upon for a given ESG Rating Product are identified in the applicable Methodology documents. Where actual, reported, or verified data is unavailable or incomplete, GIST Impact applies documented estimation techniques to fill data gaps. Any such estimation is clearly flagged as such within the underlying dataset and Methodology documentation, distinguishing estimated values from disclosed or verified figures. Data quality is governed through a combination of automated and manual controls, including source validation, completeness checks, outlier detection, and periodic review of data providers and input taxonomies, as set out in GIST Impact's internal data quality assurance procedures. Access to underlying data is restricted on a role-based basis and subject to audit trails. Update frequency is governed by GIST Impact's ESG Ratings & Methodologies Review Procedure (publicly available on the GIST Impact website), under which data and methodologies are reviewed on both annual and/or periodic event-driven basis (as required) — including in response to new or revised regulatory standards, material developments in data sources or analytical techniques, material feedback from rated entities, clients, or regulators, changes to data providers or input taxonomies, identified errors, or changes to product scope — with methodology reviews conducted at least annually in line with Regulation (EU) 2024/3005.	Methodology Document and ESMA Disclosure Checklist
E.10	**Annex III 2(b) (ii)**	Use of estimates and sector averages, where applicable, and explanation of the underlying methodology.	GIST Impact attributes impact values to SDG targets through a rule-based mapping of 18 impact KPI categories (produced, natural and human capital) to SDG targets, specified by country income classification (high, upper-middle, lower-middle and low income) and by sector. A default set of targets applies to all sectors. For the produced-capital KPIs, a sector-specific target set replaces the default in 16 sectors, so that value is attributed to the SDG targets most relevant to the sector's core activity. Natural and human capital KPIs use a common mapping across all sectors. These sector-specific mappings are classification rules, not statistical industry averages.	Consolidated SDG Matrix v6

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
E.11	**Annex III 2(b) (iii) / Art. 8(3) Del. Reg.**	Principles for data updates and revision of historical data; date of last data update (rating-specific). Del. Reg.: measures ensuring accuracy and consistency of the data revision process.	Data and methodologies are reviewed on an annual and/or event-driven basis under the ESG Ratings & Methodologies Review Procedure (see E.9). Where a factual error is identified, revision happens and that through the prior notification process to concerned stakeholders, it is reviewed and any resulting action is documented. Data updates are subject to source validation, completeness checks, and outlier detection to ensure accuracy and consistency. Estimated values are flagged as such and kept distinguishable from disclosed or verified figures. The date of the last data update is 2024.	See E.9
E.12	**Annex III 2(b) (iv)**	Data quality controls, their frequency and the remediation process in case of issues.	Data quality is governed by automated and manual controls, including source validation, completeness checks, outlier detection and periodic review of data providers and input taxonomies (see E.9). Review of is carried out annually, and on an event-driven basis where triggered under the ESG Ratings & Methodologies Review Procedure. Remediation happens where a data-quality issue is identified, it is reviewed, corrected where a factual error is confirmed, and the action is documented	See E.9
E.13	**Annex III 2(b) (v)**	Steps taken to address limitations of data sources, where applicable. (Cross-reference: C.1, C.2)	Availability and consistency of data (C.1(a), C.2(a)). Public company disclosures are combined with government and multilateral databases, other public datasets and third-party specialised data vendors, so that no single source is relied on alone. Source validation and periodic review of data providers and input taxonomies are applied to promote consistency across sources. Completeness, timeliness and accuracy (C.1(b), C.2(b)). Completeness checks and outlier detection are applied to incoming data. Event-driven reviews are triggered by new or revised regulatory standards, changes in data sources or providers, and identified errors. Rated entities can report factual errors through the pre-issuance notification process, and the resulting actions are reviewed and documented by the Oversight Function. Assumptions, proxies and estimates (C.1(c), C.2(c)). Where actual, reported or verified data is unavailable, documented estimation techniques are applied, and estimated values are flagged and distinguished from disclosed or verified figures. Methodologies, including their value factors and proxies, are reviewed on an ongoing basis and at least annually under the ESG Ratings & Methodologies Review Procedure (publicly available on the GIST Impact website).	Refer C1 & C2

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Appendix — ESMA Disclosure Checklist (continued)

Ref.	Criterion (Annex III / Del. Reg. reference)	Required content	GIST Impact response	Reference (Methodology Document Section or Page Number)
E.14	**Annex III 2(c)**	Engagement with rated items or issuers, including whether on-site inspections or visits were carried out and their frequency, where applicable.	In accordance with Article 15(12) of Regulation (EU) 2024/3005, GIST Impact operates a pre-issuance notification process, providing the rated entity access to the dataset underlying their ESG rating at least two full working days prior to publication, for the limited purpose of identifying factual errors. Upon request and free of charge, GIST Impact will provide, along with the underlying dataset, the industry classification applied, data sources used, data processing methodology (including any estimation techniques), and update frequency — solely to allow correction of factual errors. Feedback is reviewed and any resulting actions documented by the Oversight Function; such engagement is strictly limited to factual accuracy and does not permit rated entities to influence GIST Impact's methodologies, assumptions, weighting, or rating outcomes, consistent with GIST Impact's Conflict of Interest Policy for ESG Rating Activities (publicly available on the GIST Impact website). GIST Impact does not provide rated entities access to the ESG rating it plans on distributing.	Separate Policy Document
E.15	**Annex III 2(d)**	For unsolicited ratings: clearly visible notice in the rating, including whether the rated item or a related third party was informed in advance, whether it participated in the rating process, and whether the provider had access to management and relevant internal documents. Rating-specific.	See above response. To add, For unsolicited assessments, GIST Impact's ESG assessments are based on rule-based methodologies that primarily use publicly available company data, estimation models, and scientifically supported models. GIST Impact does not have Rating Analysts engaging directly with rated entities for the purpose of influencing or determining individual ESG assessments. Accordingly, the methodologies do not rely on data obtained through direct engagement with rated entities, nor are the rules-based methodologies adapted or modified to change the assessment of an individual company. GIST Impact may also be directly engaged by corporates and investors to undertake bespoke analysis or data provision services for their own specific purposes. Such direct engagement work is operationally and methodologically independent from GIST Impact's rules-based ESG assessments. Analysis, data, or intelligence generated through direct engagement with a corporate or investor client is not integrated into GIST Impact's underlying databases, nor does it inform, modify, or influence the rules-based assessments applied to that entity or any other entity within GIST Impact's products. The separation of these engagement streams ensures that direct work with clients does not compromise the integrity or consistency of GIST Impact's rules-based methodology across its products.	Refer Conflict of Interest Policy for ESG Rating Activities
E.16	**Annex III 2(e)**	Explanation of the AI methodology used in data collection or the rating process, where applicable. (Cross-reference: B.5)	Refer GIST Impact AI Usage Policy for ESG Rating Activity	Separate Policy Document
E.17	**Annex III 2(f)**	Where important new information on a rated item may affect the rating: how it has been taken into account and whether the rating has been amended. Rating-specific.	Refer response to E5 and the ESG Ratings & Methodologies Review Procedure	Separate Policy Document

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