

Last data update:
28/11/2022

 Company ticker:
SKC

B+

Fast Follower

| | Grade | Score | Consumer Sector Average | New Zealand Average | Consumer Sector Weight |
|--------------|-----------|--------------|-------------------------|---------------------|------------------------|
| Carbon | A- | 75.0% | 53.1% | 51.9% | 15% |
| Environment | D | 36.7% | 50.3% | 48.9% | 15% |
| Social | A | 83.3% | 73.5% | 65.6% | 30% |
| Governance | A- | 76.9% | 77.4% | 71.8% | 40% |
| Total | B+ | 72.5% | 68.5% | 62.9% | |

Forsyth Barr Commentary

SKC scores best on S with an A rating. C and G are also relatively solid, scoring above the NZ average. However, the E section weighs the overall score down. We acknowledge that SKC's operations do not have a significant impact on the environment (reflected in the 15% weighting of the E category to the overall score). However, we are of the view that all companies, no matter what sector, should be doing what they can in these areas.

| Carbon | | Metric | Data | Score | Weight | Group Score | Group |
|---------------------------------------|--|--|-------------|----------|--------|-------------|-----------------|
| GHG Emissions | 1.01 | Is Scope 1 and 2 CO2e (tonnes) tracked and measured by the company? If so, how many of the last years has it been reported? | 5+ years | 1.00 | 33.33% | 83.33% | 25.00% |
| | 1.02 | If five years of data, is Scope 1+2 increasing/stable/decreasing? | 8.9% | 0.50 | 33.33% | | |
| | 1.03 | Is Scope 3 CO2e (tonnes) publicly reported? | 5+ years | 1.00 | 33.33% | | |
| Emissions Intensity / Transition Risk | 1.04 | Carbon intensity (tonnes of Scope 1 + 2 CO2e/revenue) | 23.3 | 1.00 | 50.00% | 50.00% | 25.00% |
| | 1.05 | Carbon intensity (tonnes of Scope 1 + 2 CO2e/earnings) | 97.3 | Unscored | 0.00% | | |
| | 1.06 | If five years of data, is carbon intensity increasing/stable/decreasing? | 64.6% | 0.00 | 50.00% | | |
| Emissions Management | 1.07 | Is there an emissions reduction target in place? | Yes | 1.00 | 20.00% | 100.00% | 25.00% |
| | 1.08 | If so, is the target science based? | Yes | 1.00 | 20.00% | | |
| | 1.09 | Is the target for actual reductions? | Yes | 1.00 | 20.00% | | |
| | 1.10 | Is there a commitment to be Net Zero? | Yes | 1.00 | 20.00% | | |
| | 1.11 | If so, how ambitious and robust is the commitment: <i>If a company has a Net Zero commitment, by what year is the commitment?</i> | 2019 | 1.00 | 5.00% | | |
| | 1.11.1 | <i>If a company has a Net Zero commitment, is the commitment to a 1.5 degree celsius world?</i> | 1.5 degrees | 1.00 | 5.00% | | |
| 1.11.2 | <i>If a company has a Net Zero commitment, which emission scopes are included?</i> | Scope 1, 2 + 3 | 1.00 | 5.00% | | | |
| 1.11.3 | <i>If a company has a Net Zero commitment, are there interim targets or a goal of a 50% reduction by 2030?</i> | Yes | 1.00 | 5.00% | | | |
| Risk & Opportunity Management | 1.12 | Has a physical risk assessment been undertaken? | Yes | 1.00 | 33.33% | 66.67% | 25.00% |
| | 1.13 | Does the company own any proven or probable fossil fuel reserves? | No | 1.00 | 33.33% | | |
| | 1.14 | Is the proportion of revenue, assets or other business activities aligned with climate-related opportunities reported? | No | 0.00 | 33.33% | | |
| | 1.15 | Does the company spend capital or have capital commitments (in terms of capital expenditure, financing, or investment) toward climate-related risks and opportunities? | - | Unscored | 0.00% | | |
| C - Total | | | | | | | A- (75%) |

| Environmental | | Metric | Data | Score | Weight | Group Score | Group |
|----------------------------------|------|---|---------|----------|---------|-------------|-------------------|
| Environmental Management Systems | 2.01 | Does the company have an ISO 14001, EMS, Toitū Envirocare carbonzero or equivalent certification on all applicable sites? | Toitu | 1.00 | 33.33% | 33.33% | 16.67% |
| | 2.02 | Has the company issued any green/social bonds or committed to a sustainability linked loan? | No | 0.00 | 33.33% | | |
| | 2.03 | Has the company made any commitments to new build or retrofit to meet level 4, 5 or 6 of the green star (or equivalent Homestar if relevant) standard in owned or leased buildings? | No | 0.00 | 33.33% | | |
| Waste | 2.04 | Is there a commitment to reduce waste in place? | Yes | 1.00 | 33.33% | 53.33% | 16.67% |
| | 2.05 | Is waste intensity data tracked and measured? | 3 years | 0.60 | 33.33% | | |
| | 2.06 | If there is five years of data, is it increasing/stable/decreasing? | N/A | 0.00 | 33.33% | | |
| | 2.07 | Has there been a breach related to resource consent discharges (i.e. nutrient discharge) in the last five years? | - | Unscored | 0.00% | | |
| Water | 2.08 | Is there a target for achieving water consumption efficiency? | Yes | 1.00 | 33.33% | 33.33% | 16.67% |
| | 2.09 | Is water consumption intensity data tracked and measured? | 0 years | 0.00 | 33.33% | | |
| | 2.10 | If there is five years of data, is it increasing/stable/decreasing? | N/A | 0.00 | 33.33% | | |
| Biodiversity | 2.11 | Is there a commitment to reduce the impact of the company's operations on biodiversity? | No | 0.00 | 100.00% | 0.00% | 16.67% |
| Circular Economy | 2.12 | Is there a commitment to the circular economy? | No | 0.00 | 100.00% | 0.00% | 16.67% |
| Environmental | 2.13 | Has there been an environmental fine in the last three years? | No | 1.00 | 100.00% | 100.00% | 16.67% |
| E - Total | | | | | | | D (36.67%) |

| Social | | Metric | Data | Score | Weight | Group Score | Group |
|--------------------------------------|------|---|---------|----------|---------|-------------|-------------------|
| Health & Safety | 3.01 | Is there a health & safety policy? | Yes | 1.00 | 16.67% | 50.00% | 12.50% |
| | 3.02 | Are there safety management targets in place? | Yes | 1.00 | 16.67% | | |
| | 3.03 | Is a measure of safety (e.g. LTIFR) tracked and measured? | No | 0.00 | 16.67% | | |
| | 3.04 | If yes, is data reported? | 0 years | 0.00 | 16.67% | | |
| | 3.05 | If there is five years of data, is it increasing/stable/decreasing? | N/A | 0.00 | 16.67% | | |
| | 3.06 | Have there been any workplace fatalities in the last five years? | No | 1.00 | 16.67% | | |
| Human Rights | 3.07 | Is there a human rights policy? | Yes | 1.00 | 50.00% | 100.00% | 12.50% |
| | 3.08 | Is there a commitment to preventing modern slavery? | Yes | 1.00 | 50.00% | | |
| Supply Chain | 3.09 | Is there a supply chain code of conduct? | Yes | 1.00 | 33.33% | 66.67% | 12.50% |
| | 3.10 | Is there an environmental policy for the supply chain? | Yes | 1.00 | 33.33% | | |
| | 3.11 | Is there a formal commitment to pay vendors a living wage? | No | 0.00 | 33.33% | | |
| Product Quality & Accessibility | 3.12 | Have there been any product or service faults (unplanned) resulting in, for example, disruption to operations or recalls (including FDA regulated products if relevant), in the last three years? | No | 1.00 | 100.00% | 100.00% | 12.50% |
| | 3.13 | Portion of care beds offered at standard rate? | - | Unscored | 0.00% | | |
| Employee Value Proposition / Culture | 3.14 | Is employee turnover measured and publicly reported? | No | 0.00 | 25.00% | 50.00% | 12.50% |
| | 3.15 | If yes, is it <10%, <20%, >20%? | N/A | 0.00 | 25.00% | | |
| | 3.16 | Is there a contemporary parental leave policy? | Yes | 1.00 | 25.00% | | |
| | 3.17 | Has the company made a living wage commitment? | Yes | 1.00 | 25.00% | | |
| Diversity | 3.18 | Does the company track and measure ethnicity diversity metrics? | Yes | 1.00 | 50.00% | 100.00% | 12.50% |
| | 3.19 | Does the company track and measure the % of women managers in relation to % of women employees? | 102% | 1.00 | 50.00% | | |
| Community Relations | 3.20 | Is there a policy to manage community involvement? | Yes | 1.00 | 100.00% | 100.00% | 12.50% |
| Stakeholder Relations | 3.21 | Is the business model stakeholder centric? | Yes | 1.00 | 100.00% | 100.00% | 12.50% |
| S - Total | | | | | | | A (83.33%) |

| Governance | | Metric | Data | Score | Weight | Group Score | Group |
|--------------------------|------|--|------------------|----------|---------|-------------|-------------------|
| Sustainability | 4.01 | Is there a sustainability strategy? | Yes - Integrated | 1.00 | 20.00% | 80.00% | 14.29% |
| | 4.02 | Is remuneration linked to achieving sustainability performance? | Yes | 1.00 | 20.00% | | |
| | 4.03 | Any recent level 3, 4 or 5 controversies? | No | 1.00 | 20.00% | | |
| | 4.04 | Has there been a breach of UN Global Compact principles or are they on the watch list? | Compliant | 1.00 | 20.00% | | |
| | 4.05 | Does the company have B Corporation or Future-Fit certification? | No | 0.00 | 20.00% | | |
| Investor Protections | 4.06 | Does the company have shares with different voting rights? | No | 1.00 | 25.00% | 75.00% | 14.29% |
| | 4.07 | Is there potential for a 'blocking' shareholder? | 4.78% | 1.00 | 25.00% | | |
| | 4.08 | How many anti-takeover devices are there? | 2 | 1.00 | 25.00% | | |
| | 4.09 | Is there any evidence of significant unequal treatment of minority shareholders in any equity raisings in the last three years? | Neutral | 0.00 | 25.00% | | |
| Board | 4.10 | Do non-executive and independent Board members comprise the CEO, the Chair? | 100% | 1.00 | 12.50% | 100.00% | 14.29% |
| | 4.11 | What is the average Board tenure? | No | 1.00 | 12.50% | | |
| | 4.12 | What is the average number of Board member affiliations? | 4.3 | 1.00 | 12.50% | | |
| | 4.13 | What is the size of the Board (number of people)? | Null | Unscored | 0.00% | | |
| | 4.14 | Is a Board skills matrix disclosed? | 7 | 1.00 | 12.50% | | |
| | 4.15 | Does the company have a policy for maintaining a well-balanced Board? | Yes | 1.00 | 12.50% | | |
| | 4.16 | Are all audit-committee members non-executive directors? | Yes | 1.00 | 12.50% | | |
| | 4.17 | Is the Board's gender diversity sufficient? (i.e. <2/3 one gender) | 100% | 1.00 | 12.50% | | |
| Auditors | 4.18 | Is the auditor tenure >10 years? | 57% | 1.00 | 12.50% | 100.00% | 14.29% |
| | 4.19 | Has the lead audit partner rotated in the last five years? | 2 years | 1.00 | 25.00% | | |
| | 4.20 | Is auditor compensation for non-audit publicly reported? | Yes | 1.00 | 25.00% | | |
| | 4.21 | If yes, >70% of statutory audit fees – average over last three years? | Yes | 1.00 | 25.00% | | |
| Data Security & Strategy | 4.22 | Is there a cybersecurity policy in place? | 29.82% | 1.00 | 25.00% | 100.00% | 14.29% |
| | 4.23 | Is there a data privacy and protection policy in place? | Yes | 1.00 | 50.00% | | |
| Tax | 4.24 | Is there a data privacy and protection policy in place? | Yes | 1.00 | 50.00% | 100.00% | 14.29% |
| Reporting & Assurance | 4.25 | Does the Board have a tax governing framework in place? | - | 0.00 | 100.00% | 83.33% | 14.29% |
| | 4.26 | First quartile Bloomberg disclosure score | | 0.00 | 0.00% | | |
| | 4.27 | External assurance of sustainability report or disclosures? | 42.41 | 0.50 | 33.33% | | |
| | 4.28 | Has the company acted with integrity in financial reporting and in the timeliness and balance of corporate disclosures within the last five years? | Yes | 1.00 | 33.33% | | |
| G - Total | | | | | | | A- (76.9%) |

Data sourced from Forsyth Barr analysis, company disclosures, Refinitiv Eikon, Sustainalytics and Bloomberg.