



Corporate Sustainability Assessment & Corporate Public Reporting

Annelies Poolman, 17 October 2018

RobecoSAM at a Glance

- Investment specialist focused exclusively on Sustainability Investing since 1995
- Offering complementary capabilities to Sustainability Investing
- Powering the Dow Jones Sustainability Indices since 1999
- Servicing a global and diversified client base
- Approximately 100 employees headquartered in Zurich, Switzerland
- Part of Dutch Robeco Holding – about 200 billion Euros of AuM across the globe



RobecoSAM Corporate Sustainability Assessment (CSA)

RobecoSAM Corporate Sustainability Assessment (CSA)

RobecoSAM defines relevant criteria as

"Any factor which might have a present or future impact on companies' value drivers, competitive position, and thus on long-term shareholder value creation"

Environmental Dimension

- Product Stewardship
- Water-related Risks
- Climate Strategy
- Environmental Management System
- Environmental Performance
- ...

Social Dimension

- Talent Attraction & Retention
- Human Capital Development
- Occupational Health & Safety
- Stakeholder Engagement
- Human Rights
- ...

Governance/Economic Dimension

- Corporate Governance
- Code of Conduct, Compliance
- Risk & Crisis Management
- Customer Relationship Management
- Innovation Management
- ...

RobecoSAM Corporate Sustainability Assessment (CSA)

Depth and breadth of data

- History: 22 years of ESG data
- Coverage: over 4,500 companies

Established research methodology

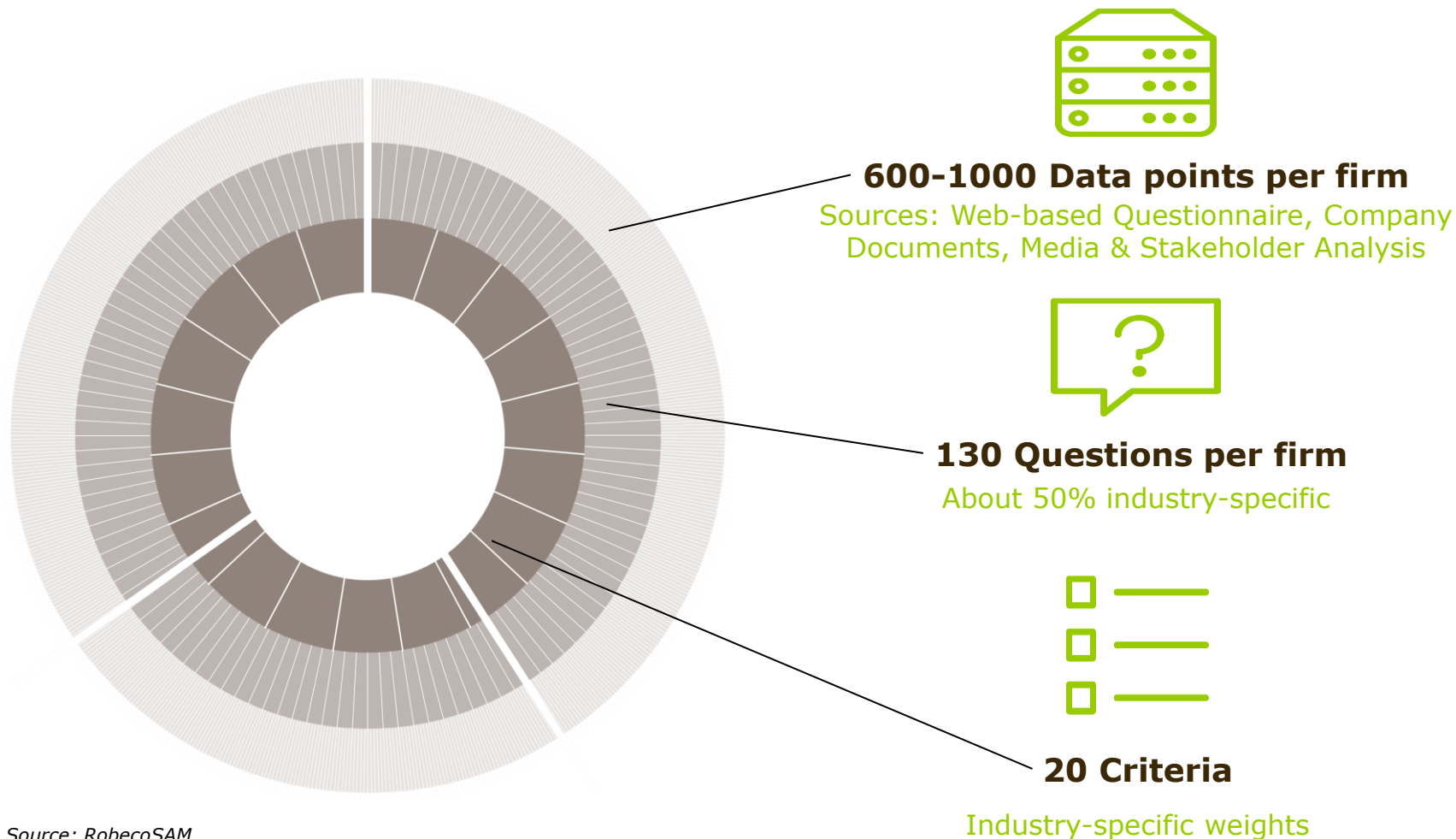
- Dedicated sustainability research
- Materiality view on 60 sectors

Content use

- Quantitative data – **historic**
- Qualitative – **forward looking**

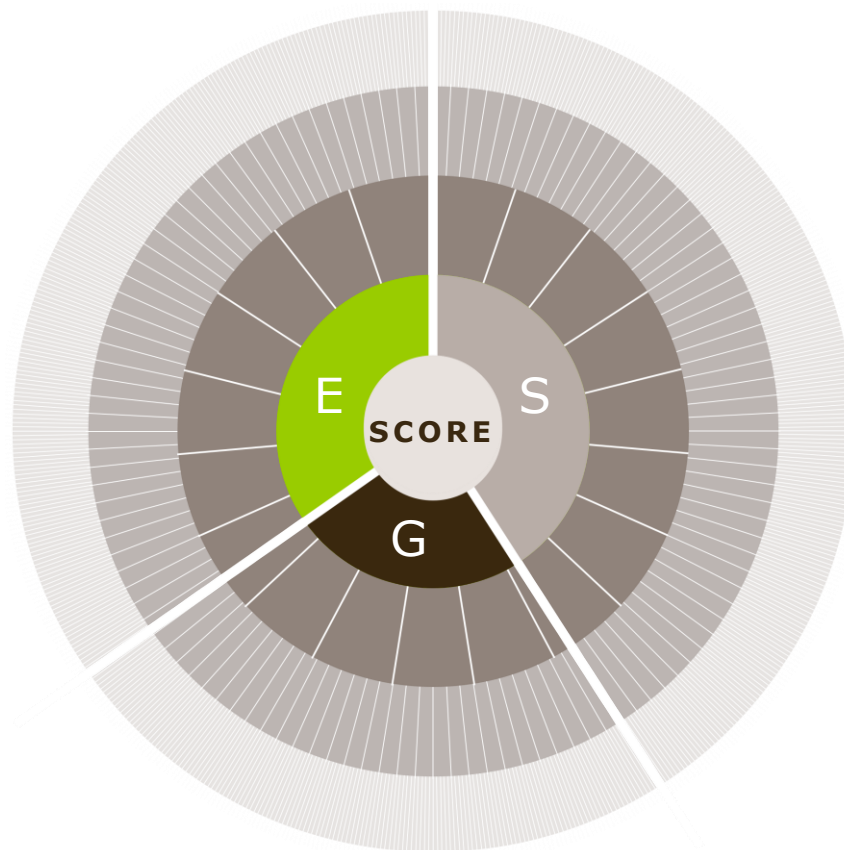
In-depth sustainability research

Our CSA (Corporate Sustainability Assessment) provides 360-degree insight into each firm's sustainability performance



In-depth sustainability research

Our CSA (Corporate Sustainability Assessment) provides 360-degree insight into each firm's sustainability performance



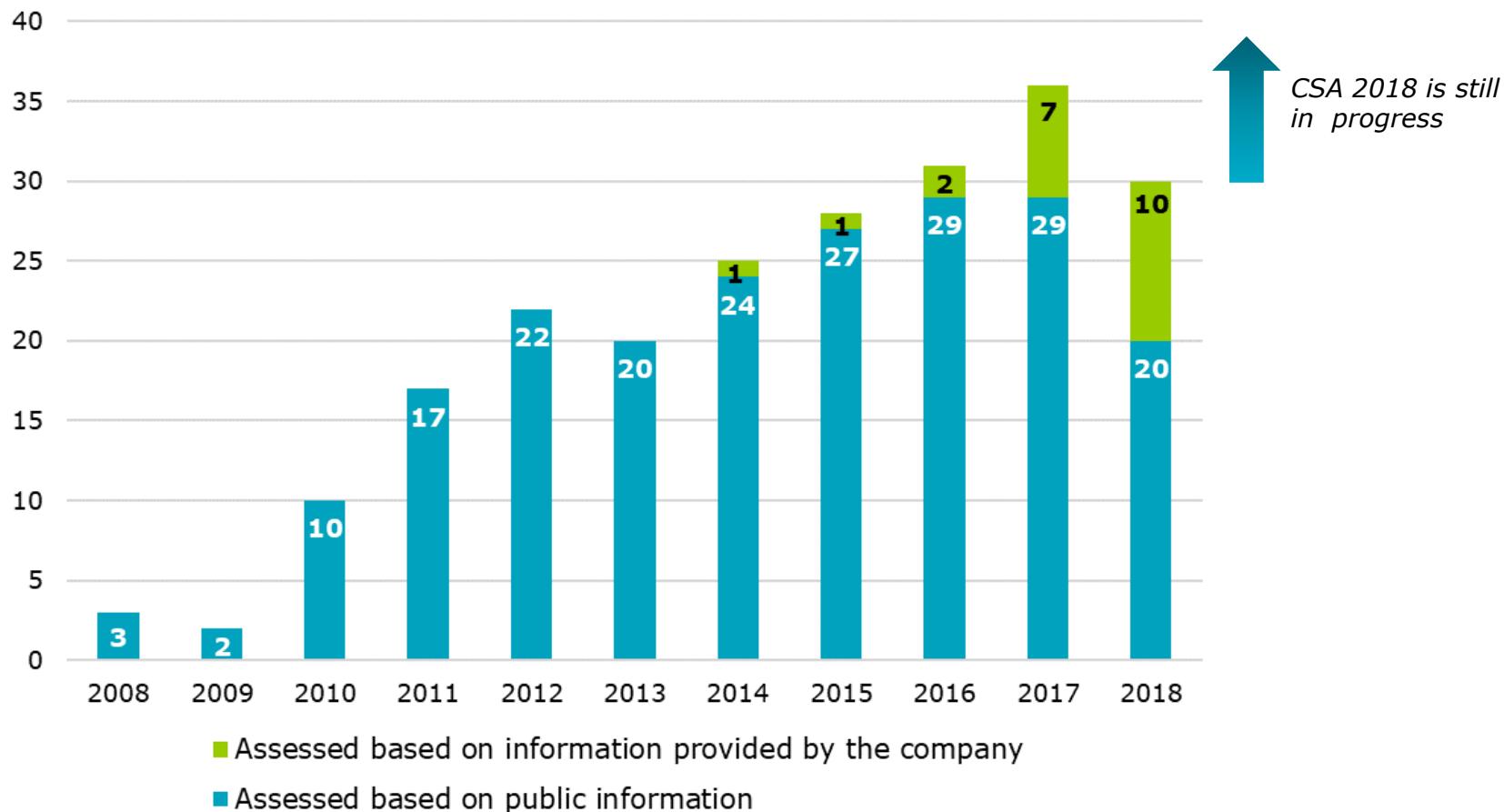
**Final Corporate Sustainability
Assessment Score**

Assessment internally
and externally audited

The CSA and companies from Russia

Assessing companies based in Russia since 2008

Number of companies actively participating in the CSA is increasing



Assessing companies based in Russia since 2008

Companies invited to participate in the CSA 2018

COMPANY NAME	GICS® INDUSTRY GROUP	COMPANY NAME	GICS® INDUSTRY GROUP
Aeroflot PJSC	Transportation	Novolipetsk Steel (GDR)	Materials
Alrosa PJSC	Materials	PhosAgro PJSC	Materials
Bashneft PJSC	Energy	Polymetal International PLC	Materials
Euras PLC	Materials	Rosneft PJSC GDR	Energy
Federal Hydrogenerating Co (RusHydro)	Utilities	Sberbank of Russia PJSC	Banks
Gazprom PJSC	Energy	Sberbank of Russia Prf	Banks
Inter RAO OJSC	Utilities	Severstal PJSC	Materials
Lenta Ltd.	Food & Staples Retailing	Surgutneftegas OJSC	Energy
Lukoil PJSC	Energy	Surgutneftegas OJSC Prf	Energy
Luxoft Holding Inc A	Software & Services	Tatneft PJSC	Energy
Magnit PJSC	Food & Staples Retailing	Transneft Prf	Energy
Mail.ru Group Ltd. GDR	Software & Services	United Wagon Company PJSC	Capital Goods
MMC Norilsk Nickel PJSC	Materials	VEON Ltd ADR	Telecommunication Services
Mobile TeleSystems PJSC	Telecommunication Services	VTB Bank PJSC	Banks
Moscow Exchange MICEX-RTS PJSC	Diversified Financials	X5 Retail Group NV/GDR	Food & Staples Retailing
Novatek PJSC	Energy	Yandex NV A	Software & Services

CSA Results

Corporate Sustainability Assessment (CSA) Results as basis for Sustainability Investing

DJSI Family of products

- DJSI World Family, DJSI Diversified Family, DJSI Emerging Markets
- \$6.6 Billion in Index Licenses

S&P Long-Term Value Creation Index (LTVC)

- Launched in January 2016 with Canadian Pension Plan Investment Board (CPPIB) using the Economic Dimension Score and S&P Quality Score

S&P ESG Index Family

- S&P 500, S&P Europe 350, ASX 200, Topix 150

Robeco Asset Management

- Over €104 Billion of assets integrating CSA Scores

Bloomberg: Publication of Percentile Ranking

- 12,000+ active users of ESG Data

Dow Jones Sustainability Indices (DJSI)

DJSI Members 2018 in the MNX Metals and Mining industry

Sustainability Leaders



Company	Country	DJSI World	DJSI Europe	DJSI North America	DJSI Asia Pacific	DJSI Emerging Markets
AngloGold Ashanti Ltd	South Africa	○				●
Barrick Gold Corp	Canada	●		●		
BHP Billiton Ltd	Australia	○			○	
Gold Fields Ltd	South Africa	●				●
Grupo Mexico SAB de CV	Mexico	○				○
Iluka Resources Ltd	Australia	○			○	
Newcrest Mining Ltd	Australia	○			○	
Newmont Mining Corp *	United States	●		●		
Orocobre Ltd	Australia					
OZ Minerals Ltd	Australia					
Polymetal International PLC	Russian Federation	○				●
Randgold Resources Ltd	Jersey	○	●			
Rio Tinto Ltd	Australia	○			●	
Rio Tinto PLC	United Kingdom	○	●			
South32 Ltd	Australia	○			●	
Teck Resources Ltd	Canada	●		●		

* Industry leader ○ Invited ● Member ● Index Committee Exclusion

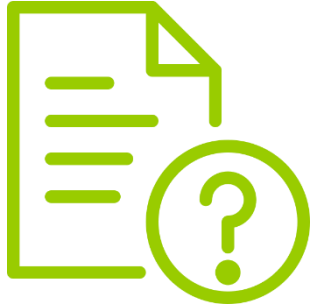


CSA & Corporate Public Disclosure

Scoring Methodology

Assessment Focus	Description of Information Sought
 Disclosure/Transparency	Disclosure of qualitative/quantitative information
Documents	Document supporting company's response
 Public Documents	Publicly available document supporting company's response
Exposure/Coverage	Coverage of measures implemented or data reported
Trend	Trend of key indicators in the last three / four years
Performance	Performance of key indicators in comparison to RobecoSAM's expected threshold
Awareness	Awareness about internal and external issues and measures taken
External Verification	Third party verification of data or of processes

Public Disclosure



Public questions & Partially public questions

- Require supporting evidence from the public domain
 - Annual Report, CSR Report, Integrated Report, company publications
 - Corporate website



Assessment

- Public questions: Public disclosure is mandatory
- Partially public questions: Public disclosure is encouraged

Public Disclosure



Policies

- Codes of conduct
- Board diversity policy
- Tax policy
- Corporate environmental policy

Other material information

- Materiality process and material issues
- Commitment to Human Rights
- Share ownership structure
- Median/Mean compensation of all employees & CEO compensation
- Environmental and social quantitative data; with assurance statement
- Occupational health & safety KPIs

Conclusion

Continuous evolvement of sustainability integration



Your contact at RobecoSAM

Annelies Poolman

Manager Sustainability Services

+41 44 653 12 42

annelies.poolman@robecosam.com



Sustainability Services Team

+41 44 653 12 11

services@robecosam.com

RobecoSAM Headquarters

Josefstrasse 218

8005 Zurich

Switzerland

Supplementary slides

Financial Materiality Framework

RobecoSAM's definition of materiality of sustainability

RobecoSAM defines Materiality as "Any factor which might have a present or future impact on companies' value drivers, competitive position, and thus on long-term shareholder value creation"

Key Question: How do different forms of capital impact financial performance?

Forms of capital:

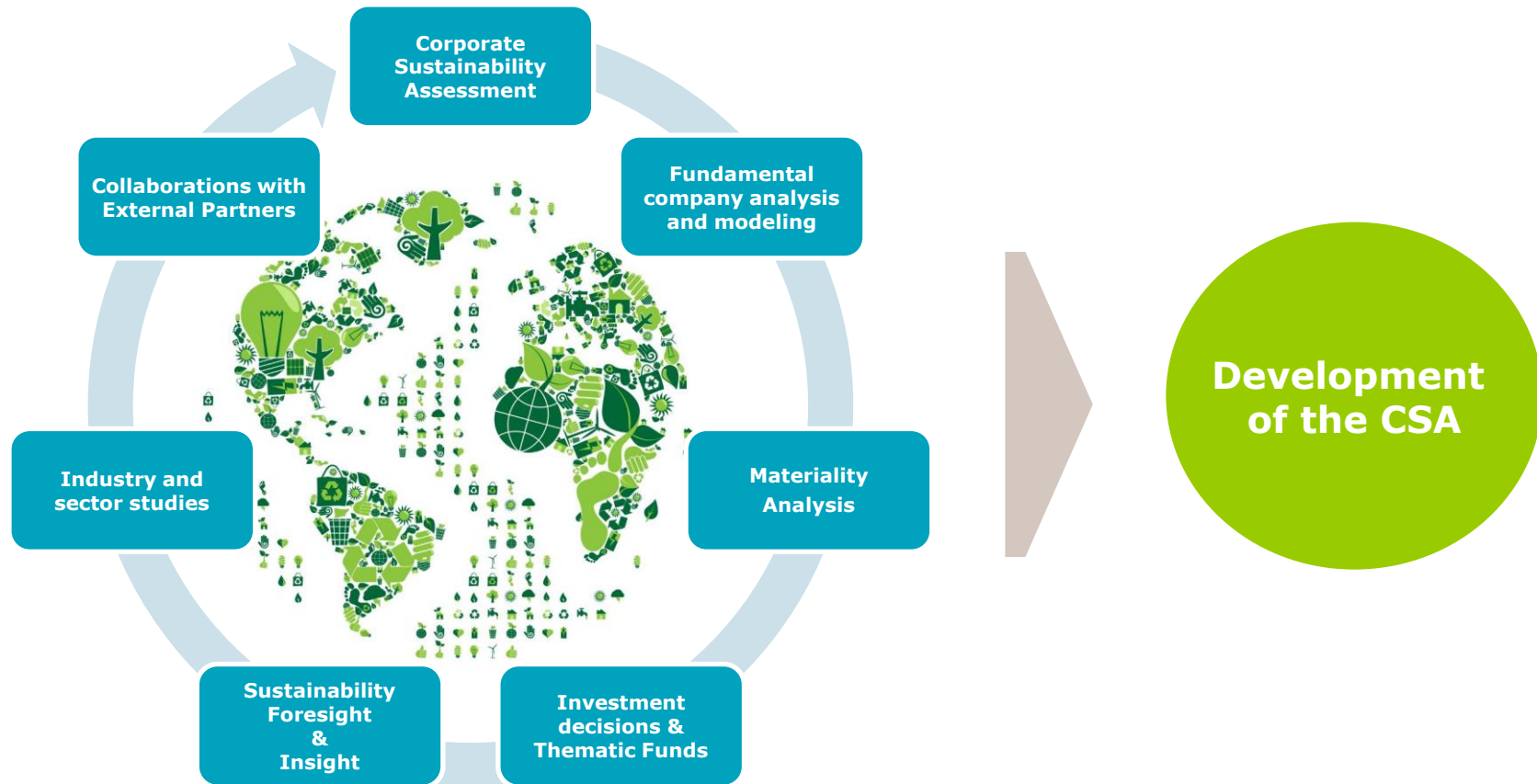
- Intellectual capital
- Customer capital
- Manufactured capital
- Human capital
- Environmental capital
- Social capital
- Financial capital & business model



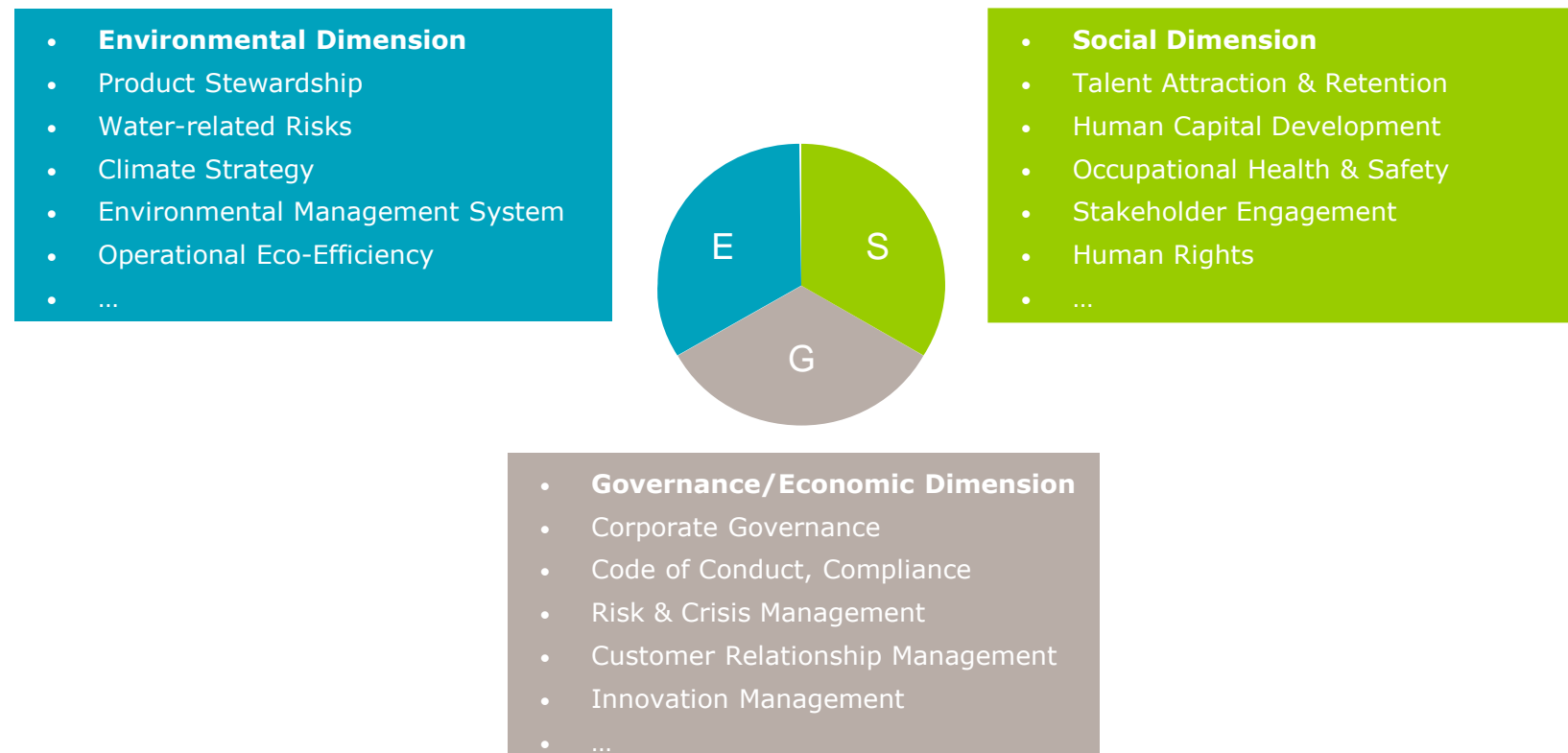
Impact on financials:

- Growth (Revenue)
- Profitability (Costs)
- Capital Efficiency
- Risk profile

Development of the CSA

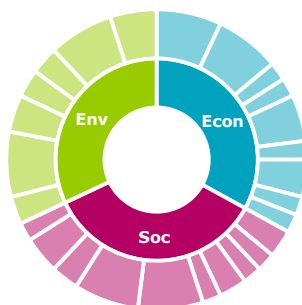


RobecoSAM Corporate Sustainability Assessment (CSA)



Industry Specific Approaches

Mining & Minerals



Industry specific criteria examples

- Payment transparency

- Mineral waste mgmt.
- Water related risks
- Biodiversity

- Asset closure mgmt.
- Community impact
- Stakeholder engagement

Restaurants

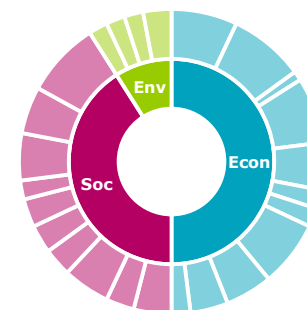


- Brand Management
- Customer Relationship Management

- Raw Material Sourcing

- Local Impact of Business Operations

Pharmaceuticals

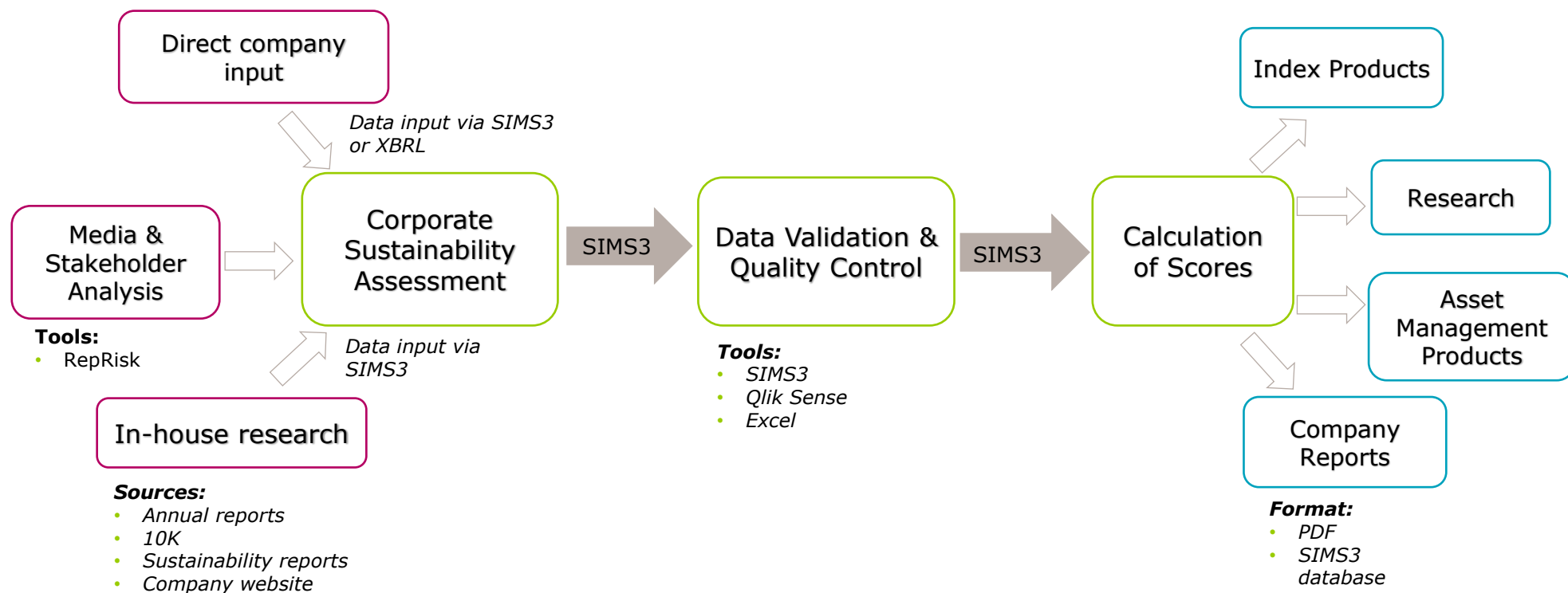


- Innovation mgmt.
- Product Quality and Recall mgmt.

- Climate Strategy

- Address cost burden
- Access to drugs
- Health outcome contrib.

CSA Process

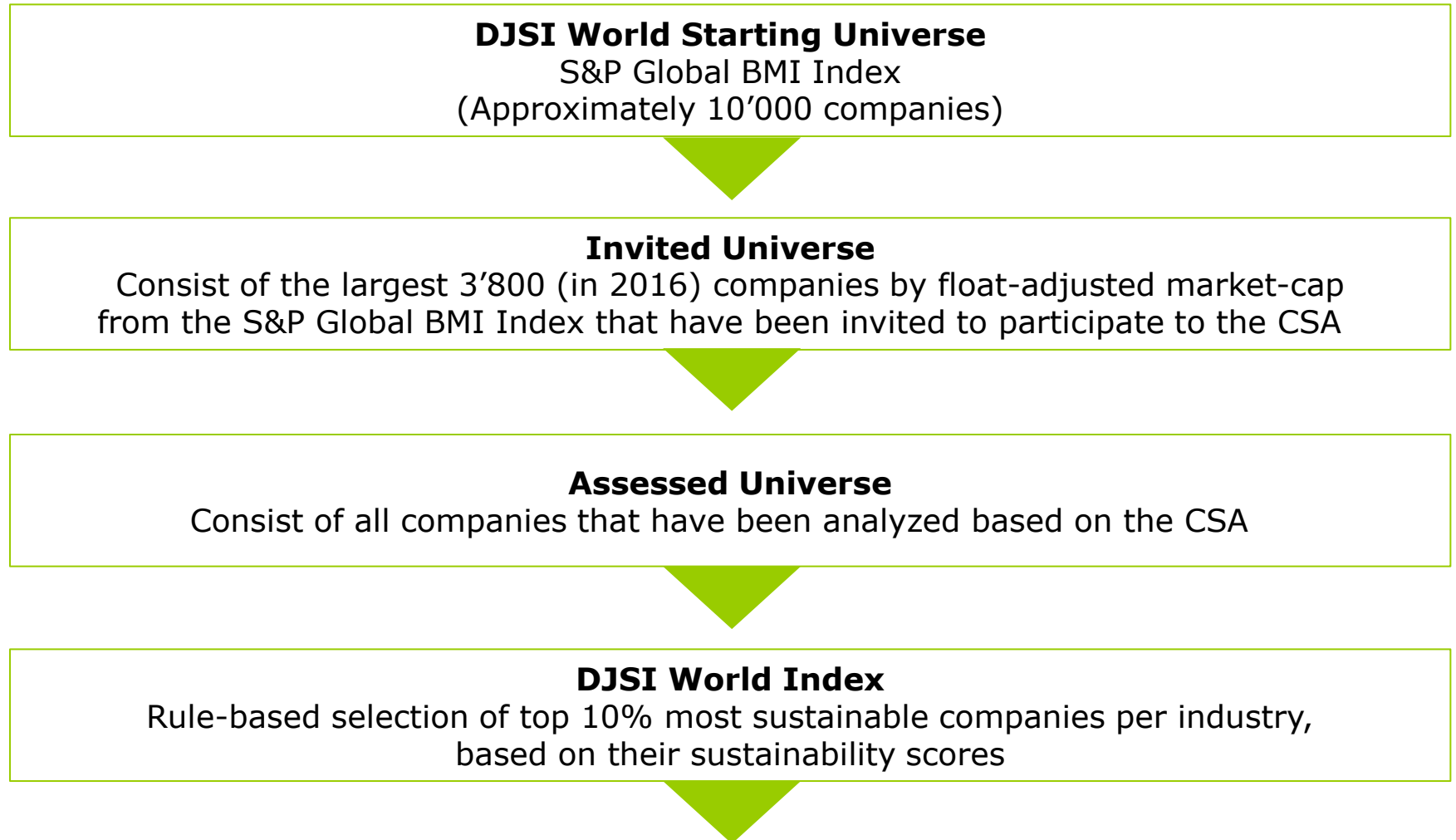


Media & Stakeholder Analysis (MSA)

Red Flags: Analysis of Controversial Business Behaviour



DJSI Indices: Methodology



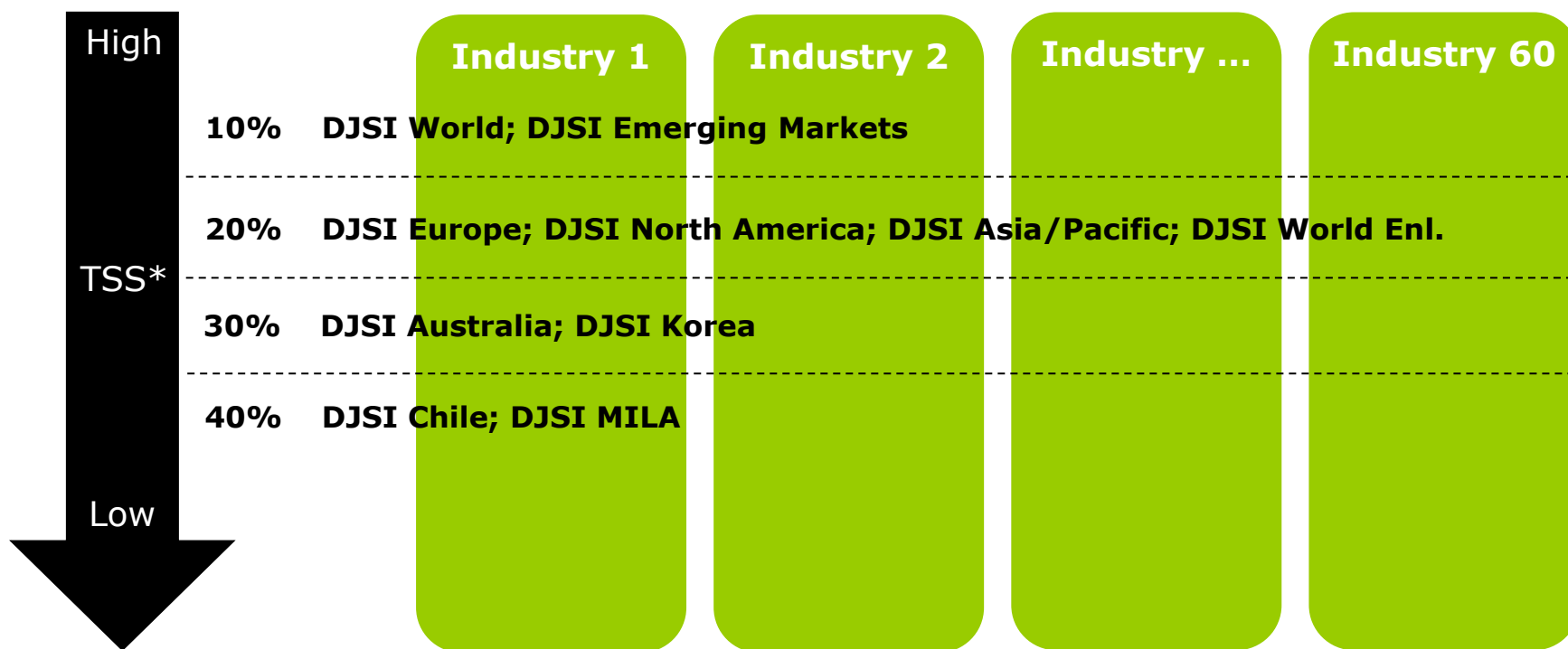
DJSI Selection Rules

- 1. Eligibility:** Companies are only eligible for selection if their score is at least 40% of the highest score within the respective index universe.
- 2. Best-in-class selection*:** Select 10% best companies per industry for World (20% for World Enlarged/regional indices, 30% for country indices, 10% for Emerging Markets).
- 3. Error margin:** Select companies outside the best-in-class interval if they are within an absolute 0.3 score distance of the last company selected in the respective industry in step 2.
- 4. Buffer rule:** Select existing components if they are within the top 15% of their industry for World (30% for World Enlarged/regional indices, 45% for country indices, 15% for Emerging Markets).

* Industries may be merged to ensure that at least one company can be selected at the best-in-class level (provided it passes the eligibility criteria).

DJSI Indices - Constituent selection

Selection of most sustainable companies per industry



*Total Sustainability Score

RobecoSAM on Bloomberg – Total and Dimension Rank

<Menu> to Return, 94 <GO> to Hide Navigation

90 Search BI 91 Actions 93 Settings Bloomberg Intelligence

Environmental, Social & Governance Dashboard (BI BESGG) Global ☆

Research 51 Sustainability 52 ISS QualityScore 53 RobecoSAM

Dashbd Home
Environmental
Social
Governance
Primers

Data Library
Macro
Industry
Company
ESG Scores
Voting (Japan)
Activists
New Energy

Monitor
News/Research
Comp Sheets
Markets

View Average Score By Company Comparison
Financial Banks Total Any Metric
Click a Metric to filter.
Data Chart
By Company 02/06/2017 09/13/2016

By Company	02/06/2017	09/13/2016
*Total Economic Rank		
*Total Environmental Rank		
*Total Social Rank		
*Total Sustainability Rank		
-UBS Group AG	100	100
-Westpac Banking Corp	100	100
-Australia & New Zealand Banking Group Ltd	99	99
-Credit Suisse Group AG	98	98
-National Australia Bank Ltd	98	98
-Commonwealth Bank of Australia	98	98
-Bancolombia SA	97	97
-Banco Santander SA	96	96
-ING Groep NV	95	95
-CaixaBank SA	95	95
-Skandinaviska Enskilda Banken AB	94	94
-Bank of New York Mellon Corp	93	93
-BNP Paribas SA	92	92
-Deutsche Bank AG	92	92
-Citigroup Inc	92	92

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 6900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2017 Bloomberg Finance L.P.
SN 870106 6854-4433-1 10-MAY-17 14:58:31 CEST GMT+2:00

Source: Bloomberg

RobecoSAM on Bloomberg – Company's Criteria Ranks

<Menu> to Return, 94 <GO> to Hide Navigation

90 Search BI 91 Actions 93 Settings Bloomberg Intelligence Global ☆

Environmental, Social & Governance Dashboard (BI BESGG)

Research 51 Sustainability 52 ISS QualityScore 53 RobecoSAM

Dashbd Home
Environmental
Social
Governance
Primers

Data Library
Macro
Industry
Company
ESG Scores
Voting (Japan)
Activists
New Energy

Monitor
News/Research
Comp Sheets
Markets

View Average Score By Company Detail

Financial Banks Economic Any Metric

Click a By Company to filter.

• Data • Chart

Metric	02/06/2017↑	09/13/2016▲
■ Banco do Brasil SA		
- Financial Stability and Systemic Risk	100	100
- Anti-crime Policy & Measures	100	100
- Customer Relationship Management	92	92
- Information Security & Cybersecurity	89	89
- Codes of Business Conduct	85	85
- Materiality	85	85
- Risk & Crisis Management	80	80
- Corporate Governance	57	57
- Tax Strategy	29	29
■ Bancolombia SA		
- Materiality	100	100
- Financial Stability and Systemic Risk	100	100
- Anti-crime Policy & Measures	100	100
- Risk & Crisis Management	94	94
- Tax Strategy	94	94
- Codes of Business Conduct	82	82
- Customer Relationship Management	82	82
- Information Security & Cybersecurity	75	75

Australia 61 2 9777 8600 Brazil 5511 2385 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2377 6000
Japan 81 3 3201 6900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2017 Bloomberg Finance L.P.
SN 870106 6854-4433-1 10-MAY-17 15:49:08 CEST GMT+2:00

Source: Bloomberg

RobecoSAM on Bloomberg – Rank for a specific criterion

<Menu> to Return, 94 <GO> to Hide Navigation

90 Search BI 91 Actions 93 Settings Bloomberg Intelligence

Environmental, Social & Governance Dashboard (BI BESGG) Global ☆

Research 51) Sustainability 52) ISS QualityScore 53) RobecoSAM

Dashbd Home
Environmental
Social
Governance
Primers

Data Library
Macro
Industry
Company
ESG Scores
Voting (Japan)
Activists
New Energy

Monitor
News/Research
Comp Sheets
Markets

View Average Score By Company Comparison
Financial Banks Environmental Any Metric
Click a Metric to filter.
Data Chart
By Company 02/06/2017 09/13/2016

Business Risks and Opportunities

-Banco Santander SA	100	100
-BNP Paribas SA	100	100
-Westpac Banking Corp	100	100
-Australia & New Zealand Banking Group Ltd	100	100
-Bancolombia SA	97	97
-Banco do Brasil SA	96	96
-UBS Group AG	96	96
-Itau Unibanco Holding SA	96	96
-National Australia Bank Ltd	94	94
-Bank of America Corp	93	93
-Banco Davivienda SA	92	92
-Intesa Sanpaolo SpA	92	92
-Bank of New York Mellon Corp	92	92
-Citigroup Inc	91	91
-Credit Suisse Group AG	90	90
-Societe Generale SA	90	90
-Nedbank Group Ltd	89	89
-ING Groep NV	88	88

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9304 1210 Hong Kong 852 2877 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2017 Bloomberg Finance L.P.
SN 870106 6854-4433-1 10-May-17 15:51:01 CEST GMT+2:00

Source: Bloomberg

RobecoSAM Sustainability Yearbook

Additional Recognition and visibility for sustainability leaders

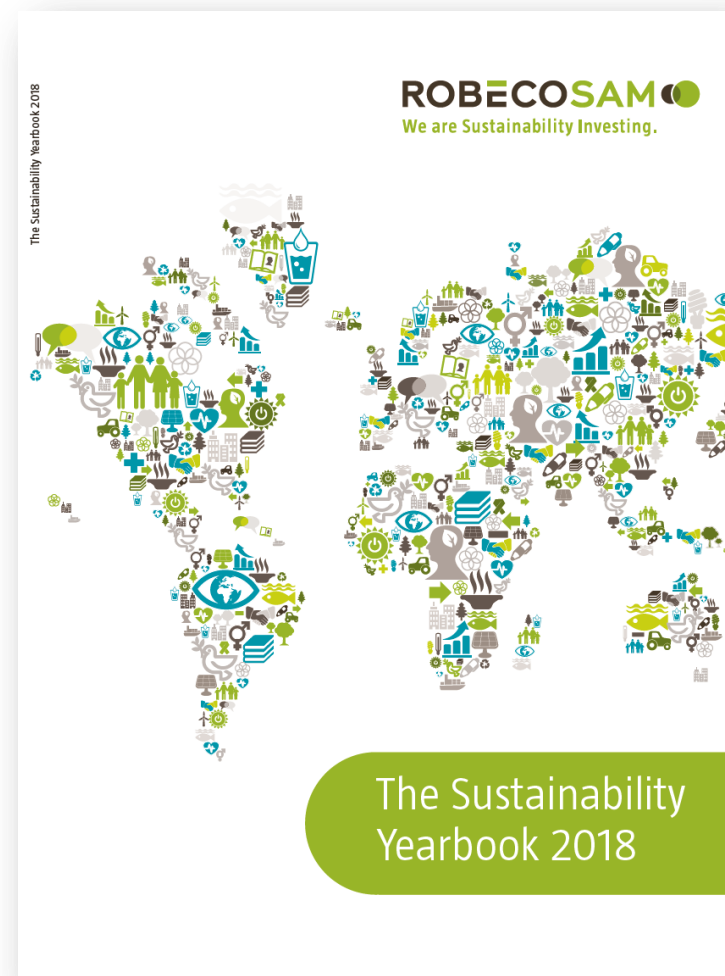
One of the world's most comprehensive publications on corporate sustainability; providing sector insights into the sustainability challenges and opportunities for companies as well as showing the sustainability leaders.

Global		
Top 1%	Gold	73
Top 5%	Silver	78
Top 10%	Bronze	118
Top 15%	Mention	210

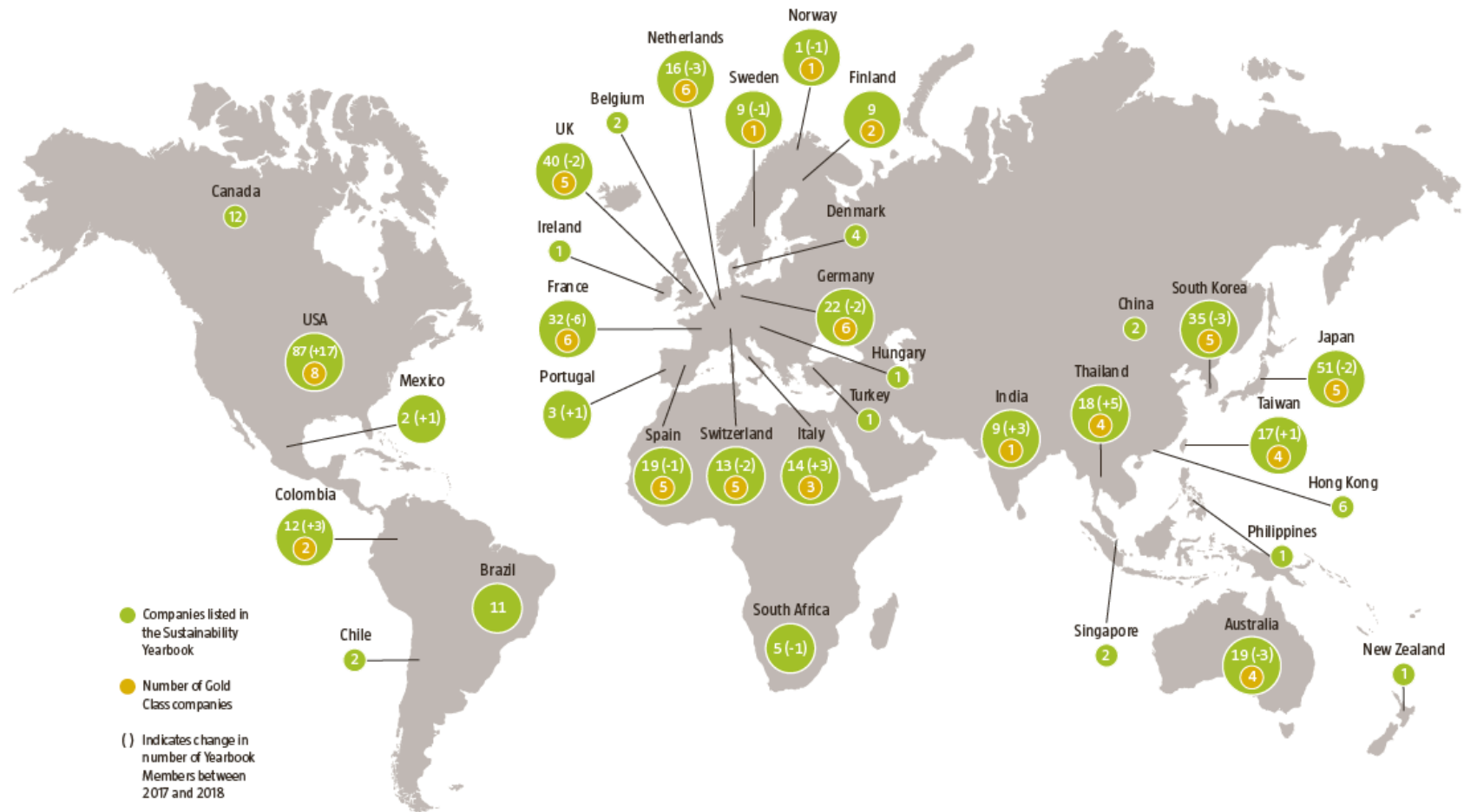
13th edition in 2018

- > **35'000** visitors on the microsite
- > **105'000** page views (av. 3 min per visit)
- > **3'000** printed copies in circulation
- > **950** impressions on live paper
- > **1'100** clippings in several medias

<http://yearbook.robecosam.com>

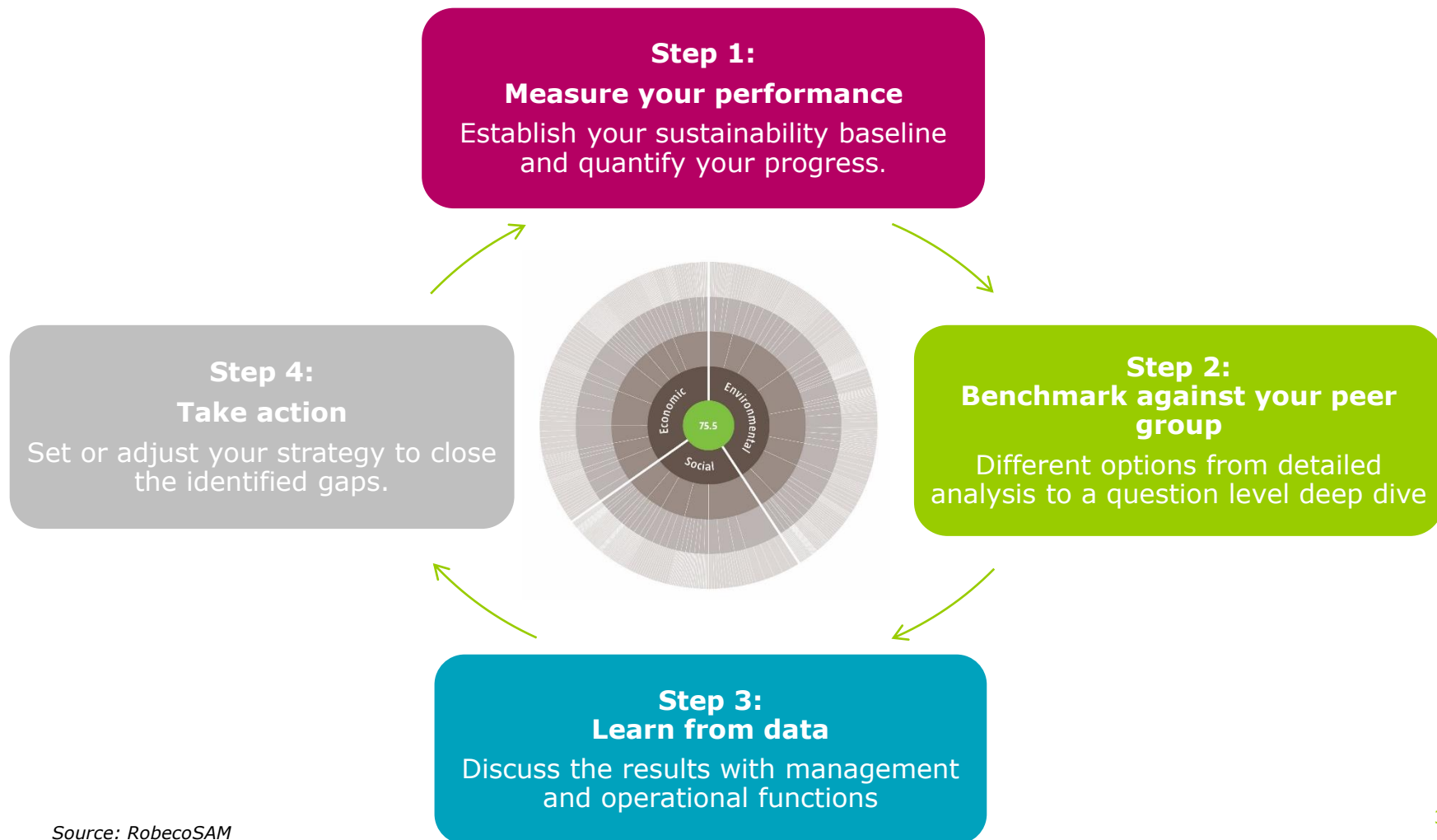


Where are the most sustainable companies located?



The Benchmarking Process

Competitive benchmarking typically involves the following repetitive steps:



Disclaimer

No warranty This publication is derived from sources believed to be accurate and reliable, but neither its accuracy nor completeness is guaranteed. The material and information in this publication are provided "as is" and without warranties of any kind, either expressed or implied. RobecoSAM AG and its related, affiliated and subsidiary companies disclaim all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose. Any opinions and views in this publication reflect the current judgment of the authors and may change without notice. It is each reader's responsibility to evaluate the accuracy, completeness and usefulness of any opinions, advice, services or other information provided in this publication.

Limitation of liability All information contained in this publication is distributed with the understanding that the authors, publishers and distributors are not rendering legal, accounting or other professional advice or opinions on specific facts or matters and accordingly assume no liability whatsoever in connection with its use. In no event shall RobecoSAM AG and its related, affiliated and subsidiary companies be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of any opinion or information expressly or implicitly contained in this publication.

Copyright Unless otherwise noted, text, images and layout of this publication are the exclusive property of RobecoSAM AG and/or its related, affiliated and subsidiary companies and may not be copied or distributed, in whole or in part, without the express written consent of RobecoSAM AG or its related, affiliated and subsidiary companies.

No Offer The information and opinions contained in this publication constitutes neither a solicitation, nor a recommendation, nor an offer to buy or sell investment instruments or other services, or to engage in any other kind of transaction. The information described in this publication is not directed to persons in any jurisdiction where the provision of such information would run counter to local laws and regulation.

© 2018 RobecoSAM AG