

ROBECOSAM

We are Sustainability Investing.



The Sustainability
Yearbook 2018

The Sustainability Yearbook 2018

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RobecoSAM AG

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2017 Annual Corporate Sustainability Assessment:
60 industries.

2,479 companies assessed*

149,469 documents uploaded

2,221,885 data points collected

This is The Sustainability Yearbook 2018.

* as of November 20th, 2017

Foreword



Aris Prepoudis
Chief Executive Officer
RobecoSAM

Discovering and applying sustainability insights to successfully navigate the waves of change.

Dear Reader,

Change is everywhere...change is constant.

Throughout history change has primarily been a positive force that has pushed nature and civilization forward. We've become healthier, happier, more productive, and more resilient. But change can also be destructive. Changes in human activities over the past three centuries have led to global warming and a looming planetary crisis. The series of catastrophic hurricanes that pounded US and Caribbean coast lines in late summer underscore the extent of the crisis, as weather patterns become more extreme, more frequent and more costly.

“Even with the flow of negative events, positive waves are emerging and gaining momentum.”

But even with the flow of negative events, positive waves are emerging and gaining momentum. These new waves are represented by a bevy of investors, governments, institutions, and even companies who

are rising to face global challenges head-on and correct the damage inflicted on people and planet.

This year we continued to see investors large and small announcing intended divestitures from fossil fuels in large droves and in historic volumes. Moreover, institutional investors are requiring more stringent reporting and disclosure from companies on everything from carbon footprints and water management to human capital issues like gender pay gaps and diversity. Later, we'll hear from banking and asset management giant, BNP Paribas, on their efforts as investors to combat climate change, support sustainable projects, and encourage socially responsible investing among its clients.

Worldwide, governments are also driving change through pollution legislation and subsidies for energy-efficient vehicles and infrastructure. Institutions too are making their mark as agents of change forging ahead with fresh, new collaborations with private sector players. A notable example is the Financial Stability Board which develops and coordinates financial sector policies. This past summer the FSB's Task Force on climate-related disclosure (TFCD) issued first-ever

guidelines for financial institutions on how to assess and report their own risks associated with climate-change.

But perhaps the most powerful of institutional changes is the accelerating momentum of the United Nation's 17 Sustainable Development Goals (SDGs)—a comprehensive framework for approaching worldwide inequalities and development challenges. The SDGs were created via thoughtful collaborations between leaders from government, NGOs, academia and business. It is unique among development initiatives in that it seeks to leverage the expertise and capital of business and private investors towards solving global challenges. Successfully achieving the SDGs will require an estimated USD 5-7 trillion per year over the next 12-15 years—which means it will require public and private capital. That translates to a huge investment opportunity.

What's more the SDGs provide specific targets that help guide companies, governments, investors and other stakeholders in setting goals and measuring contributions. For corporations, the SDG framework is a multi-purpose tool that can re-invigorate everything from corporate philanthropy to corporate strategy. As interest in impact investing grows, corporate social responsibility (CSR) is becoming more sophisticated and critical for companies to consider. The most sustainable firms have well-defined corporate identities, a strong sense of purpose, and are using

SDGs to help align CSR programs with core business functions in order to maximize their profits as well as their impact on society.

SDGs are having a positive effect on corporate behavior in other ways as well. Their increasing popularity is helping foster a culture of scrutiny, transparency, and accountability in business and government. Knowing how firms deploy assets is important but it is also useful to know how they deploy influence to shape public policy through activities like advocacy campaigns, think-tank funding, and legislative consulting.

Policy influencing activities, when principled, are essential for good policy-making. However, when abused, they bring reputational damage and engender distrust among customers and the wider public. Worse still, they can lead to gross economic inefficiencies, competitive disadvantages and economic mis-development if left unchecked.

Rates of change and pace of decision-making are accelerating. This year has witnessed unprecedented changes in attitudes and actions across the globe. Some changes like de-carbonisation and energy transition leave us thrilled, others like geo-political developments, leave us concerned. Change can mean progress but, at times, setbacks.

At RobecoSAM we aim to be at the forefront of changes in sustainability thinking. Whether through the Corporate Sustainability Assessment (CSA), our sustainability research & analyses, or our engagement with companies, we strive to facilitate changes that have positive impacts for business and society. We look forward to another year—of change.

“This year has witnessed unprecedented changes in attitudes and actions across the globe.”

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The Good, the Bad, and the Ugly: Corporate Policy Influence under scrutiny in the age of SDGs

The ability to petition political leadership is a key component of modern democracy. Corporations are essential contributors to political discourse as they provide policy makers with important industry-specific perspectives and information, and can be strong voices supporting policy that improves economic and social welfare. However, corporate policy influence can also lead to economic inefficiency, environmental degradation, and the loss of human health and life. Moreover, public awareness of the misuse of influence and distrust of corporations is on the rise. The popularity of the UN's 17 Sustainable Development Goals (SDGs)¹ as a tool by governments and shareholders will increase the importance of public-private sector discourse as a vehicle for information sharing and idea generation. A bounty of benefits awaits companies that use their channels of influence for positive impact for communities and society. The opposite awaits companies that use policy influence for deliberate self-interest.



Jacob Messina, CFA
Head of SI Research



Eleanor Willi
Sustainability Specialist

Policy Influence Defined

What it is and what it costs

Policy influence can take many forms spanning advocacy – general efforts to educate a constituency or the general public, to outright lobbying² – an organized attempt by private individuals or groups to influence

legislation. These organized attempts come from a variety of actors, ranging from concerned citizens, non-profits and public interest groups, to individual corporations, or groups of corporations in the form of trade associations.

Corporations can be strong voices supporting policy that improves economic and social welfare.

¹ Information on UN Sustainability Goals is available at <http://www.un.org/sustainabledevelopment/development-agenda/>

² Also known as "interest representation"

Examples of Policy Influence Channels

- Political contributions to parties or candidates
- Marketing campaigns related to referendums or proposed legislation
- Funding “think tanks” that publish policy papers or draft entire legislation
- Sponsoring scientific research and academic studies

As we shall see, policy influence can lead to positive and negative outcomes for society. In 2016, an estimated USD 3.2 billion was spent on lobbying in the United States, a level that has remained stable in recent years.³

At the same time, the contributions from the top 50 EU companies totalled EUR 106.4 million. While the EU figure might not seem significant, it is a 40 percent overall increase since 2012.⁴ These amounts cover only one policy influence channel, namely lobbying, so they significantly underestimate the full extent of resources deployed by companies. Given the amounts spent on policy influence, it is worth the effort for stakeholders to ensure they are appropriately and effectively used.

Given the amounts spent, it is worth the effort for stakeholders to ensure they are appropriately and effectively used.

Driving (or Impeding) Sustainable Development

Power plays: the greater good vs guarded self-interest

Corporate leadership on societal challenges like climate change and (more broadly) SDGs, can have a sizable effect. Implicit in the SDGs is the expectation for corporations to increase their efficiency, decrease their negative externalities, (in the form of environmental and social damage), and generate positive impact. Furthermore, an increasing number of investors want to allocate capital to companies that are advancing the goals. For these reasons, scrutiny from investors specifically, and stakeholders generally, is expected to increase. Corporations must therefore be clear and transparent on their positions on issues, the causes they support, and the amounts and types of funding they provide – both those which obviously contribute to SDG goals as well as those which might be seen as impeding them.

Just as companies can apply expertise to maximize their SDG contributions, they can also use it to positively facilitate the policy-making process. Companies and industry groups often enable better-informed decisions, by providing policy makers with data, knowledge and industry-specific perspective that may have been overlooked in the general debate. But the motives and outcomes of some companies are, at times, at odds with what is beneficial to society.

The latter is exemplified by a company whose main objective is to maximize firm profits while eternalizing costs to the general public. These companies seek to exert influence to protect inefficiencies and the status quo, which in many cases, is seriously damaging the health of people, the health of the environment, and the health of the economy. Instead of working towards a society that is more efficient and sustainable based on the best available scientific, economic, and sociological evidence, they instead obfuscate arguments and data, thereby preventing optimal economic performance and social progress.

Sweet turned sour

For example, in the 1960s, the Sugar Research Foundation, representing the sugar industry, sponsored research designed to cast doubt on the link between sugar consumption and coronary heart disease. The foundation set objectives, contributed articles and received drafts of research papers (presumably for review and “approval” before their publication) that emphasized the role of fat and cholesterol in heart disease and downplayed the risk from sugar (sucrose).⁵ Decades of health policy was guided by this erroneous and at times fraudulent research. Only in recent years have the hazards of sugar emerged, but even today many remain misinformed. Frightening still, is the fact that the damage caused in developed markets is now being replicated in emerging markets.

³ Center for Responsive Politics, opensecrets.org

⁴ Lobbyfacts.eu

⁵ Cristin E. Kearns, et al. Sugar Industry and Coronary Heart Disease Research: A Historical Analysis of Internal Industry Documents. *JAMA Intern Medicine* 2016, 176(11):1680-1685

Policy influence can lead to positive and negative outcomes for society.

Although there were clear due-diligence failures on the part of regulatory bodies, our focus is on the implications arising from the policy influencing process.

Important questions that surface for sustainable investors would be to what extent corporations financially contributed to this disinformation campaign? More importantly, how much money was spent by other entities (e.g. citizens, academic institutions, other corporations, etc.) to subsequently counter and contain the spread of the

Sugar Foundation's claims? How much money was spent on litigation, fines and settlements to resolve disputes arising from the competing campaigns? What was the opportunity cost and losses for other businesses that behaved ethically and created sustainable value for society, but suffered because their customers were misinformed?

And the trillion-dollar question – how much have these claims adversely affected health and quality-adjusted life-years (QALY)⁶ on a global scale? These are not easy questions to answer, but with certainty we can say they are real, they are innumerable, and their negative effects are still accumulating.

Un-leveling the playing field – a risky business for firms and their investors

The damage of dirty deals goes farther than the firm

Social awareness is increasing as information becomes more easily accessible, reporting improves, and the costs related to policy influence become clearer. Companies with dubious deals and dirty deeds face three distinct risks. First, there is the direct business risk inherent in overreliance on government support. For example, the oil & gas industry's reliance on fossil fuel subsidies. Second, is the reputational risk stemming from excessive political contributions and

The positive side of policy influence is represented by strong corporate voices stepping up and taking leadership on complex issues – which can generate significant positive reputational benefits. For instance, in the absence of more forceful climate policy measures by governments around the world, there is a growing role for corporate leadership in confronting the challenge of climate change. US companies have been extremely vocal about their support for the Paris Agreement and have buoyed their sustainability credentials by speaking out against Trump on the issue.⁷

US companies have been extremely vocal about their support for the Paris Agreement.

lobbying expenditures. These could be direct or indirect, and could be construed as damaging the public interest causing loss of customer trust and defections. An illustrative example is described later with the pharmaceutical industry.

Finally, there is the risk of corruption, which could be strictly speaking, legal, and simply contribute to the inefficiencies we describe above. On the other hand, it could also be considered illegal if civil or criminal violations occur. The risks listed here and the opacity of the process, contribute to negative perceptions of a firm's policy influence activities by the broader public and investors.

Many respondents to our questionnaire cited positive engagement efforts on global challenges like climate change and green building. However, our research also shows that these positive activities are far outweighed by the negative. Furthermore, the positive are often only necessary because other actors have promoted detrimental policies, that creates a combative-defensive dynamic between companies and stakeholders and larger society. In the end, this increases overall economic costs and decreases the likelihood of optimal outcomes.

⁶ QALY- a generic measure of disease burden. Includes quality and quantity of life lived and is used to assess the value for money of medical interventions. One QALY equates to one year in perfect health.

⁷ <https://www.nytimes.com/2017/06/01/business/climate-change-tesla-corporations-paris-accord.html>

The Rationale and Results of RobecoSAM's Policy Influence Criterion

The details of disclosure

As RobecoSAM seeks to distinguish those companies creating long-term, sustainable value, we added a Policy Influence criterion to our 2017 Corporate Sustainability Assessment (CSA).

We had two important findings: First, levels of spending vary widely, by company, sector and region. Second, a very limited number of companies broadly and liberally disclose their spending in the various policy influence areas.

During our methodology development process for the 2017 DJSI, we focused on alignment with internationally respected ESG frameworks, and identified Policy Influence as a criterion that we expect to become increasingly important to investors. This was largely due to the increasing importance of SDGs for investors interested in impact investing.

Given the newness of the topic and the need to establish baseline data, we evaluated the responses strictly on transparency; there was no judgement on spending levels or spending trends, nor did we critique whether the top five issues/items were good or bad. Companies were assessed on the basis of their level of disclosure both in the CSA and in the public domain. Top scoring companies were those who clearly and transparently shared their contributions both across time and across different topic/organization types, and those that provided aggregate figures and amounts in their own public reporting (e.g. not with links to other sites). In the spirit of disclosure, all assessed companies' performance on this Policy Influence criterion (as all companies' rankings relative to their industry) is shared with the public via Bloomberg.

New Questions for Companies

We asked companies to:

1. disclose their total spending on policy influence efforts over the last four fiscal years
2. specify the top five recipients of those contributions: grouped into organizations, candidates, or issues

Expenses vary by sector: sectors with the most to gain, fight the fiercest

We find that the average amount that companies spend on lobbying (normalized by revenues) varies significantly by sector. The notable high end is observed in health care and financials, followed by materials, real estate

The impact is clear – firms with higher lobbying expenditures have higher profits and are less productive, since they are operating in closed or highly concentrated markets. These firms are successful at protecting their own profits and interests even at the expense of greater society. In the mid-term, engaging in this behaviour enriches owners of incumbent firms who benefit from favourable regulatory and policy regimes. But from a business perspective, even in the short and mid-term, innovation and competition are stymied. In the long term, from a social and environmental perspective, human health, the environment, and social welfare are harmed.

Firms with higher lobbying expenditures have higher profits and are less productive.

and utilities. This concurs with a recent European Central Bank study showing firms in more protected sectors, (i.e. firms from non-tradable or highly regulated sectors) tend to spend more for lobbying activities.⁸

⁸ <https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp.2071.en.pdf>

When protection is poison

Healthcare, with the highest level of policy influence spending of all industries, is a prime example. Healthcare companies provide essential products, services and innovation that help billions of people lead healthier lives. However, the industry's extensive policy influence activities have helped to create unsustainable health systems around the world, most notably in the US.

Drug pricing is an area where drug makers exercise protectionist tendencies.

The US spends 18% of its annual gross domestic product on health care (\$3.2 trillion in 2015), compared to 9% for peer countries, yet health outcomes are no better, and are, in many cases, worse.⁹ The US health system needs massive reform to address its unusually high levels of spending; ideally it would reduce spending by half to \$1.6 trillion annually. Imagine the benefits to the overall US economy if policy influencing funds were directed into more productive economic areas like infrastructure, education or universal health insurance – all of which are woefully under-funded.

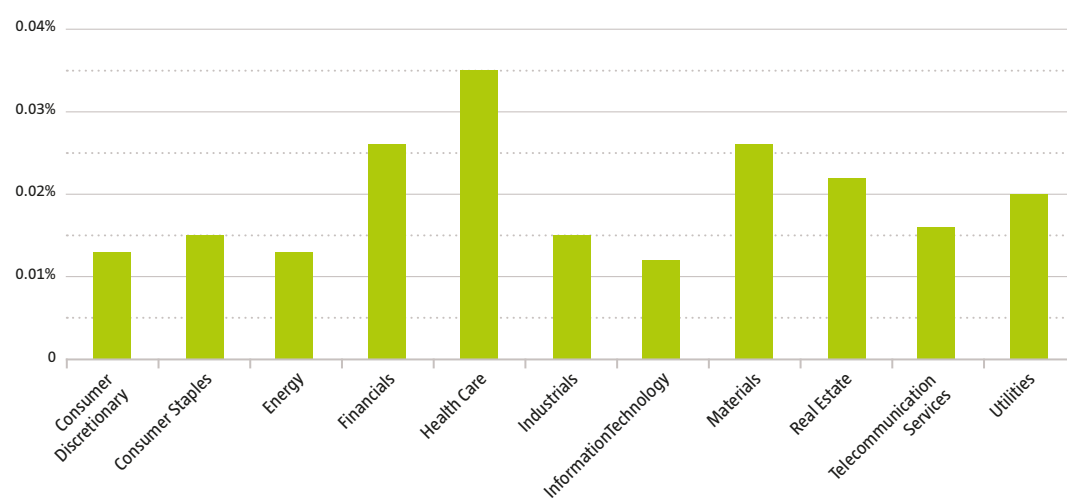
Firms engaging in inappropriate policy influence activities cause massive inefficiency for the overall economy.

Drug pricing is an area where drug makers and industry groups exercise protectionist tendencies. Drug makers routinely charge exorbitant prices citing the high costs of R&D and clinical trials as justification. Performance of pharmaceutical stocks have suffered during the past two years even while, overall, markets are booming. The S&P Pharmaceuticals ETF declined 22% while over the same period the S&P 500 increased 27%.¹⁰

We would posit that sector performance has been hurt by negative investor sentiment regarding the escalating debate on drug pricing in the US. Although difficult to quantify, recent high profile scandals in drug pricing and data falsification have certainly influenced this decline by casting doubt on pharma product's efficacy and pharma management's ethics. Regardless of the precise reason, investors recognize that the current situation in the US is unsustainable.¹¹

One could easily proceed through similar analyses of other industry sectors (e.g. financials or materials) where massive windfalls result from entrenched interests. In the aggregate, firms engaging in inappropriate policy influence activities cause massive inefficiency for the overall economy and damage the environment, individuals, businesses, and investors. The real losses in economic as well as social terms are unimaginable.

Figure 1: Who spends more?
Average Company's Yearly Spend as a Percentage of Total Revenues



Source: RobecoSAM Corporate Sustainability Assessment 2017

⁹ <http://fortune.com/2017/05/24/us-health-care-spending/>

¹⁰ Source: NYSE ARCA, performance data is for the period December 11, 2015-Dec 5, 2017.

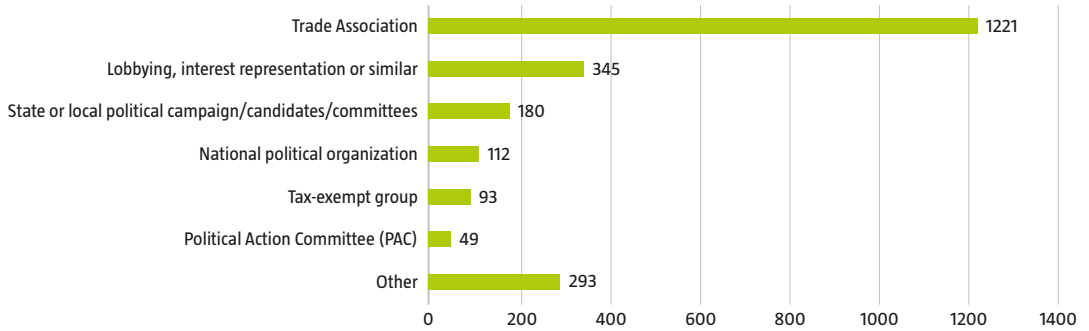
¹¹ "Global pharma sales forecasts cut amid pricing pressures," D. Crow, June 20, 2017, Financial Times

Trade and business associations are key

As can be seen from the graph below, contributions to trade associations far exceeded more direct spending on lobbying, campaigns, and other explicitly political organizations. While this is clear from responses

to the CSA, companies' public disclosures on their policy influence spending rarely extend to the details of membership fees paid to industry and trade associations. This is a large gap that should be better understood and explored.

**Figure 2: Money trail
Largest Contributions & Expenditures – Recipient Organization Types**



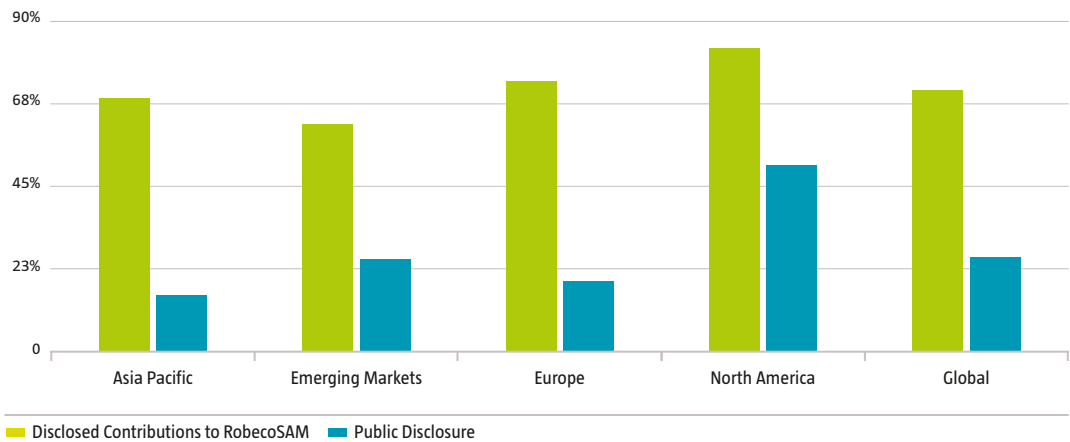
Source: RobecoSAM Corporate Sustainability Assessment 2017

Degrees of difference between developed and emerging markets

Given 2017 was the first year we canvassed companies on the topic, we were not surprised to see that public disclosure is fairly low, ranging from 15% in the Asia Pacific region to 51% in North America. However, companies responding to the RobecoSAM CSA are clearly able to report this data, with 62% of Emerging Markets companies disclosing the information, and almost 83% in North America.

These regional differences likely reflect both the variance in the perceived salience of the topic as well as the extent of regulations on mandatory disclosures. However, with the introduction of the topic to the CSA, we expect public disclosure to increase significantly over the next several years, as occurred after we introduced the Materiality and Tax Strategy criteria in 2014 and 2012, respectively.

**Figure 3: Disclosure around the world
Companies' Contributions & Other Spending – Disclosure by Region**



Source: RobecoSAM Corporate Sustainability Assessment 2017

Looking Ahead

Policy influence is a double-edged sword. If used appropriately, it could accelerate societal progress; if used improperly, it can impede it. As the example from just one industry has shown, companies which misuse their power and influence to protect their own interests often do so at the expense of society as a whole.

However, protectionist measures are becoming more difficult to conceal as stakeholders demand more transparency and disclosure. Firms that use policy channels for corruption and collusion face significant reputational damage from customers and shareholders. Moreover, investors prefer companies who employ disciplined strategy and internal innovation rather than policy supports and subsidies to spur growth. Policy props and distortive subsidies create business risks (if the desired policy is not implemented or continued), legal risks (from corruption) and reduces innovation and efficiency.

Sustainable investors are keen to understand the extent to which their holdings are involved in policy influencing activities.

For these reasons, sustainable investors are keen to understand the extent to which their holdings are involved in policy influencing activities.

Whether waking up to investor demands, the monetary benefits of running a business in a sustainable way, or their responsibility as influential agents in society, corporations are beginning to recognize the usefulness of the Sustainable Development Goals (SDGs) for demonstrating their commitment to sustainability principles and to responsible economic stewardship. But whatever the motive, the SDGs have given investors and corporations a new lens through which to evaluate their contributions towards sustainability targets, the

resulting impacts they have on the broader economy, and the continuing development of a sustainable global society that offers progress and prosperity for all.

Given the universal acceptance, global reach and overall comprehensiveness of the SDGs (that scrutinize both a company's positive and negative impacts) and the additional reporting that will result from their integration with business and investments, it is in the best interest of both corporations and investors to understand the impacts that come directly from company products, services and operations, and indirectly, through engagement with policymakers.

Sustainable companies actively engage in policy influence as an essential facet of the democratic process, but do so in a manner that is consistent with advancing the public interest. Identifying these companies, necessitates the disclosure of spending on policy influence activities. By including the policy influence criterion in the CSA, RobecoSAM seeks to distinguish companies with a clear commitment towards positive policy influence.

We will continue to develop the criterion to this end, incorporating analyses of specific topics and positions, defining and identifying excessive levels of spending, and favouring companies that thrive with minimal policy influence expenditures. In doing so, we help reduce investor exposure to the reputational, legal, and business risks inherent in excessive policy influence, and promote more sustainable investments and more efficient and sustainable economy.

Capitalism coming of age: using the SDGs to bridge business strategy and social responsibility

Corporate Social Responsibility (CSR) has evolved from an ad-hoc feature to a strategic imperative for corporations. A well-defined and aligned CSR program can help companies articulate an overarching purpose that motivates employees, inspires customers, gratifies shareholders and advances society. The UNs Sustainable Development Goals (SDGs) provides a useful framework to help companies target and align their CSR programs with the economic, social and environmental needs society and investors value most. Our analyses of corporate philanthropy and citizenship practices shows that companies already recognize the need to address SDGs and are using their CSR programs to apply, advance and report efforts. However, stronger metrics are still needed, especially for companies and stakeholders to fully maximize impact.



Roland Hengerer, PhD
Senior SI Analyst

There is growing agreement today that companies must demonstrate credible corporate citizenship for local community acceptance and to guarantee their license to operate. “Don’t be evil”¹ or simply “behave yourself” are no longer sufficient standards for corporate sustainability leaders. Society, governments,

and investors expect companies to not only “do the right thing” but also “make it count” by generating positive impacts for society. In an age of fake news, faked data, over-valued markets, and over-stated goals, stakeholders of all shades and ranks are increasingly demanding less talk, more substance, and visible proof. Notions of Corporate Responsibility have not escaped judgement and in future, companies will be expected to advance their citizenship to a new level.

Society, governments, and investors expect companies to not only “do the right thing” but also “make it count” by generating positive impacts for society.

¹ “Don’t be evil” Google’s corporate code of conduct motto from 2000-2015. It was replaced by “do the right thing” in 2015 following its re-structuring under Alphabet Inc.

The Evolution of Corporate Social Responsibility

Developing a moral conscience: a theory of children and firms

In the late 1950s, Lawrence Kohlberg² developed a theory of moral development in early childhood. In it he posits children pass through three distinct levels on their road to moral consciousness. Level one begins with “pre-conventional morality” where self-interest dominates and “being good” means avoiding punishment. In the next level “conventional morality” children come to understand rules and authority as part of a larger framework of social norms. Favor, acceptance, and a sense of order requires adherence to the rules. In the final stages, young people reach the “post-conventional” level where they are capable of defining a personal code of conduct that integrates personal autonomy within a wider social order. This post-conventional level comes closest to a universally-accepted code of ethics.³

Over the last half century, firms have followed a similar route to social consciousness. Prior to the social revolutions of the 1960s, companies’ view of their place in the world was firm-centric. In this world, existence was solely motivated by profits; good behavior was simply to avoid government fines. Later, punishment avoidance was replaced by the recognition of the corporation as an agent within a larger economic system with its own accepted order and normative behavior. It wasn’t until the late nineties that corporations began to adopt principles of corporate social responsibility (CSR) “en masse”. And not until the beginning of the 21st century did CSR start to become a corporate imperative.

Figure 1: The Evolution of CSR



Sources: United Nations Industrial Development Organization, www.unido.org

² Lawrence Kohlberg (1927-1987), a twentieth-century American academic considered the founder of the moral development branch of Psychology.

³ Levels presented here are a simplified version of Kohlberg’s moral development model. In reality, each level consisted of several underlying stages.

As with children, we would expect corporations to advance to a third and higher level of social and corporate consciousness – true corporate citizenship. This level is characterized by the acceptance of higher universal principles for conducting business. One that views company performance not just through the

lens of profits and standard practice, but through an established sense of corporate purpose and values, a corporate “raison d’être” – that includes its impact (contributions and detractions) on stakeholders and society.

From moral conscience to triple bottom line

It would be unreasonable for companies to engage in corporate citizenship on purely altruistic grounds; pure altruism is best left to philanthropic donations. Rather, “third level” companies have advanced in

their moral development and are searching for a guiding purpose that informs business strategy, drives stakeholder engagement, and supports society’s progress. And with good reason, companies with a declared purpose perform better overall.⁴

“Do the Right Thing:” how a strong corporate purpose can lead to better performance

- The drive to serve real human needs leads to innovation and new business opportunities
- Reducing waste leads to increased efficiency and cost savings
- Engaging in social themes provides visibility and brand differentiation
- Customer engagement for better products and services
- Employee engagement and attraction of talent
- Long-term thinking leads to overall risk reduction
- Creating goodwill provides social capital in times of crises

It would be unreasonable for companies to engage in corporate citizenship on purely altruistic grounds; pure altruism is best left to philanthropic donations.

But how can companies best define their purpose? Vision and mission statements are notorious lofty and vague. Fortunately, help has arrived. The UN’s Sustainable Development Goals (SDGs)⁵ as shown later, provide a common framework and vocabulary

that can help firms align their CSR and business know-how with society’s priorities. And with their increasing prominence, the SDGs’ influence on future business regulations will only increase—a fact companies can’t afford to ignore.

What’s more, SDGs represent a huge investment opportunity. It is estimated that successfully achieving the SDGs will require an average USD 5-7 trillion per year over the next 12-15 years through 2030.⁶

⁴ Harvard Business Review and EY Beacon Institute, “The Business Case for Purpose”, 2015

⁵ Information on UN Sustainability Goals is available at <http://www.un.org/sustainabledevelopment/development-agenda/>

⁶ United Nations Global Compact, Private Sector Investment and Sustainable Development, https://www.unglobalcompact.org/docs/publications/Private_Sector_Investment_and_Sustainable_Development.pdf

Sustainable Development Goals: combining Purpose with Opportunity

From hollow talk to real metrics: measuring the benefits for investors and society

The SDGs offer a comprehensive framework that is broad enough to cover the full range of causes (e.g.

humanitarian, ecological, economic) yet specific enough to guide companies on the exact criteria needed to achieve each goal. Specificity is important especially for corporations as they seek to clearly identify, measure and ultimately report the impact of their CSR contributions.

The SDGs offer a comprehensive framework that is broad enough to cover the full range of causes yet specific enough to guide companies on the exact criteria.

For investors, equally important are the availability of systematic reporting tools that measure corporate progress towards goals and targets. However, not all SDGs are easily transformable into neat, quantifiable KPIs. Moreover, sizeable differences separate industries with respect to SDG focus and degree of scale. Therefore, it's important that companies focus on those SDGs that are close to their core business.

Although SDG references in company reports have increased substantially since 2015, evidence is largely anecdotal and difficult to compare. To account for these data deficiencies, we adapted the 2017 questionnaire to push companies to address how they are using SDGs within their CSR strategy and more specifically, how they are measuring their performance and impact based on key social and business indicators (KPIs). The information collected can ultimately be integrated into the investment process, to optimize overall impact of an investment portfolio.

It's important that companies focus on those SDGs that are close to their core business.

Figure 2: Sustainable Development Goals



Source: RobecoSAM

Results from the: CSA/DJSI 2017 campaign

The 2017 RobecoSAM Corporate Sustainability Assessment (CSA) questionnaire, asked companies whether they have a group-wide strategy that provides guidance to their corporate citizenship activities; and to indicate how this strategy aligns with their overall corporate strategy and the SDGs.

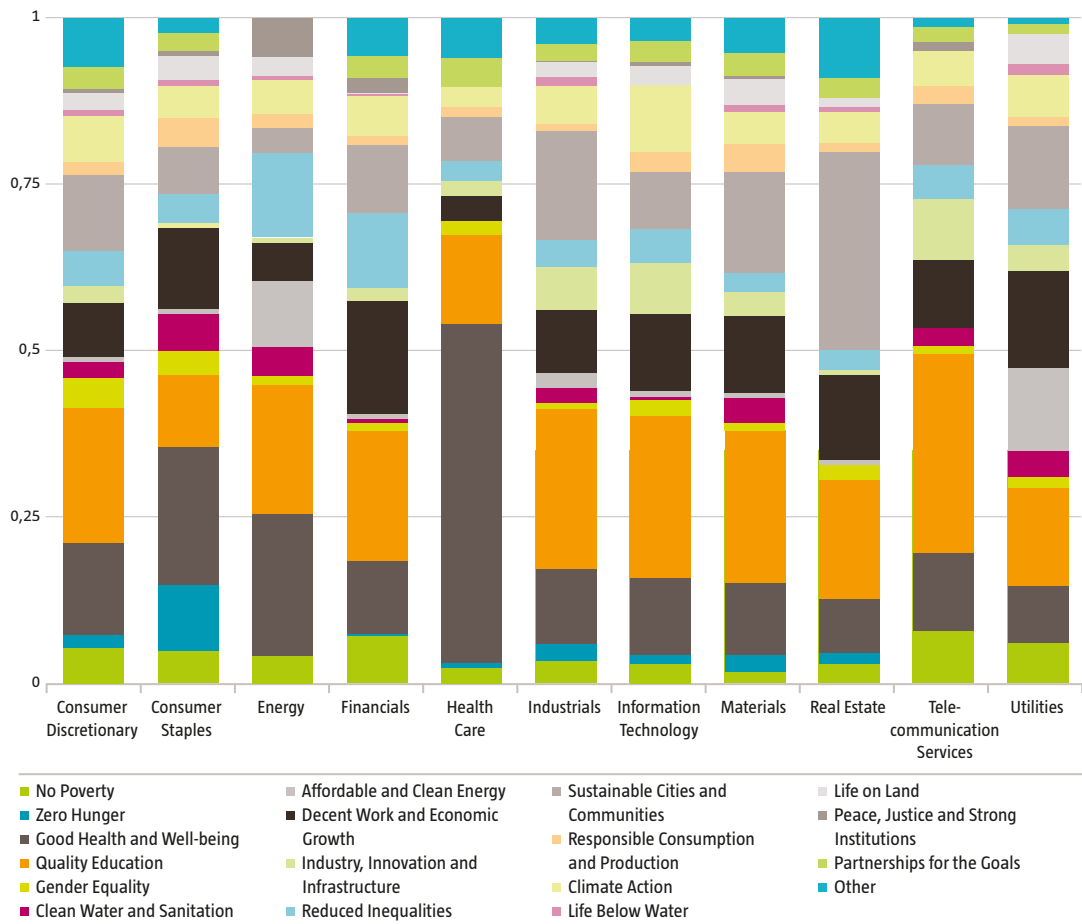
Scoring was based on evidence of:

- clearly defined and aligned corporate strategy (via business drivers) with SDGs
- defined qualitative or quantitative KPIs to measure corporate contributions to SDGs

Which SDGs get the most attention: a closer look at industry focus

The data reveals some interesting correlations between SDGs and specific industries.

Figure 3: Where sectors are putting their SDG focus



Source: RobecoSAM

Quality education (SDG 4) turned out to be the most popular—a surprising result given it doesn't intuitively match with the business drivers of all industries. However, further analyses revealed that in many

cases, companies equated their own corporate communications with "quality education." Moving forward we will apply more stringent criteria and reporting indicators to the CSA questionnaire.

Top 4 SDGs across all industries

1. Quality Education – SDG 4
2. Good Health & Well-being – SDG 3
3. Sustainable Cities & Communities – SDG 11
4. Decent Work and Growth – SDG 8

Most industries address SDGs to some degree.

More expectedly, Health & Well-being (SDG 3) was cited by health care sector companies and their corresponding KPIs also logically aligned with key business drivers (e.g. number of people treated). The SDG focus of other sectors followed similar comprehensible alignments:

- sustainable cities (SDG 11) => in the real estate sector
- affordable clean energy (SDG 7) => in the utility sector
- financial inclusion and reduced inequalities* (SDG 10) => in the financial sectors

Decent work and growth (SDG 8) garnered attention mostly because it is a generic business benefit that is applicable to virtually all companies. We judged its explicit mentioning by companies as an indication of a weakness in or total absence of other good SDG-related programs and metrics.

Our results confirm those of academic studies that show similar correlations based on high-level industry tagging of SDGs. However, we carry the analysis further by complementing this approach with SDG data supplied directly by companies themselves.⁷ In addition, our direct access to company responses grants us the ability to carefully analyze and sift soft responses that lack meaning and impact from those provided by leading companies who have embraced SDGs as a tool for enhancing their CSR contributions and vice versa. Moreover, our strong relationships with participating companies, allows us to further engage and influence those who are lagging with respect to peers.

*e.g. through micro-financing schemes

⁷ Schramade, W. "Investing in the UN Sustainable Development Goals: Opportunities for Companies and Investors", *Journal of Applied Corporate Finance*, Vol. 29, No. 2, Spring 2017.

The implications for investors

For investors interested in targeting specific SDGs, we looked at the distribution of industry sectors across all 17 SDGs. The data confirms our initial hypotheses (overweight of clean energy in the utility sector or good health in the health care sector), but more importantly, data like these will help us design targeted SDG investment products.

For example, investors interested in access to SDG 7-clean and affordable energy, should overweight utilities. Likewise, exposure to SDG 2-zero hunger can be accessed through investments in the food & beverage or capital goods industry (which includes agriculture & farm machinery companies). At the same time, the data shows rather broad distributions of most SDG across all industries. In other words, most industries address SDGs to some degree. This is important, as investors aren't forced to make undesired sector investments merely to gain access to select SDGs. Moreover, SDG targeting is possible without introducing large tracking errors.

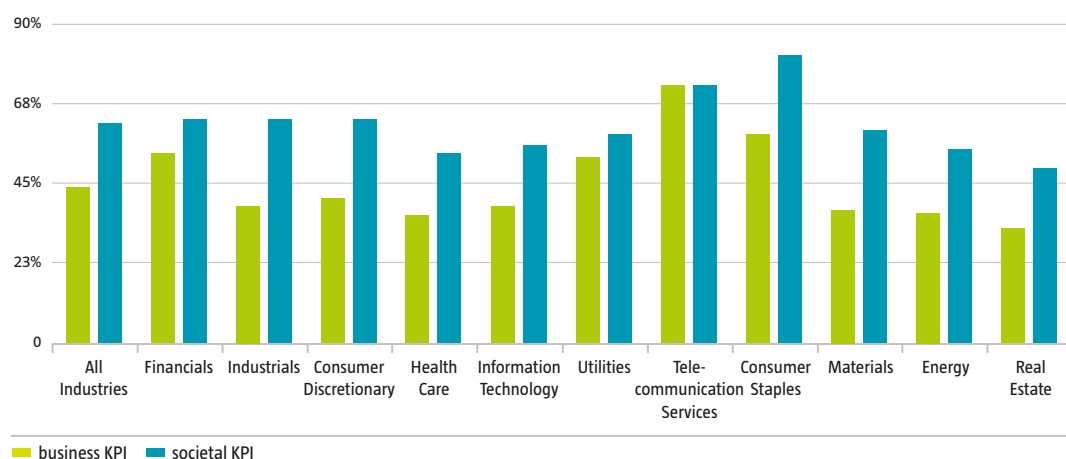
Methods of quantifying SDG impact

Figure 4 shows to what degree companies are already using quantitative KPIs to link their corporate strategy to a SDG. More than half of all reporting companies (62%) claim to have at least one quantitative KPI for social impacts. A bit less than half of all companies (44%) also have a business KPI.

The availability of quantitative KPIs varies by industry and scope (business vs. societal), with consumer staples having the highest percentage (81%) for societal KPIs, and Real Estate having the lowest percentage (32%) for business KPIs. Although the expressive power of these KPIs still varies, it shows that companies are indeed trying to define measures.

An illustrative example of KPIs for SDG 6 (water) provided by Suez (a global water utility) is the number of contracts for sustainable water services (business KPI) and number of people provided with water sanitation services in developing countries (social KPI). Another good example from Sanofi (a pharmaceutical company) for SDG 3 (health & well-being) is the number of malaria treatments sold to vulnerable populations for less than 1 USD, and number of people treated (social KPI).

Figure 4: Companies are already quantifying the SDGs
 % of companies with at least one quantitative KPI linked to SDGs



Source: RobecoSAM

As with the example directly above, for all sectors (besides Telecoms), it is apparently easier to quantitatively measure the social benefit than to link it to a quantitative business metric. For some KPIs documented by companies, there was a lack of any clear connection to business drivers. In other cases, there may be existing relationships, but companies found it difficult to articulate the connection.

Given the increasing interest of investors for impact measures as well as the evidence of studies showing the performance benefits of companies that strategically align their purpose, companies will find it well worth the effort to identify and measure both business and societal KPIs as strategic metrics for stakeholders to use.

Challenges and next steps

From murky alchemy to an evidence-based approach

SDG categories were introduced into the 2017 CSA campaign, and so far we have learned that participating companies already use them - but often with a large dose of discretion. In addition, many companies still struggle to define quantifiable metrics. Therefore, it is important

To turn SDGs into sharper tools, companies and investors need to find Key Performance Indicators (KPIs) that are powerful, comparable and specific enough to be usable for investment decisions. The most challenging task is the quantification of impacts. Until companies have had the chance to design more sophisticated tools, investors may have to settle with more qualitative parameters and categorical datasets that give data ranges (high/medium/low impact or excellent, average, bad, etc.) rather than precisely quantified metrics (see Figure 2).

Ultimately, there should be a set of standardized KPIs that can be shared among investors.

to have a critical look at the reported KPIs to avoid the risk of corporate window dressing. In any case, companies need to prepare themselves for a much higher level of scrutiny. While it still seems to be permissive to provide a murky mix of loosely measured and intuition-driven SDG “alchemy”, investors in the future will expect much more quantitative “investment-grade” evidence.

However, with the wealth of company-specific data collected, we can now define best practices per industry and use these as future benchmarks. Moreover, peer benchmarking will increase competition (and peer pressure) among companies to improve not only data quality but social impact. Ultimately, there should be a set of standardized KPIs that can be shared among investors. In a separate paper we describe RobecoSAM’s efforts to benchmark SDG impact for investment products and client portfolios.⁸

⁸ RobecoSAM Insight 10/2017: “Accelerating Impact: Advancing SDGs through Investing”.

Looking Ahead

Corporate Citizenship has come a long way in recent decades moving from an isolated, back-page component of corporate reports towards a more integrated visible component of overall corporate strategy. Given the ways in which corporate stewardship (if aligned correctly with business drivers) can support business innovation, reduce risks, and increase brand differentiation, “doing the right thing” is not just an option, but a commercial advantage and corporate imperative.

“Doing the right thing” is not just an option, but a commercial advantage and corporate imperative.

In addition, expectations from consumers, regulators, and investors are changing and corporations are increasingly expected to not only furnish products and services but do so in an equitable manner that makes a net positive contribution to the communities in which they operate. Year-end financials are no longer the sole measure of performance—how you get there is also important.

Soft metrics need to be hardened and strengthened by critical public discourse to make SDG reporting “investment grade”.

The SDGs provide a systematic framework, common language, and global acceptance that can help companies align CSR initiatives not only with their internal business objectives but also the challenges prioritized and valued by wider society—including responsible investors. The data so far shows companies are already integrating and reporting SDGs within their wider CSR programs. However, the data also shows that specific, objective, and trackable measures, like KPIs, could be more effectively used to benefit CSR programs as well as company performance. In future, soft metrics need to be hardened and strengthened by critical public discourse (just like profit and growth numbers) in order to solidify into real tangible metrics, and to make SDG reporting “investment grade”.

Through the CSA we will continue to push for more rigor from firms with respect KPIs, CSR programs, and SDG focus.

As Kohlberg theorized, just as children experience stages of moral development, so do firms. Through the CSA, Dow Jones Sustainability Index (DJSI), our SI research, and ongoing dialogues with companies, we hope to facilitate the process by identifying those companies who, through their corporate citizenship, not only fulfill their corporate duties but also provide and develop opportunities that create real value for society.



Putting commitment into practice in financial services

Guy Janssens

Head of Sustainable and Responsible Investments
BNP Paribas Fortis

Laurence Pessez

Global Head of Corporate Social Responsibility
BNP Paribas Group

Through their ability to deploy capital to support sustainable initiatives that support short- mid- and long-term economic development, financial institutions are critical players in making the world more sustainable. In addition, they provide institutional and retail clients with access and education on sustainable financial products so they too can contribute to the causes they value while earning a financial return. We spoke with BNP Paribas' Laurence Pessez and BNP Paribas Fortis' Guy Janssens to get a closer look at how one major bank and asset manager is using its global presence and local expertise to advance the cause of sustainability with customers in home markets in the Eurozone and within financial circles around the world.

RobecoSAM (RS): Your Group CEO, Jean Laurent Bonnafe, recently commented that as an international bank, your role “is to help drive energy transition and contribute to the de-carbonisation of the economy.” How does this play out in more precise and practical terms?

Laurence Pessez (LP): The issues associated with climate change have significant implications for economies around the world and they will continue to impact our clients as well as the value of our assets. BNP Paribas has for many years considered climate change a priority and has undertaken multiple initiatives, including helping our clients pursue energy efficiency, financing renewable energy projects, investing in climate change-related scientific research and collaborating with external stakeholders to develop low-carbon solutions.

“We want to be at the forefront in developing innovative financing and investment solutions for a more energy-efficient, low-carbon economy.”

Using the global warming target of 2°C set at the COP 21 Paris Agreement as a reference, BNP Paribas has launched new commitments in order to contribute to the transition to a low-carbon energy system.

“Our goal of increasing renewable energy financing is backed by a KPI of doubling our financing for renewable projects to EUR 15 billion by 2020.”

RS: Can you highlight a few of these commitments?

For starters we’ve increased financing for renewable energy solutions, reduced our exposure to fossil fuel energy sources like thermal coal and have incorporated internal carbon prices into our financing decisions. We also want to be at the forefront in developing innovative financing and investment solutions for a more energy-efficient, low-carbon economy.

Towards this aim we are involved in partnerships and initiatives to engage regulators, policy makers, business leaders and the scientific community to support energy transition. Just recently, in December 2017, we participated in the One Planet Summit in Paris where nearly 90 French companies signed the French Business Climate Pledge that committed EUR 320 million towards reducing GHG emissions, internal carbon pricing, and implementing the recommendations of the Financial Stability Board’s Task Force on climate-related disclosures (TCFD).

RS: International development initiatives are sometimes criticised for being more talk than action. What is BNP Paribas doing to ensure you stay on track with your stated objectives?

LP: For each of our stated CSR [corporate social responsibility] goals, we assign key performance indicators, or KPIs, to help us track outcomes and our performance over time. We try to make indicators specific, measurable, and appropriate for the objective. For example, our goal of increasing renewable energy financing is backed by a KPI of doubling our financing for renewable projects to EUR 15 billion by 2020. A KPI for our commitment to innovative financing, is to be among the top 3 euro-denominated green bond issuers worldwide by 2018.

Corporate Social Responsibility: Defining Priorities & Measuring Performance

GOAL => Key Performance Indicator (KPI)

1. Increase financing for renewable energy solutions => double financing of renewable energy projects to EUR 15 billion by 2020
2. Reduce exposure to thermal coal energy sources => stop financing of coal-fired power plant projects and coal extraction companies with no energy diversification strategy
3. Reduce exposure to unconventional oil and gas production => Stop business with companies with principal business activities related to shale and tar sands
4. Mitigate business risks linked to energy transition => Incorporate internal carbon price into financing decisions
5. Integrate carbon risk into investment activities for clients => Measure, monitor and disclose the carbon footprint of client investment portfolios
6. Develop innovative financing and investment solutions to drive energy transition => Target to be among the top 3 euro-denominated green bond issuers worldwide by 2018 • Invest €100 million by 2020 to encourage innovative start-ups to develop technologies and business models that address energy-related challenges
7. Engage with regulators, policy makers and the scientific community to support energy transition => Participate in ongoing dialogue, data and knowledge-sharing initiatives • collaborate with financial institutions and market regulators in developing efficient financial market mechanisms to drive energy transition and limit global warming

“For more than a decade, we’ve been developing a comprehensive SRI offering tailored to both the needs of individual and institutional clients.”

RS: Sustainability has gone mainstream. The latest estimates stand at more than USD 23 trillion globally.¹ What in your view is responsible for the surge in interest?

Guy Janssens (GJ): There is a growing consensus among investors as to the importance of their contribution to caring for our environment and ensuring the well-being and prosperity of people around the world. Socially responsible investment or simply SRI, makes sense not only for ethical reasons, but also for financial reasons.

RS: Can you tell us more about the evolution of sustainability products at BNP Paribas Asset Management?

GJ: We are constantly innovating in terms of research, processes and analyses in order to develop new products in line with sustainable development issues and climate change. For more than a decade, we’ve been developing a comprehensive SRI offering tailored to both the needs of individual and institutional clients. It involves equity, bond and multi-asset funds and ranges from best-in-class funds to thematic funds that invest in companies that are helping solve environmental and social challenges around specific themes.

Since 2012, we’ve applied ESG standards based on the principles of the UN Global Compact to all our investment processes by means of strict sector policies. To do this, we’ve built up a dedicated extra-financial research team that rates companies and sovereign states on the basis of ESG standards. We’ve also cultivated partnerships with award-winning environmental fund managers around the world. We currently manage more than EUR 40 billion² within our SRI offering and have seen the strongest SRI growth in our private banking division.

¹ <https://www.forbes.com/sites/dinamedland/2017/03/27/europe-accounts-for-over-half-of-22-89-trn-global-sri-assets-as-sustainable-investing-takes-off/#52ed722f64f1>

² As of June 2017

We've seen particularly strong demand for sustainable investments in Belgium where we manage more than EUR 7 billion for high net worth individuals. BNP Paribas Asset Management and BNP Private Banking are committed to our clients and committed to socially responsible investing. We've been in the game for a long time and clients benefit from our long-term experience in SRI.

RS: Negative themes like climate change and catastrophic events will continue to confront us in the near and long-term. How are global megatrends impacting BNP Paribas Asset Management as a distinct business unit?

Guy Janssens (GJ): BNP Paribas Asset Management has always been interested in protecting the value of our clients' investments over the long term—this commitment has never waned. Since 2002, we've been taking practical measures to combat climate change, which is one of the most critical and far-reaching of all sustainable challenges given its significant, immediate, and long-term impact on clients, business, and society.

“Exceeding this global warming level will threaten economic stability and, consequently, long-term financial investments.”

We execute our strategy at three levels: (1) our external, global response (2) our own internal, operational response and (3) our response with our clients.

RS: How do you define global response? Can you give us some examples of what that looks like?

GJ: Our global response is characterized by outwardly demonstrating our support for environmental responsibility that is consistent with containing global warming to +2°C. We believe that exceeding this level will threaten economic stability and, consequently, long-term financial investments. We are convinced of the necessity of redirecting the economy towards this objective through a combination of public policies and public-private financing. To achieve this, we focus on themes like capital allocation to sustainable companies, responsible stewardship, transparency and engagement. In fact, we were among the first mainstream asset managers to sign the Montreal Carbon Pledge and join the Portfolio Decarbonisation Coalition in 2015 mentioned already by Laurence.

Just this year, we were among the most influential global institutional investors (with assets totalling more than USD\$ 26 trillion) who launched the Climate Action 100+ to engage the world's largest corporate greenhouse gas emitters to reduce emissions and step-up their actions on climate change.

BNP Paribas Asset Management—Response to Global Megatrends

Capital Allocation to sustainable companies — entails developing low-carbon investment offerings, financing the transition to renewable energy sources, measuring carbon footprints, and identifying & measuring carbon risks.

Responsible Stewardship — means addressing climate change in our voting at annual general meetings and engaging directly with companies on climate change.

Transparency & Commitment — involves joining forces with other asset managers to demonstrate a unified commitment.

Engagement — this means being an active part in developing solutions with companies, clients and as part of global forums.

RS: What criteria drive your internal response?

GJ: Our internal approach is mainly focused on identifying, measuring and reducing our own exposure to carbon risks. We restrict the impact of our activities on the environment by taking measures to contain our own environmental footprint. At a global and local level we strive for carbon neutrality in emissions arising from our internal operations.

In wider terms, as far back as 2002, we considered it part of our fiduciary obligation to protect the value of our clients' investments by taking action against climate change. In 2003 we joined the Institutional Investor Group on Climate Change (IGCC). This was just one platform for investors to use their collective power to fight against global warming 1) by pushing corporate leaders to think about long-term risk in their business practices, 2) to devise investment products that consider and apply ESG principles, and 3) to work with the public sector to create policies that address climate change.

“We considered it part of our fiduciary obligation to protect the value of our clients' investments by taking action against climate change.”

We also apply policies to limit investments in controversial sectors affected by climate change including mining, palm oil, agriculture and coal-fired power generation.

From a more operational standpoint, we are committed to raising awareness among our employees and reducing our environmental footprint through things like streamlining the use of paper and establishing a responsible travel policy.

“We provide our clients with detailed analyses of the effects that climate change could have on their investments.”

RS: You mentioned accompanying your clients in transitioning to a low carbon economy as a third prong to your response to climate change. If I am a client, explain what that means for me?

GJ: We provide our clients with detailed analyses of the effects that climate change could have on their investments, and offer them a broad range of solutions that will meet their specific needs. We offer bespoke solutions to our investors, enabling them to reduce their portfolios' carbon footprint. We've doubled the amount of funds for which we calculate a carbon footprint, which now stands at 200 in 2017.

RS: Public-private partnerships are a consistent theme when discussing sustainability initiatives and probably the most well-known of initiatives are the United Nation's Sustainable Development Goals (SDGs). How is BNP Paribas using the SDGs within your CSR program?

LP: The Group's CSR strategy contributes to a broad range of SDGs which include stimulating economic development, financial inclusion for vulnerable populations, gender diversity, microfinancing, preserving natural resources and ensuring health and well-being to disadvantaged communities. Our activities are global, spanning all continents [see Figure 1].

Given our expertise as a financial institution, it should come as no surprise that the majority of our projects revolve around financial inclusion and promoting access to loans and the banking system. Financial inclusion is a concept that can help facilitate the achievement of a number of SDGs including eliminating poverty, creating jobs, increasing gender equality, and improving good health.

RS: Can you run us through some examples of projects from different regions that are planned or underway?

Obviously we want to maximize impact and the best way to do that is provide support in areas that play to a region's natural strengths whether they be natural resources, human capital, or technological infrastructure. We are also guided by input from development agencies and local experts.

In Vietnam, we are helping conserve water, control pollution and save crops by modernising pumping stations to help residents and farmers control polluted drainage caused by flooding.

In Indonesia, in collaboration with the government, we are helping reduce poverty and economic enablement by increasing access to mobile banking services—a first among banking institutions in the region.

In India, where 41% of the world’s micro-borrowers are located, we are supporting gender equality, reducing poverty and promoting economic development by providing women with small loans. Our loans in India have increased more than 7-fold to 51.8 million in just 3 years.

BNP Paribas also signed an agreement with the United Nations Environmental Programme (UNEP) to bring private capital to sustainable projects in emerging countries. Key performance indicators include target capital funding amounts of USD 10 billion by 2025,

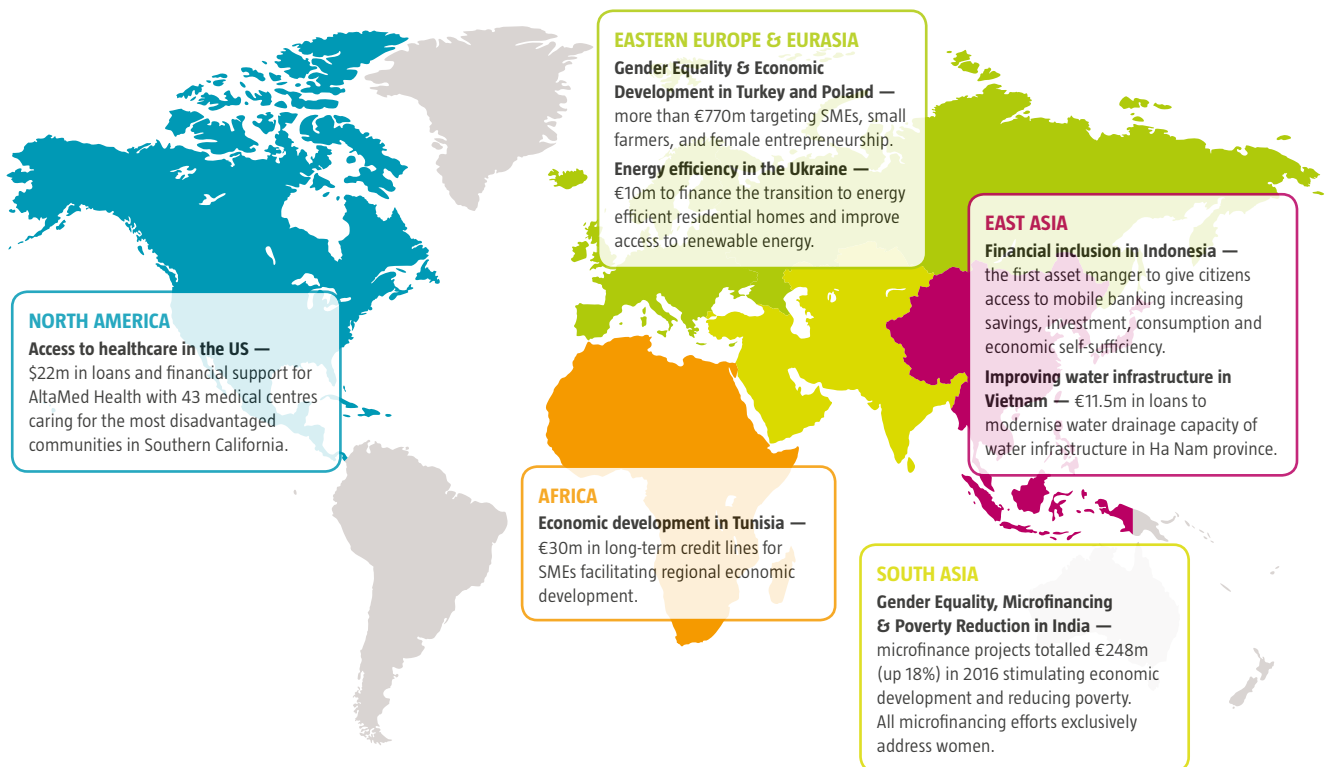
and support of smallholder projects like renewable energy access, agro-forestry, water access, and responsible agriculture.

RS: You’ve highlighted examples from developing countries but are you also contributing to initiatives in the developed world?

Of course. A little closer to home in Europe and Eurasia, we’ve lent in excess of EUR 770 million for projects targeting SMEs, small farmers, and female entrepreneurs in Turkey and Poland. And our Ukraine-based commercial bank, UkrSibbank, is providing EUR 10 million in financing for residents to improve energy efficiency and access renewable energy.

Finally, in North America, our US banking subsidiary, Bank of the West, helps provide medical services for disadvantaged communities in Southern California. The Bank has loaned over USD 22 million and enabled nearly a million patient visits. [see Figure 1]

Figure 1: Examples of BNP Paribas Sustainability Projects around the world



Source: RobecoSAM

RS: Tell us more about the KPIs you've developed for your CSR program?

LP: Absolutely. We've mentioned a few of them already. We recognize the usefulness of KPIs and in order to further boost our actions, we actively measure our contributions. We've also introduced the SDGs into the key performance indicators for the Group's CSR program.

"We are committed to protecting and preserving forests and improving agricultural practices."

BNP Paribas has 13 CSR management indicators which we reviewed and re-defined in 2015 for the period 2016-2018; and the Group has taken on new quantitative commitments for this period.

The Group's Executive Committee and Board of Directors review the achievement of these objectives annually. Nine of these thirteen indicators are used in calculating the deferred variable compensation of the Group's 5,000 top managers and account for 20% of the conditions for attributing this compensation.

"We hope to forge new paths, construct new investment vehicles, and invest in pioneering companies to commercialize new energy technologies."

In addition, we were supported by Vigeo-Eiris in the development of a yearly global indicator—the first of its kind in the banking sector—which measures the proportion of loans making a direct contribution to attaining the SDGs. In 2016, the contribution stood at 16.6%, compared to 15% in 2015.

RS: Change never occurs in isolation and often needs the synergies of collective entities working together to share information, improve understanding, and steer the future direction of an issue. What coalitions or initiatives has BNP Paribas joined to help shape the sustainability landscape in the financial services industry?

LP: We've been involved in a number of coalitions and initiatives that are strongly linked to our core business but also those which are largely in line with our ambition to support ecological transition. Guy has referred to some of these on the asset management side of the business. On the lending side, BNP Paribas is most notably involved in the Equator Principles³ which aims to provide banks with a responsible framework for due diligence in project financing. As a signatory of the BEI Soft Commodities Compact,⁴ we are committed to protecting and preserving forests and improving agricultural practices; and through our support of the Carbon Pricing Leadership Coalition we support the implementation of a worldwide system for pricing carbon.

On top of these examples, we are members of other coalitions that foster more transparency, accountability and responsibility in banking. At the end of June 2017, we were among the +100 companies that affirmed their commitment to support the voluntary recommendations of the industry-led Task Force on Climate-related Financial Disclosures.

RS: You previously mentioned the One Planet Summit in Paris back in December, what makes this event significant and why did BNP Paribas participate?

The One Planet Summit in Paris brings together major private and public sector forces to combat climate change. The Summit was also the platform which Bill Gates used to announce the expansion of his Breakthrough Energy Coalition (BEC) and its venture capital arm, Energy Ventures (EV), to include more financial institutions, including BNP Paribas.

The BEC and EV bring together governments, research institutions, prominent companies and private investors to design and finance new models for investing in energy innovation. Through our involvement with these and other initiatives we hope to forge new paths, construct new investment vehicles, and invest in pioneering companies to commercialize new energy technologies and accelerate the transition to a low-carbon economy.

³ A risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects. For more information visit www.equator-principles.com.

⁴ An initiative of the Cambridge Institute for Sustainability Leadership to direct the banking industry to invest capital in business models that increase agricultural yields and support livelihoods while achieving zero net deforestation by 2020.

About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 74 countries, with more than 192,000 employees (including more than 146,000 in Europe, 16,000 in Asia Pacific and 10,000 in Africa). The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance.

In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the European leader in consumer lending.

BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

4. Sustainability Leaders 2018

In 2017, over 3,500 companies were invited to participate in the RobecoSAM Corporate Sustainability Assessment (CSA).

Since 1999, RobecoSAM has been conducting the annual CSA and has compiled one of the largest global databases on corporate sustainability.

RobecoSAM is pleased to see that over the years, participation rates in the RobecoSAM Corporate Sustainability Assessment have continuously risen – with a record number of companies taking part in this year’s assessment – indicating that sustainability is increasingly rising to the top of corporate agendas and becoming more mainstream.

On the following pages, RobecoSAM offers insights highlighting opportunities and risks deriving from economic, environmental and social trends and developments that have an impact on the competitive position of companies in each of the 60 industries analyzed. Not only are the top 15% of the companies from each industry included in The Sustainability Yearbook, but they are also classified into three categories: RobecoSAM Gold Class, RobecoSAM Silver Class and RobecoSAM Bronze Class. Because The Sustainability Yearbook aims to distinguish those companies that have each demonstrated their strengths in the area of corporate sustainability, we see greater value in rewarding groups of top performing companies, rather than individual companies. Furthermore, in order to be included in the Yearbook, companies must achieve a score within 30% of their industry’s top performing company.

In addition to the companies’ sustainability scores derived from the CSA, a qualitative screen based on RobecoSAM’s quarterly Media & Stakeholder Analysis (MSA) is also applied to determine eligibility for inclusion in The Sustainability Yearbook. The MSA is based on an examination of media coverage and publicly available stakeholder information provided by RepRisk ESG Business Intelligence and evaluates a company’s response to critical sustainability issues that may arise during the year. This process aligns the Yearbook’s methodology with any decision by the Dow Jones Sustainability Index Committee to exclude a company from the DJSI, which is also based on the MSA.



Within each industry, companies with a minimum total score of 60 and whose score is within 1% of the top performing company’s score receive the RobecoSAM Gold Class award.



All companies receiving a total score of at least 57 and whose score is within a range of 1% to 5% of the industry’s top performing company’s score receive the RobecoSAM Silver Class distinction.



Companies whose score is at least 54 and is within a range of 5% to 10% of the industry’s top performing company’s score receive the RobecoSAM Bronze Class distinction.



Within the top 15% of each industry, the company that has achieved the largest proportional improvement in its sustainability performance compared to the previous year is named the RobecoSAM Industry Mover.

Sustainability Yearbook Member

All companies that have been included in the Yearbook, but that have not received a medal distinction, are listed as a Sustainability Yearbook Member. In order to be listed

in the Yearbook, companies must be within the top 15% of their industry and must achieve a score within 30% of their industry's top performing company.

Sustainability leaders 2018

	RobecoSAM Gold Class	
	Company	Country
	Company	Country
	RobecoSAM Silver Class	
	Company	Country
	Company	Country
	RobecoSAM Bronze Class	
	Company *	Country
	Company	Country
	Sustainability Yearbook Members	
	Company	Country
	Company	Country

Out of the 479 companies listed in The Sustainability Yearbook, the following distinctions were awarded:

- 73 RobecoSAM Gold Class**
- 78 RobecoSAM Silver Class**
- 118 RobecoSAM Bronze Class**

* RobecoSAM Industry Mover

Reading Instructions

The information below provides an explanation on how to interpret the various sections contained in each of the Industry Profiles on the following pages.

Driving forces

Highlights current and future challenges shaping the competitive landscape of each industry.

Highlighted criteria

Highlights selected industry-specific and general criteria that are applied in the 2016 RobecoSAM Corporate Sustainability Assessment.

Industry statistics

This section displays the research coverage in 2017 for the respective industry. Assessed companies include those that actively participated in the CSA and companies assessed by RobecoSAM based on publicly available information.

Results at industry level

Offers an overview of the 2017 RobecoSAM Corporate Sustainability Assessment scores. For each industry the average and the best score of the assessed companies are displayed, as well as the average score and the top score for the economic, environmental and social dimensions. The relative weight assigned to each of the three dimensions is also shown.

Corporate Actions

RobecoSAM monitors corporate actions throughout the year. In line with the treatment of corporate actions for the Dow Jones Sustainability Indices, RobecoSAM will review corporate actions on a case-by-case basis and apply a consistent methodology. For mergers or acquisitions where the merged/acquired company represents 33% or more of the free-float market capitalization of the combined entity, a merged score will be used for the surviving entity. The merged score is calculated as the market cap-weighted score of the individual entities prior to the merger/acquisition. For companies below this threshold, no merged score will

be used and the original score of the acquiring/surviving company will be used. If a company is delisted as a result of a corporate action prior to the end of October, it will no longer be eligible for inclusion in The Sustainability Yearbook, given that the entity no longer exists. Companies with a merged score are marked in the Yearbook.

Changes in company names are reviewed periodically and the names of all companies have been updated to the best of RobecoSAM's knowledge at the time of printing. Name changes occurring after this date may not be reflected in the Yearbook.

Where are the world's most sustainable companies located?

3,501

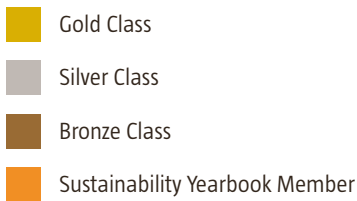
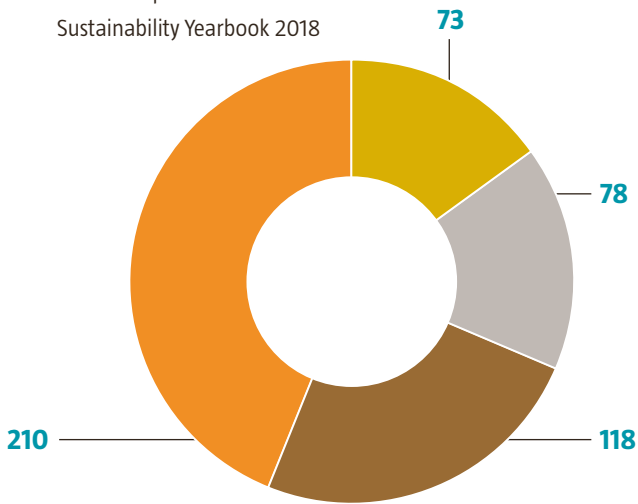
companies were invited to participate in the CSA in 2017

942 companies from

43 different countries actively participated in the RobecoSAM CSA in 2017

479 companies from

34 countries qualified for the Sustainability Yearbook 2018



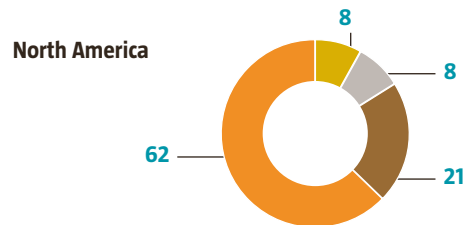
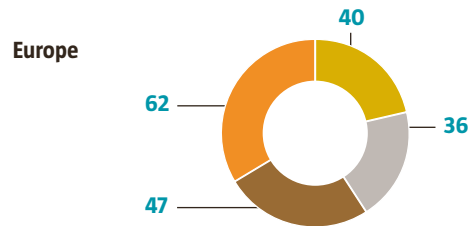
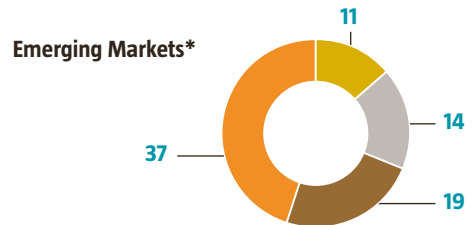
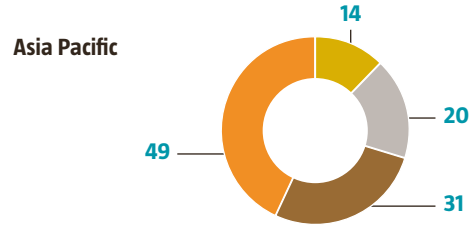
Market capitalization of assessed companies to total market capitalization (%)

Asia Pacific: 93.3%

Emerging Markets*: 71.8%

Europe: 90.7%

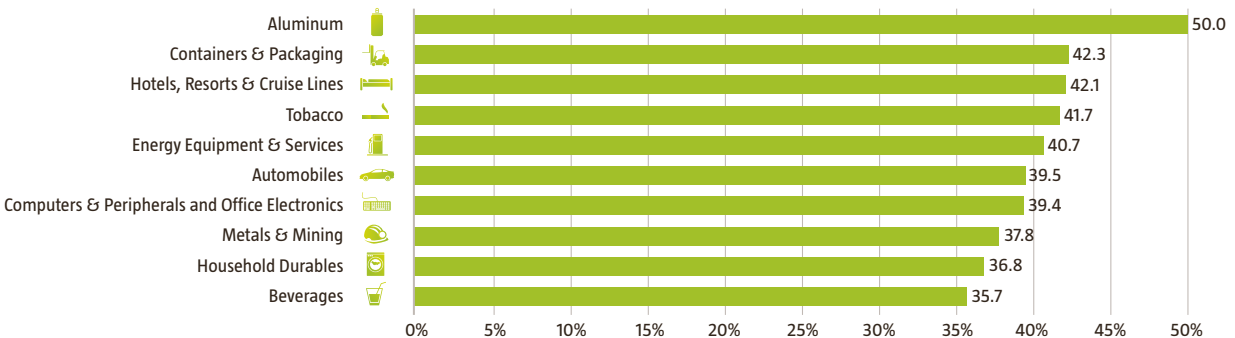
North America: 91.0%



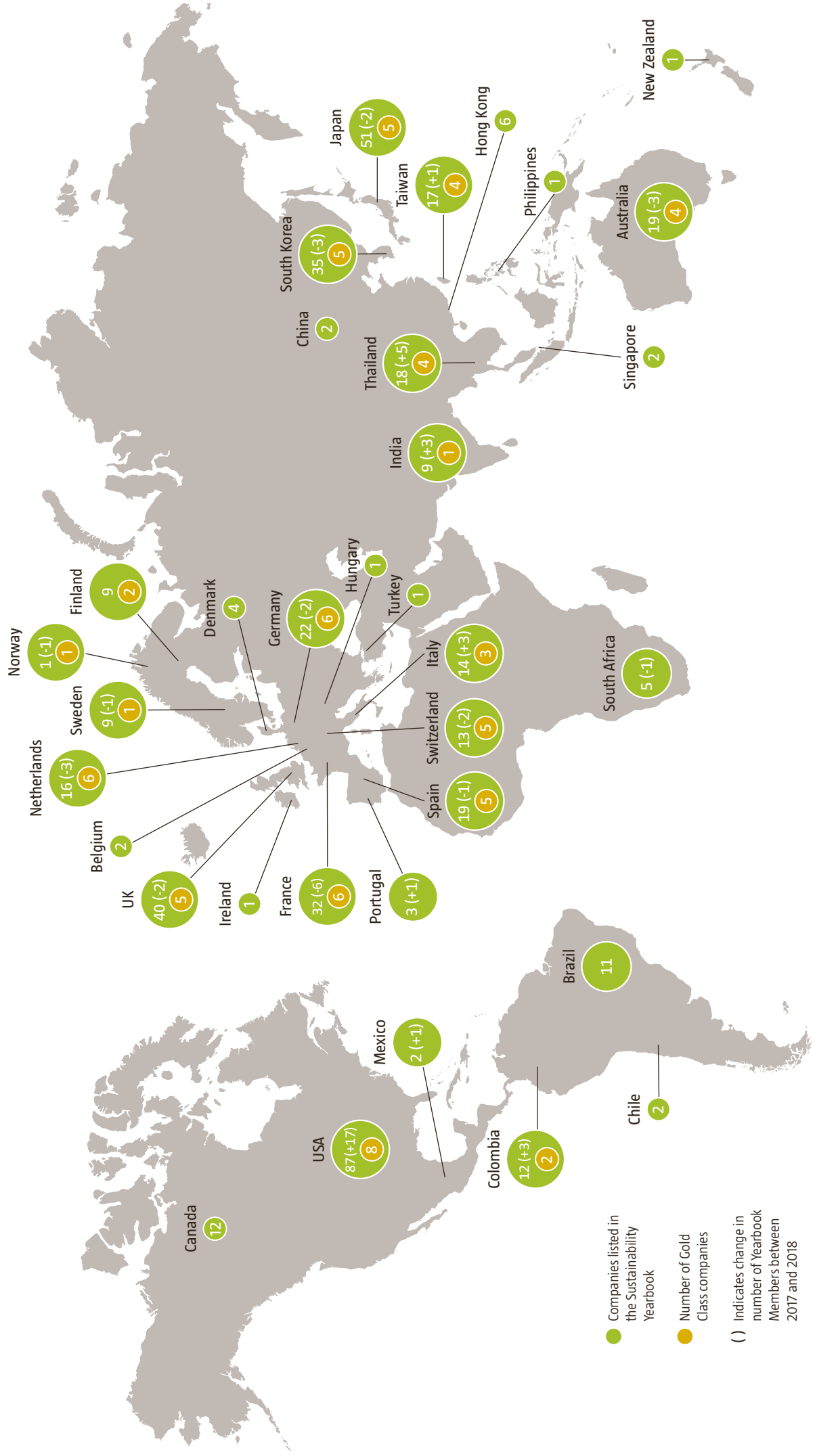
* Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, United Arab Emirates

TOP 10 INDUSTRIES BY PARTICIPATION RATE

Percentage of invited companies that actively participated in the RobecoSAM Corporate Sustainability Assessment (CSA)



Where are the world's most sustainable companies located?



- Companies listed in the Sustainability Yearbook
- Number of Gold Class companies
- () Indicates change in number of Yearbook Members between 2017 and 2018

Industry profiles: 60 industries at a glance

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Electric Utilities	61	Retailing	92
Electrical Components & Equipment	62	Semiconductors & Semiconductor Equipment	93
Electronic Equipment, Instruments & Components	63	Software	94
Energy Equipment & Services	64	Steel	95
Food & Staples Retailing	65	Telecommunication Services	96
Food Products	66	Textiles, Apparel & Luxury Goods	97
Gas Utilities	67	Tobacco	98
Health Care Equipment & Supplies	68	Trading Companies & Distributors	99
Health Care Providers & Services	69	Transportation and Transportation Infrastructure	100
Homebuilding	70		
Hotels, Resorts & Cruise Lines	71		



Aerospace & Defense

Driving forces

The aerospace & defense industry will continue to profit from stabilizing global economic conditions and steady GDP growth. In the defense space, government spending has continued to rise after years of stagnation and key regional powers such as the US, India and Japan have ramped up military spending. The new US administration has pledged to increase the military budget and has encouraged other NATO members to do the same. However, long-term uncertainties around military spending and global conflict still remain a challenge for companies dependent on government contracts. Managing an effective workforce that balance employee numbers with skill mix, joint R&D efforts, and other industry collaborations will be key drivers of efficiency and innovation. In the civil aviation space, demand for next generation, fuel-efficient aircraft driven by an increase in global air travel will continue to boost aircraft sales. Low fuel prices have supported this, but it is clear that operational eco-efficiency is the key long-term driver for R&D on new products and customer demand. Corruption, bribery, and anti-competitive business practices remain primary areas of concern. Harsh penalties and criminal litigation against company executives continue to highlight gaps in governance systems, despite companies' efforts to improve their compliance systems. The sensitive nature of the business and the importance of this industry to national governments both serve to increase scrutiny around companies operating in this space.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Compliance with Applicable Export Control Regimes
 - Supply Chain Management
- Environmental Dimension**
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension**
 - Occupational Health and Safety
 - Stakeholder Engagement

Sustainability leaders 2018

RobecoSAM Gold Class	
Thales SA	France
RobecoSAM Bronze Class	
Embraer SA	Brazil
Leonardo SpA	Italy
Lockheed Martin Corp	United States
Rolls-Royce Holdings PLC	United Kingdom
Sustainability Yearbook Members	
BAE Systems PLC	United Kingdom

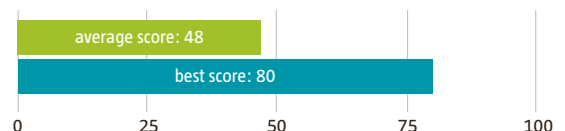
Industry statistics

Number of companies in universe	41
Number of companies assessed by RobecoSAM in 2017	25
Assessed companies to total companies in universe (%)	61
Market capitalization of assessed companies to total market capitalization (%)	89

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	49	79	40%
Environmental	49	83	27%
Social	45	82	33%

Total score





Airlines

Driving forces

The airline industry experienced a stellar financial year in 2016, with most airlines reporting their strongest financial performance ever. Airlines have benefited from stabilizing economic conditions, consolidation and low fuel costs, but need to remain future-oriented in order to capitalize on emerging trends. As the lines between full cost service and low cost airlines continue to blur, companies must better understand customers and be prepared to adapt their service offerings. Digitization will play an important role in delivering an enhanced customer experience. Passenger safety is one of the most critical issues and demands more transparency in order to prevent reputational risks in the aftermath of operational incidents. Labor practices remain important considering the highly unionized workforce and the latent risk of strikes that result in revenue reductions and operational disruptions. On the environmental front, operational eco-efficiency drives profitability, and the newest generation of aircraft allow companies to differentiate themselves in this area.

Highlighted criteria

- Economic Dimension
 - Efficiency
 - Fleet Management
 - Risk & Crisis Management
- Environmental Dimension
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
- Social Dimension
 - Labor Practice Indicators
 - Passenger Safety
 - Talent Attraction & Retention

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	ANA Holdings Inc*	Japan
●	RobecoSAM Silver Class	
	Air France-KLM	France
	Sustainability Yearbook Members	
	China Airlines Ltd	Taiwan
	Latam Airlines Group SA	Chile

* RobecoSAM Industry Mover

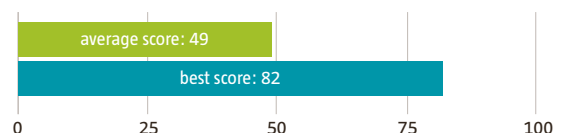
Industry statistics

Number of companies in universe	31
Number of companies assessed by RobecoSAM in 2017	20
Assessed companies to total companies in universe (%)	65
Market capitalization of assessed companies to total market capitalization (%)	85

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	52	80	43%
Environmental	45	92	23%
Social	46	81	34%

Total score





Aluminum

Driving forces

Aluminum products possess several highly desirable attributes. They can contribute to energy savings in their use phase, while their feature of being infinitely recyclable provides opportunities for sourcing aluminum with a lower environmental footprint. Primary production, however, continues to have significant environmental impacts as aluminum companies operate in conditions that are highly competitive and subject to periodic overcapacity. Managing energy efficiency is critically important given the weight of power in aluminum production costs and the potential for climate regulation to reshape future power costs and availability. Responsible management of non-GHG air emissions, waste management, and water discharge are also important for maintaining a license to operate with both environmental regulators and local communities. Consequently, sound climate strategies, forward-looking energy purchasing, and control of environmental impacts remain high priorities. As in other heavy manufacturing and resource environments, workforce and contractor safety are also critical.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Supply Chain Management

Environmental Dimension

- Climate Strategy
- Operational Eco-Efficiency
- Water Related Risks

Social Dimension

- Occupational Health and Safety
- Social Impacts on Communities
- Talent Attraction & Retention

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	Norsk Hydro ASA	Norway
●	RobecoSAM Bronze Class	
	Alcoa Corp	United States

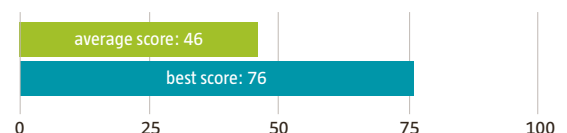
Industry statistics

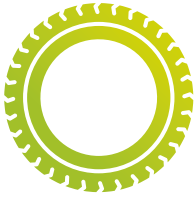
Number of companies in universe	6
Number of companies assessed by RobecoSAM in 2017	5
Assessed companies to total companies in universe (%)	83
Market capitalization of assessed companies to total market capitalization (%)	97

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	45	77	34%
Environmental	42	78	33%
Social	50	80	33%

Total score





Auto Components

Driving forces

Achieving sustainability in the automotive industry calls for radical solutions to environmental, social and economic challenges. Auto component suppliers play a key role in improving fuel efficiency as well as in lowering emissions generated by vehicles. As a result, innovation remains a key differentiating factor enabling companies to secure a competitive advantage. Its aim to adopt a circular economic approach that emphasizes recycling and restoring of resources will also prove vital as the cost of materials still remains significant for the industry and represents an important waste stream. Accordingly, there is a need to increase the amount of waste recycled and to use product life cycle assessment to make the best selection of materials. This, together with the increase in the use of conflict minerals and rare earth elements in electric and hybrid vehicles, puts greater pressure on manufacturers to secure suppliers and minimize related risks. Finally, ensuring safety is key, so auto component suppliers must identify and respond to any potential safety hazards that may result accidents to protect companies from legal action or customer lawsuits that impact profitability.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Corporate Governance
 - Supply Chain Management
- Environmental Dimension**
 - Climate Strategy
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Pirelli & C. SpA ¹	Italy
RobecoSAM Bronze Class	
Nokian Renkaat OYJ*	Finland
Valeo SA	France
Sustainability Yearbook Members	
Bridgestone Corp	Japan
Hankook Tire Co Ltd	South Korea
Hyundai Mobis Co Ltd	South Korea
NGK Spark Plug Co Ltd	Japan

* RobecoSAM Industry Mover

¹ This company was not assessed for inclusion in the Dow Jones Sustainability Indices, but applying the same assessment methodology.

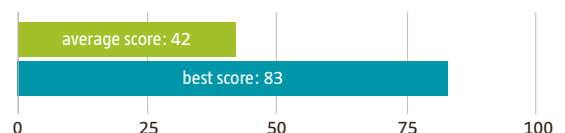
Industry statistics

Number of companies in universe	53
Number of companies assessed by RobecoSAM in 2017	42
Assessed companies to total companies in universe (%)	79
Market capitalization of assessed companies to total market capitalization (%)	92

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	46	74	29%
Environmental	45	93	37%
Social	36	71	34%

Total score



Automobiles



Driving forces

The automobile industry is under extreme regulatory pressure, both in terms of performance and design. Furthermore, from the consumer perspective, fuel efficiency has developed into one of the main decision criterion when selecting an automobile. Innovation has become the cornerstone for building a company's long term success whether from simple engine enhancements or from radically new technologies like electric- and hybrid-powered vehicles. More often than not, innovation is spawned by increasingly demanding safety-technology expectations as well as by public focus on air pollution and climate change. This will only increase supply chain complexity and automobile manufacturers must carefully assess the terms of risks (e.g. critical suppliers & rare earth elements), and opportunities (e.g. material innovation & recycling) across the entire value chain. Finally, a robust corporate governance structure and compliance practices will be crucial to ensure compliance with environmental standards as well as to avoid future reputational and legal issues.

Highlighted criteria

Economic Dimension
 – Corporate Governance
 – Innovation Management
 – Supply Chain Management

Environmental Dimension

– Climate Strategy
 – Low Carbon Strategy
 – Operational Eco-Efficiency

Social Dimension

– Human Capital Development
 – Occupational Health and Safety
 – Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Peugeot SA	France
RobecoSAM Silver Class	
Bayerische Motoren Werke AG	Germany
Mazda Motor Corp	Japan
RobecoSAM Bronze Class	
General Motors Co	United States
Honda Motor Co Ltd	Japan

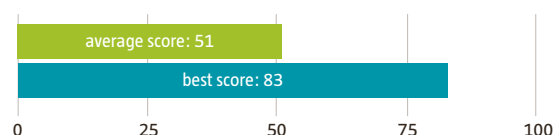
Industry statistics

Number of companies in universe	39
Number of companies assessed by RobecoSAM in 2017	29
Assessed companies to total companies in universe (%)	74
Market capitalization of assessed companies to total market capitalization (%)	86

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	50	80	37%
Environmental	52	92	31%
Social	52	94	32%

Total score



RobecoSAM continues to monitor global investigations into the manipulation of emissions testing results. RobecoSAM also acknowledges the ongoing cartel allegations in the German automobile industry and the implications this may have on companies, suppliers and customers. The above situation has been taken into account in the 2017 review and company scores have been downgraded according to RobecoSAM's rules and facts based assessment methodology. As per its Media & Stakeholder Analysis process, RobecoSAM reserves the right to make further adjustments to company scores and rankings as necessary.



Banks

Driving forces

In response to increased regulatory scrutiny, many banks have transitioned to simplified business models and focused increasingly on the core principles of ethics and customer trust. Much of the strategic change was initiated at the board level, which demonstrates the emphasis investors have placed on effective corporate governance. Banking culture remains one of the foremost items on board agendas, and establishing effective incentive schemes is increasingly viewed as a way of aligning attitudes and behaviors with the long-term interests of shareholders and society as a whole. Leading banks are now using well-designed compensation schemes to improve risk culture and business ethics throughout their organizations. By effectively integrating sustainability with ethical principles and increased customer focus, banks can reduce both credit and operational risk levels which will further enhance their capacity to generate long-term economic, environmental and social value.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Customer Relationship Management
- Risk & Crisis Management

Environmental Dimension

- Business Risks and Opportunities
- Climate Strategy

Social Dimension

- Controversial Issues, Dilemmas in Lending & Financing
- Human Capital Development
- Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class

KB Financial Group Inc*	South Korea
Westpac Banking Corp	Australia

RobecoSAM Silver Class

ABN AMRO Group NV	Netherlands
Australia & New Zealand Banking Group Ltd	Australia
Bancolombia SA	Colombia
National Australia Bank Ltd	Australia
Toronto-Dominion Bank	Canada

RobecoSAM Bronze Class

Banco Bradesco SA	Brazil	CTBC Financial Holding Co Ltd	Taiwan
Banco Santander SA	Spain	E.Sun Financial Holding Co Ltd	Taiwan
Bank of America Corp	United States	ING Groep NV	Netherlands
BNP Paribas SA	France	Itau Unibanco Holding SA	Brazil
CaixaBank SA	Spain	Itausa - Investimentos Itau SA	Brazil
Citigroup Inc	United States	Kasikornbank PCL	Thailand
Commonwealth Bank of Australia	Australia	Shinhan Financial Group Co Ltd	South Korea

Sustainability Yearbook Members

Banco Bilbao Vizcaya Argentaria SA	Spain	Royal Bank of Scotland Group PLC	UK
Banco Comercial Portugues SA	Portugal	Siam Commercial Bank PCL	Thailand
Banco Davivienda SA	Colombia	Skandinaviska Enskilda Banken AB	Sweden
Banco do Brasil SA	Brazil	Societe Generale SA	France
Bankia SA	Spain	Standard Chartered PLC	United Kingdom
Bankinter SA	Spain	Svenska Handelsbanken AB	Sweden
Barclays PLC	United Kingdom	Swedbank AB	Sweden
Intesa Sanpaolo SpA	Italy	Turkiye Garanti Bankasi AS	Turkey
Nedbank Group Ltd	South Africa	UniCredit SpA	Italy
Royal Bank of Canada	Canada	Yes Bank Ltd	India

* RobecoSAM Industry Mover

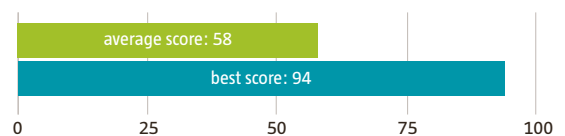
Industry statistics

Number of companies in universe	274
Number of companies assessed by RobecoSAM in 2017	165
Assessed companies to total companies in universe (%)	60
Market capitalization of assessed companies to total market capitalization (%)	85

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	63	94	46%
Environmental	55	99	21%
Social	54	96	33%

Total score





Beverages

Driving forces

In the global beverage industry, the focus on health and nutrition continues to drive changes in the market and therefore companies' strategies. Demand for carbonated soft drinks (CSD) has been in decline for years, particularly in developed markets. Consumer preferences are shifting towards healthier alternatives and/or lower-calorie substitutes such that companies must innovate to re-formulate products which promote well-being by increasing nutritional content while lowering the amounts of artificial additives. While opportunities exist in emerging markets where favorable demographic trends are boosting consumption, company's also must ensure their businesses operate sustainably in terms of marketing practices and environmental management. Given the large proportion of calories consumed through CSDs, sugar and other ingredients as well as advertising strategies have increasingly come under scrutiny and face new regulations or taxes. Producers of alcoholic beverages have long faced similar legal barriers in developed markets, but must also maintain effective and responsible marketing strategies in emerging markets with less regulation. Given its status as a key ingredient in beverages, water quality is an abiding concern for producers and local governments. The management of water-related risks is key to ensuring a sustainable, long-term production base especially in regions with increasing water scarcities.

Highlighted criteria

- Economic Dimension**
- Health & Nutrition
 - Corporate Governance
 - Strategy for Emerging Markets
 - Supply Chain Management

- Environmental Dimension**
- Operational Eco-Efficiency
 - Raw Material Sourcing
 - Water Related Risks

- Social Dimension**
- Human Capital Development
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Coca-Cola HBC AG	Switzerland
RobecoSAM Silver Class	
Coca-Cola European Partners PLC	United Kingdom
Diageo PLC	United Kingdom
Thai Beverage PCL*	Thailand
Sustainability Yearbook Members	
Asahi Group Holdings Ltd	Japan
Coca-Cola Femsa SAB de CV	Mexico

* RobecoSAM Industry Mover

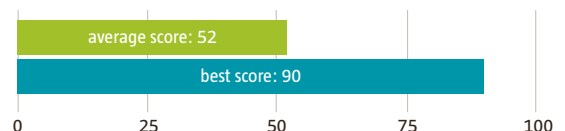
Industry statistics

Number of companies in universe	42
Number of companies assessed by RobecoSAM in 2017	39
Assessed companies to total companies in universe (%)	93
Market capitalization of assessed companies to total market capitalization (%)	99

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	51	85	48%
Environmental	56	100	26%
Social	51	90	26%

Total score





Biotechnology

Driving forces

Biotechnology companies continue to face scrutiny related to pricing and reimbursement of their products, as resource-constrained governments seek to slow the rise in health care costs and as public criticism of drug pricing practices remains a steady and contentious political issue. Companies must demonstrate the value of their products and ensure that corresponding pricing is economically and medically justified and sustainable for payers. Access to treatment for disadvantaged populations is also an important issue for the industry both for developed and emerging markets alike. The biotechnology industry relies heavily on human capital for innovation and the continuous development of novel medicines. The industry is characterized by extensive R&D efforts and a high risk of failure in product development, which makes attracting and retaining the most talented researchers/scientists as well as the management of their intellectual property key success factors in product development. Finally, business ethics, competitive practices and product quality and safety remain important aspects contributing to the sector's license to operate. Violations have the potential of causing significant reputational and financial damage, the impact of which has grown with the speed of information flow from social media and increased regulatory oversight.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Innovation Management
- Product Quality and Recall Management

Environmental Dimension

- Climate Strategy
- Operational Eco-Efficiency

Social Dimension

- Addressing Cost Burden
- Health Outcome Contribution
- Strategy to Improve Access to Drugs or Products
- Talent Attraction & Retention

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	AbbVie Inc	United States
●	RobecoSAM Silver Class	
	Biogen Inc*	United States

* RobecoSAM Industry Mover

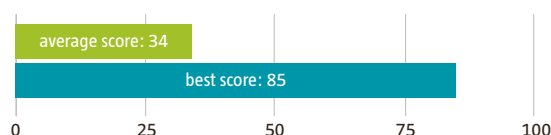
Industry statistics

Number of companies in universe	41
Number of companies assessed by RobecoSAM in 2017	28
Assessed companies to total companies in universe (%)	68
Market capitalization of assessed companies to total market capitalization (%)	92

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	41	83	49%
Environmental	30	87	9%
Social	27	88	42%

Total score





Building Products

Driving forces

The building products industry is comprised of companies that manufacture building components as well as home improvement products and equipment. The manufacturing of building products requires significant energy outlays which is a high priority alongside climate strategy, operational eco-efficiency, and occupational health and safety. Over their lifetime, buildings are responsible for about 40 % of global energy consumption, 25 % of global water consumption, and emit 33 % of green house gas (GHG) emissions as reported by the UN Environmental Program-UNEP. Reducing this demand is a clear industry focus area. Companies that integrate lifecycle environmental impacts in product design and manufacturing are better positioned to benefit from the increased demand for more eco-friendly, energy-efficient buildings and greener construction products. Strategies include responsibly-sourcing raw materials like wood and metal, greater use of recycled materials during production, reducing the use of hazardous substances such as volatile organic compounds, and a greater focus on end-of-life management of waste materials. Taking a holistic and integrative approach to production not only provides market opportunities for companies, but also reduces risks from potential product liabilities.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Risk & Crisis Management
 - Supply Chain Management
- Environmental Dimension**
 - Climate Strategy
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Owens Corning	United States
RobecoSAM Silver Class	
Cie de Saint-Gobain	France
Sustainability Yearbook Members	
LIXIL Group Corp	Japan

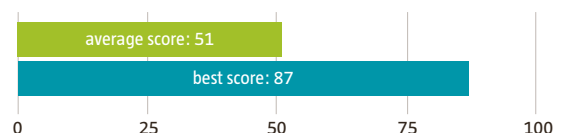
Industry statistics

Number of companies in universe	25
Number of companies assessed by RobecoSAM in 2017	20
Assessed companies to total companies in universe (%)	80
Market capitalization of assessed companies to total market capitalization (%)	89

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	53	82	34%
Environmental	48	92	35%
Social	51	85	31%

Total score





Casinos & Gaming

Driving forces

The casinos & gaming industry remains under intense public and regulatory scrutiny. Companies must address serious issues such as money laundering, corruption and bribery through robust compliance systems and sound governance. Social issues such as gambling addiction and its social repercussions are being addressed mainly through regional regulation and often through voluntary standards. The rapid growth of online gaming as a result of increased sales of mobile devices and relaxed gaming laws in many countries pose significant opportunities for operators, but also dual threats. The proliferation of online platforms has highlighted the need for effective monitoring and security. Companies in this space are increasingly taking a proactive stance in dealing with these issues, going beyond the minimum legal requirements and setting examples for other companies within the travel and leisure and entertainment sectors. On the environmental side, companies are increasing efforts to curb energy consumption while reducing operating costs.

Highlighted criteria

Economic Dimension

- Anti-crime Policy & Measures
- Brand Management
- Codes of Business Conduct

Environmental Dimension

- Environmental Policy & Management Systems
- Operational Eco-Efficiency

Social Dimension

- Human Capital Development
- Promoting Responsible Gaming
- Stakeholder Engagement
- Talent Attraction & Retention

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	Star Entertainment Grp Ltd	Australia
●	RobecoSAM Silver Class	
	Kangwon Land Inc	South Korea
	Ladbrokes Coral Group PLC	United Kingdom
●	RobecoSAM Bronze Class	
	Tabcorp Holdings Ltd	Australia

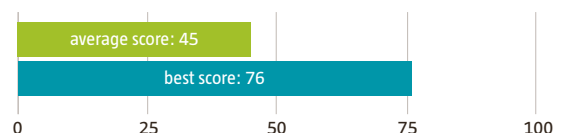
Industry statistics

Number of companies in universe	27
Number of companies assessed by RobecoSAM in 2017	25
Assessed companies to total companies in universe (%)	93
Market capitalization of assessed companies to total market capitalization (%)	94

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	47	77	46%
Environmental	43	91	17%
Social	43	76	37%

Total score





Chemicals

Driving forces

The chemical industry comprises companies that produce specialty and commodity chemicals, industrial gases, and agrochemicals--components that are critical to commercial/industrial production within other sectors. Examples include bulk polymers used to create synthetic materials within textiles and plastics, as well as specialty ingredients for health and wellness products. Companies that focus their innovation and product design efforts on developing products that are less environmentally harmful and which deliver resource efficiency gains to their customers will gain a competitive edge while reducing risk and potential liabilities. This requires a robust product stewardship process that encompasses a lifecycle perspective where renewable raw materials are used throughout production, while the use of hazardous substances are either eliminated or reduced. The main challenges for the industry include increasing operational eco-efficiency, climate change, water-related risks, and occupational health & safety concerns. Opportunities exist for more efficient manufacturing through, for example, greater use of proteins or enzymes as bio-catalysts which can be used in products to improve the speed/efficiency of chemical reactions and/or to replace traditional solvents and hazardous chemicals. Talent attraction and retention of skilled employees are essential to drive and support the innovation process.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Customer Relationship Management
 - Innovation Management
- Environmental Dimension**
 - Climate Strategy
 - Operational Eco-Efficiency
 - Product Stewardship
 - Water Related Risks
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety

Sustainability leaders 2018

RobecoSAM Gold Class	
Akzo Nobel NV	Netherlands
Koninklijke DSM NV	Netherlands
RobecoSAM Silver Class	
Clariant AG	Switzerland
Indorama Ventures PCL*	Thailand
Praxair Inc	United States
PTT Global Chemical PCL	Thailand
RobecoSAM Bronze Class	
Evonik Industries AG	Germany
LANXESS AG	Germany
Mitsubishi Chemical Holdings Corp	Japan
Sustainability Yearbook Members	
BASF SE	Germany
Braskem SA	Brazil
DowDuPont Inc.	United States
Ecolab Inc	United States
Givaudan SA	Switzerland
LG Chem Ltd	South Korea
Linde AG	Germany
Novozymes A/S	Denmark
Solvay SA	Belgium

* RobecoSAM Industry Mover

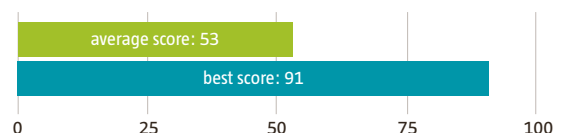
Industry statistics

Number of companies in universe	124
Number of companies assessed by RobecoSAM in 2017	94
Assessed companies to total companies in universe (%)	76
Market capitalization of assessed companies to total market capitalization (%)	89

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	55	94	35%
Environmental	50	95	33%
Social	53	96	32%

Total score





Coal & Consumable Fuels

Driving forces

Coal producers now find themselves at the heart of the debate between access to energy and climate change. As power generating utilities come under pressure to cut their own carbon emissions, increased use of natural gas and renewables is now putting downward pressure on demand for thermal coal. For uranium producers, growth in low carbon energy demand is tempered by safety concerns surrounding nuclear industry power generation. Operationally, both coal and uranium producers face ongoing challenges to minimize the environmental impacts of their mining operations especially where these cross the mine's geographic boundary. Here, any incidents involving mineral waste or wastewater can quickly become contentious issues for community relations. Where new mining projects are being considered, clear understanding and management of environmental impacts, land rights issues, and community engagement are required to spotlight concerns, initiate dialogues and move opportunities forward. Responsible management of human capital is also a key operational issue, exemplified by occupational health & safety trends and labor practices.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Corporate Governance
- Environmental Dimension**
 - Biodiversity
 - Climate Strategy
 - Mineral Waste Management
 - Operational Eco-Efficiency
 - Water Related Risks
- Social Dimension**
 - Occupational Health and Safety
 - Social Impacts on Communities

Sustainability leaders 2018



RobecoSAM Gold Class

Banpu PCL* Thailand

* RobecoSAM Industry Mover

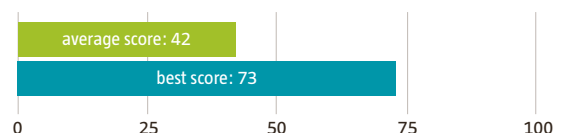
Industry statistics

Number of companies in universe	12
Number of companies assessed by RobecoSAM in 2017	7
Assessed companies to total companies in universe (%)	58
Market capitalization of assessed companies to total market capitalization (%)	69

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	43	65	33%
Environmental	40	81	32%
Social	44	72	35%

Total score





Commercial Services & Supplies

Driving forces

Commercial services and suppliers include those companies involved in the provision of auxiliary products and services needed by enterprises that are not part of their core business activities. Products include physical assets like printing and office supplies, corporate furnishings and decorations but also include broader service offerings like real estate and rental, cleaning, security and environmental services. Also grouped in this industry are relationships with external organizations that provide essential but non-core services like strategic consulting, accounting, data processing and payroll. Given its sweeping scope, it encompasses both manually-intensive as well as knowledge-intensive skill sets and relies heavily on human capital. Fair labor practices, combined with employee development programs, knowledge management and adequate incentive schemes are important for creating successful, safe and healthy working environments, enhancing productivity, attracting new talent, and maintaining high employee retention rates. On the demand side, customer relationship management plays a crucial role as long lasting client-provider relationships are beneficial to both parties. Corporate governance and management quality are key as Industry leaders maintain diversified business models that leverage internal synergies and employ cutting-edge technologies. As B2B service partners, they are ideally placed to spearhead sustainability innovations and promote them among their client base.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Corporate Governance
 - Customer Relationship Management
- Environmental Dimension**
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Brambles Ltd	Australia
Republic Services Inc	United States
RobecoSAM Silver Class	
Herman Miller Inc	United States
Rentokil Initial PLC	United Kingdom
Toppan Printing Co Ltd*	Japan
RobecoSAM Bronze Class	
China Everbright International Ltd	China
ISS A/S	Denmark
KEPCO Plant Service & Engineering Co Ltd	South Korea
Waste Management Inc	United States

* RobecoSAM Industry Mover

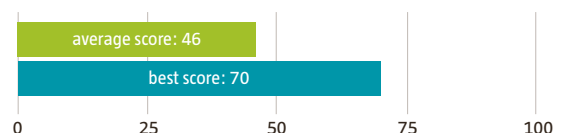
Industry statistics

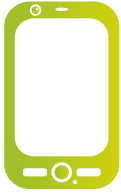
Number of companies in universe	36
Number of companies assessed by RobecoSAM in 2017	28
Assessed companies to total companies in universe (%)	78
Market capitalization of assessed companies to total market capitalization (%)	86

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	51	74	37%
Environmental	45	81	26%
Social	41	68	37%

Total score





Communications Equipment

Driving forces

The rapid growth in data volume and demand for ever faster data transmission have accelerated the pace of the race among manufacturers and providers of communication equipment wanting to sharpen their competitive edges and increase market share. To remain at the forefront of the industry, constant innovation and a strong intellectual property portfolio are crucial. In addition, the exponential growth in data volume has led to substantially higher total energy consumption across the communication infrastructure. Therefore, communication equipment providers must focus on developing more energy efficient hardware by considering the environmental performance over the product's entire life cycle. As a large share of production is outsourced to emerging economies, environmental and social standards for suppliers are also key factors. Finally, the development and use of certain technologies to monitor communication raises questions related to potential violations of the human right to freedom of expression and privacy. As a result, future growth strategies must be balanced with transparency and clear standards of ethical conduct by industry participants that reflect their commitment to human rights.

Highlighted criteria

Economic Dimension

- Innovation Management
- Privacy Protection
- Supply Chain Management

Environmental Dimension

- Environmental Policy & Management Systems
- Hazardous Substances
- Operational Eco-Efficiency
- Product Stewardship

Social Dimension

- Human Capital Development
- Talent Attraction & Retention

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	Nokia OYJ	Finland
●	RobecoSAM Silver Class	
	Cisco Systems Inc*	United States

* RobecoSAM Industry Mover

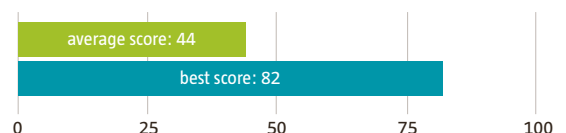
Industry statistics

Number of companies in universe	20
Number of companies assessed by RobecoSAM in 2017	10
Assessed companies to total companies in universe (%)	50
Market capitalization of assessed companies to total market capitalization (%)	84

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	46	85	44%
Environmental	45	85	31%
Social	38	75	25%

Total score





Computers & Peripherals and Office Electronics

Driving forces

The computers & peripherals and office electronics industry is characterized by disruptive innovations. In addition, cybersecurity is a deepening concern across the entire industry. Effective innovation management is necessary to mitigate emerging risks, which in turn requires the right people with the right skill mix. Successful implementation of environmental standards and monitoring of supplier compliance in areas such as the use of hazardous materials and fair working conditions in emerging economies are particularly relevant. Shorter product life cycles and the ubiquity of electronic devices around the world have resulted in increased overall energy consumption by IT hardware as well as in high equipment disposal volumes. To address the issue of energy efficiency, companies must consider energy consumption over the entire product life cycle when designing new products. Electronic waste can be reduced through weight reductions, modular design, and take-back programs. Furthermore, digitalization and centralization through cloud applications create new business opportunities, which enable customers to achieve operational efficiency gains, contributing to both cost savings and environmental footprint reduction.

Highlighted criteria

Economic Dimension

- Corporate Governance
- Innovation Management
- Privacy Protection
- Supply Chain Management

Environmental Dimension

- Hazardous Substances
- Operational Eco-Efficiency
- Product Stewardship

Social Dimension

- Human Capital Development
- Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Konica Minolta Inc	Japan
RobecoSAM Silver Class	
HP Inc	United States
RobecoSAM Bronze Class	
Acer Inc	Taiwan
Hewlett Packard Enterprise Co	United States
Lite-On Technology Corp	Taiwan
Samsung Electronics Co Ltd*	South Korea

* RobecoSAM Industry Mover

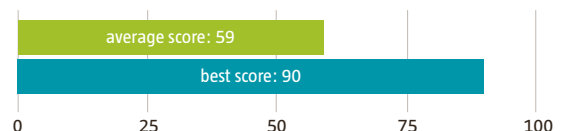
Industry statistics

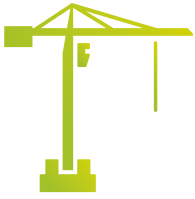
Number of companies in universe	33
Number of companies assessed by RobecoSAM in 2017	24
Assessed companies to total companies in universe (%)	73
Market capitalization of assessed companies to total market capitalization (%)	98

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	57	87	45%
Environmental	63	98	30%
Social	56	93	25%

Total score





Construction & Engineering

Driving forces

The construction & engineering industry includes companies involved in the construction of infrastructure, commercial buildings, civil engineering projects as well as other construction activity. The industry consumes resources on a massive scale to create the infrastructure and "built environment", a term used to describe the man-made structures supporting human life and activities. The choice of building materials (e.g. certified wood, recycled concrete, or organic compounds), consideration of lifecycle impacts, and offering energy-efficient buildings provide a competitive advantage through access to green building projects. Along with resource efficiency other important challenges for the industry include climate strategy, occupational health, and talent attraction and retention. With increasing infrastructure spending in emerging markets, a company's ability to establish itself as a preferred contractor also depends on its ability to avoid reputational risks associated with antitrust and bribery cases. This means that the establishment and implementation of a rigorous code of conduct will be a key success factor.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Supply Chain Management

Environmental Dimension

- Building Materials
- Operational Eco-Efficiency
- Resource Conservation and Resource Efficiency

Social Dimension

- Labor Practice Indicators
- Occupational Health and Safety
- Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class		
Hyundai Engineering & Construction Co Ltd		South Korea
RobecoSAM Silver Class		
Ferrovial SA		Spain
GS Engineering & Construction Corp		South Korea
HOCHTIEF AG		Germany
RobecoSAM Bronze Class		
ACS Actividades de Construccion y Servicios SA		Spain
CTCI Corp		Taiwan
Samsung Engineering Co Ltd		South Korea
Vinci SA		France

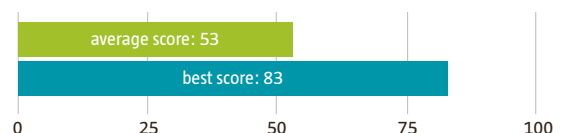
Industry statistics

Number of companies in universe	48
Number of companies assessed by RobecoSAM in 2017	34
Assessed companies to total companies in universe (%)	71
Market capitalization of assessed companies to total market capitalization (%)	84

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	52	77	35%
Environmental	57	95	31%
Social	50	83	34%

Total score





Construction Materials

Driving forces

The construction materials industry includes companies that produce cement, aggregates, concrete, and related materials. Since cement manufacturing accounts for about 5% of global man-made greenhouse gas emissions, having a sound climate strategy to reduce GHG emissions remains a top priority for companies. One of the biggest levers for reducing GHG emissions in cement manufacturing is transforming waste materials into alternatives for fossil fuels and other raw materials needed for industrial production. This not only solves a waste problem, but also reduces a company's environmental impact. Other important issues include reducing waste, other types of harmful air emissions as well as improving water usage. For companies with extraction sites, protecting biodiversity and effective water management are key to maintaining both the social and legal licenses to operate. In addition, occupational health and safety remain a challenge for the industry both in the manufacturing and transportation of its products. Companies that are able to deliver products that meet green building specifications and transform their business models to offer affordable housing and other sustainable construction solutions will have a competitive advantage.

Highlighted criteria

Economic Dimension
 – Codes of Business Conduct
 – Customer Relationship Management
 – Risk & Crisis Management

Environmental Dimension

– Climate Strategy
 – Operational Eco-Efficiency
 – Water Related Risks

Social Dimension

– Human Rights
 – Occupational Health and Safety
 – Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Cementos Argos SA	Colombia
Grupo Argos SA/Colombia	Colombia
RobecoSAM Silver Class	
Siam Cement PCL	Thailand
RobecoSAM Bronze Class	
CRH PLC*	Ireland

* RobecoSAM Industry Mover

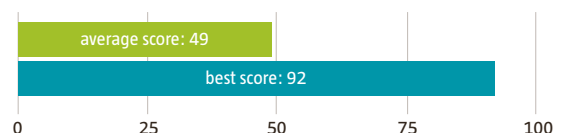
Industry statistics

Number of companies in universe	33
Number of companies assessed by RobecoSAM in 2017	24
Assessed companies to total companies in universe (%)	73
Market capitalization of assessed companies to total market capitalization (%)	78

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	53	92	33%
Environmental	44	93	33%
Social	48	94	34%

Total score





Containers & Packaging

Driving forces

Containers and packaging companies are critical to the global economy supplying virtually every sector with the tools it needs to effectively protect, transport, market, and preserve their products for sale and use. Sustainable packaging continues to be a major trend in the containers & packaging industry, driving innovation and differentiation. At the same time, the industry faces various challenges such as stagnating / declining consumer demand in developed markets as well as higher costs related to raw materials, energy and capital. The markets in which these companies operate remain highly competitive, with substantial downward pressure on both prices and operating margins. Increasingly, companies need to innovate and provide customized solutions to their customers, working collaboratively across the value chain in order to ensure differentiated products. Top priorities include operational eco-efficiency, climate, occupational health & safety, and engagement with local stakeholders. Demand for more sustainable packaging is driving product development as well as the sourcing of more recycled, certified, and renewable raw materials. Companies in this space have the unique opportunity to contribute to a circular economy with shared environmental, social and economic benefits for business and society.

Highlighted criteria

- Economic Dimension
 - Corporate Governance
 - Customer Relationship Management
 - Supply Chain Management
- Environmental Dimension
 - Climate Strategy
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension
 - Occupational Health and Safety
 - Stakeholder Engagement
 - Talent Attraction & Retention

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	Ball Corp*	United States
●	RobecoSAM Silver Class	
	BillerudKorsnas AB	Sweden
●	RobecoSAM Bronze Class	
	Klabin SA	Brazil
	Sonoco Products Co	United States

* RobecoSAM Industry Mover

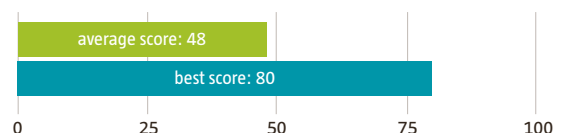
Industry statistics

Number of companies in universe	26
Number of companies assessed by RobecoSAM in 2017	21
Assessed companies to total companies in universe (%)	81
Market capitalization of assessed companies to total market capitalization (%)	85

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	51	73	34%
Environmental	50	90	33%
Social	41	77	33%

Total score





Diversified Consumer Services

Driving forces

The diversified consumer services industry comprises service providers with a wide range of business models and includes activities like education and human resources. Companies operating in this space have direct customer relationships and must therefore develop strategies to both retain and increase their customer base in new and existing markets. Technological innovations are changing the industry landscape at a rapid pace and offer both risks and opportunities. Companies can differentiate themselves by effectively integrating online tools & platforms that enhance the overall experience for targeted groups. Partly as a consequence of this, data security has become a key risk for companies in this sector. Ensuring strong risk management systems, particularly related to electronic billing, personal information privacy and real-time services is critical to both managing risk and offering further growth opportunities. Within service companies, strong employee development and training programs are fundamental for building sustainable businesses as well as for improving customer satisfaction. Furthermore, improvements in operational eco-efficiency can also help optimize operating cost while minimizing environmental damage by focusing on sourcing, materials usage, and energy intensity within the production process.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Customer Relationship Management
- Privacy Protection
- Risk & Crisis Management

Environmental Dimension

- Environmental Policy & Management Systems
- Operational Eco-Efficiency

Social Dimension

- Human Capital Development
- Stakeholder Engagement
- Talent Attraction & Retention

Sustainability leaders 2018

Sustainability Yearbook Members

AA PLC	United Kingdom
Benesse Holdings Inc*	Japan

* RobecoSAM Industry Mover

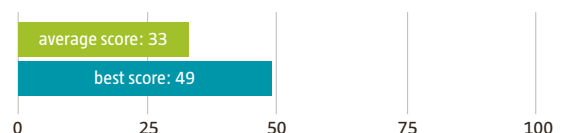
Industry statistics

Number of companies in universe	14
Number of companies assessed by RobecoSAM in 2017	11
Assessed companies to total companies in universe (%)	79
Market capitalization of assessed companies to total market capitalization (%)	77

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	45	57	47%
Environmental	24	64	17%
Social	23	33	36%

Total score





Diversified Financial Services and Capital Markets

Driving forces

The diversified financial services and capital markets industry consists of a heterogeneous group of holding companies, credit agencies, stock exchanges, asset managers, custody banks, investment banks and brokerage companies. While sub-industry specific business models expose companies to different sustainability issues, common material themes include corporate governance, risk management, compliance and customer relationships. Many of the financial service providers within the sector are also increasingly managing confidential data. Therefore protecting customer's financial and personal data as well as preventing cybersecurity are crucial to maintaining client trust. Ongoing regulatory pressure, public outcry, publicized litigation and sizeable settlements, have sensitized many capital market companies to the very real threats posed by unethical business behavior. In turn, this is leading to greater scrutiny of potentially questionable practices and the re-shaping of corporate culture and employee behavior to more align with client needs and public interests.

Highlighted criteria

- Economic Dimension
 - Codes of Business Conduct
 - Corporate Governance
 - Customer Relationship Management
 - Risk & Crisis Management
- Environmental Dimension
 - Business Risks and Opportunities
 - Climate Strategy
- Social Dimension
 - Controversial Issues, Dilemmas in Lending & Financing
 - Human Capital Development
 - Talent Attraction & Retention

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	UBS Group AG	Switzerland
●	RobecoSAM Bronze Class	
	Samsung Securities Co Ltd	South Korea
	Sustainability Yearbook Members	
	Bank of New York Mellon Corp	United States
	Credit Suisse Group AG	Switzerland
	Daiwa Securities Group Inc	Japan
	Deutsche Bank AG	Germany
	Deutsche Boerse AG	Germany
	Fubon Financial Holding Co Ltd	Taiwan
	Grupo de Inversiones Suramericana SA	Colombia
	Henderson Group PLC	United Kingdom
	Hong Kong Exchanges & Clearing Ltd	Hong Kong
	Investec PLC	United Kingdom
	London Stock Exchange Group PLC	United Kingdom
	Mahindra & Mahindra Financial Services Ltd	India
	Mirae Asset Daewoo Co Ltd	South Korea
	Nomura Holdings Inc	Japan
	Provident Financial PLC*	United Kingdom
	S&P Global Inc	United States
	State Street Corp	United States
	Voya Financial Inc	United States

* RobecoSAM Industry Mover

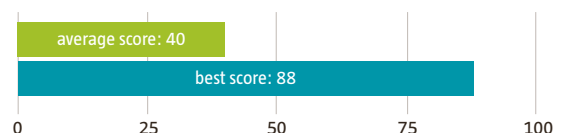
Industry statistics

Number of companies in universe	178
Number of companies assessed by RobecoSAM in 2017	119
Assessed companies to total companies in universe (%)	67
Market capitalization of assessed companies to total market capitalization (%)	87

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	47	82	46%
Environmental	35	94	21%
Social	32	93	33%

Total score





Electric Utilities

Driving forces

Electric utilities is a market in flux and faces an onslaught of fundamental changes including more stringent government regulations, decarbonization, GHG reduction concerns, the availability of cheaper renewable alternatives, and changing power grid dynamics. The once oligopolistic utilities operators, are under threat from new market entrants offering energy alongside other conveniently-bundled technologies and services. The increasing integration of renewable energies into the energy mix requires flexible power management and smart, integrated energy solutions. Enormous efforts are also needed to develop and replace an aging grid. While electric utilities need to cope with rising costs, sales of conventional energy products (e.g. coal, nuclear) have stopped growing in developed markets and face increasing competition from decentralized power generation such as solar energy. Within emerging markets, industrialization and urbanization will require massive investments to create additional sustainable generation capacity. At the same time, companies must increasingly factor in concerns of external stakeholders (e.g. community groups, special interest lobbies) opposed to large-scale power projects. In addition, an uncertain and changing regulatory context increases the risk to long-term financing typical within this industry. In order to be competitive, electric utilities will need to develop innovative business models that can generate new sources of revenues that can adapt to the changing political, economic and technical challenges posed by these environments.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Corporate Governance
 - Risk & Crisis Management
- Environmental Dimension**
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Transmission & Distribution
- Social Dimension**
 - Occupational Health and Safety
 - Stakeholder Engagement
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Red Electrica Corp SA	Spain
RobecoSAM Silver Class	
EDP - Energias de Portugal SA	Portugal
Iberdrola SA	Spain
RobecoSAM Bronze Class	
Cia Energetica de Minas Gerais	Brazil
Electricite de France SA	France
Endesa SA	Spain
Enel SpA	Italy
Terna Rete Elettrica Nazionale SpA	Italy
Sustainability Yearbook Members	
Acciona SA	Spain
AES Corp/VA	United States
Celsia SA ESP ¹	Colombia
Entergy Corp	United States
Interconexion Electrica SA ESP	Colombia
Korea Electric Power Corp	South Korea
PG&E Corp*	United States

* RobecoSAM Industry Mover

¹ This company was not assessed for inclusion in the Dow Jones Sustainability Indices, but applying the same assessment methodology.

Industry statistics

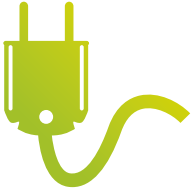
Number of companies in universe	98
Number of companies assessed by RobecoSAM in 2017	71
Assessed companies to total companies in universe (%)	72
Market capitalization of assessed companies to total market capitalization (%)	88

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	51	92	33%
Environmental	46	99	38%
Social	53	94	29%

Total score





Electrical Components & Equipment

Driving forces

Product innovation will continue to gain strategic importance for companies in the electrical components & equipment industry. Companies that prioritize product research & development, have an adequate product pipeline, and reduce their time-to-market cycles will gain and retain market share. Emerging trends are providing opportunities for companies focused on automation, new energy alternatives and climate change solutions. Investments in smart power transmission, distribution, and clean generation capacity will continue to increase as developed markets update aging energy infrastructures and emerging markets expand their power grids. Stakeholders will require product technologies to be climate resilient and increasingly secure as components become integrated into wider networks and are exposed to sophisticated digital security threats. Moreover, exposure to emerging markets and public projects can increase the risk of corruption. A highly complex value chain makes supply chain management essential. Monitoring issues such as human rights, conflict minerals, and environmental compliance will continue to be key in maintaining licenses to operate.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Innovation Management
- Supply Chain Management

Environmental Dimension

- Climate Strategy
- Operational Eco-Efficiency
- Product Stewardship

Social Dimension

- Human Capital Development
- Occupational Health and Safety

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	Philips Lighting NV	Netherlands
●	RobecoSAM Silver Class	
	Prismian SpA*	Italy
	Schneider Electric SE	France
●	RobecoSAM Bronze Class	
	OSRAM Licht AG	Germany

* RobecoSAM Industry Mover

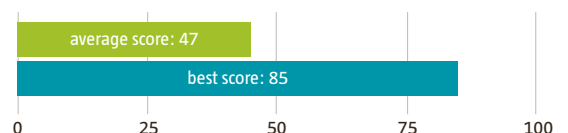
Industry statistics

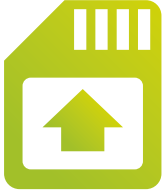
Number of companies in universe	27
Number of companies assessed by RobecoSAM in 2017	20
Assessed companies to total companies in universe (%)	74
Market capitalization of assessed companies to total market capitalization (%)	95

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	47	81	43%
Environmental	47	95	29%
Social	47	87	28%

Total score





Electronic Equipment, Instruments & Components

Driving forces

A number of products from the electronic equipment industry have specific sustainability applications. Battery manufacturers or providers of control and automation solutions, for instance, can tap opportunities resulting from customers' demand for improved energy and carbon efficiency. Safety and quality concerns also offer opportunities in the area of controls, sensors and testing. As a result, providers of electronic equipment, instruments & components can benefit from developing solutions that enable their customers to improve operating efficiency. Due to the resource-intensive production process and the relatively high energy consumption during equipment use phase, environmental management of the companies' own operations as well as product stewardship over the life-cycle of their products are important industry issues. Given the mostly oligopolistic market structures, compliance with antitrust regulations is also an important factor. Furthermore, as high-tech providers, companies in this industry rely heavily on the knowledge, qualification and training of their employees for their business success. Given the long-term nature of B2B relationships, tools to monitor the quality of client management are also essential.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Innovation Management
- Supply Chain Management

Environmental Dimension

- Climate Strategy
- Operational Eco-Efficiency
- Product Stewardship

Social Dimension

- Occupational Health and Safety
- Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
AU Optronics Corp	Taiwan
Samsung SDI Co Ltd*	South Korea
RobecoSAM Silver Class	
Delta Electronics Inc	Taiwan
RobecoSAM Bronze Class	
Delta Electronics Thailand PCL	Thailand
Samsung Electro-Mechanics Co Ltd	South Korea
Sustainability Yearbook Members	
Hitachi Ltd	Japan
Innolux Corp	Taiwan
LG Innotek Co Ltd	South Korea
Omron Corp	Japan
Yokogawa Electric Corp	Japan

* RobecoSAM Industry Mover

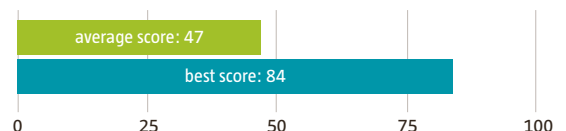
Industry statistics

Number of companies in universe	67
Number of companies assessed by RobecoSAM in 2017	48
Assessed companies to total companies in universe (%)	72
Market capitalization of assessed companies to total market capitalization (%)	83

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	45	83	40%
Environmental	48	96	31%
Social	47	89	29%

Total score





Energy Equipment & Services

Driving forces

The ability of energy equipment & services companies to attract new business is closely connected to their adherence to environmental, health & safety, as well as business conduct standards. In providing a variety of services to publicly-owned and national oil and gas suppliers, companies in this sector carry a measure of responsibility for the public perception of exploration and production activities and the reputation of their clients. This need to maintain their status as a reliable and safe partner is especially challenged when operating in technically difficult areas and where local jurisdictions provide weak legal and regulatory enforcement. Technical innovation therefore represents a tool for controlling risk and therefore offers potential competitive advantages. At the same time, the industry needs to attract and retain fully-trained and qualified staff and maintain the seniority of its employment pool, while balancing the competing challenge of controlling production costs and matching staff to the relevant project stage throughout industry cycles.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Innovation Management
- Risk & Crisis Management

Environmental Dimension

- Environmental Policy & Management Systems
- Operational Eco-Efficiency

Social Dimension

- Human Capital Development
- Occupational Health and Safety
- Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Saipem SpA	Italy
TechnipFMC PLC*	United States
RobecoSAM Silver Class	
SBM Offshore NV	Netherlands
RobecoSAM Bronze Class	
Baker Hughes Inc	United States
Schlumberger Ltd	United States

* RobecoSAM Industry Mover

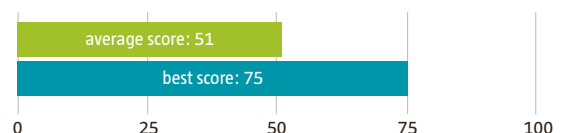
Industry statistics

Number of companies in universe	27
Number of companies assessed by RobecoSAM in 2017	19
Assessed companies to total companies in universe (%)	70
Market capitalization of assessed companies to total market capitalization (%)	86

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	54	74	41%
Environmental	49	81	22%
Social	50	78	37%

Total score





Food & Staples Retailing

Driving forces

As a result of the intense competition for market share, the food & staples retailing industry has consolidated over the past few years, maintaining a high level of M&A activity. Retailers with expanded offerings of private label or store brands have benefited from higher margins. In addition, the sector has had to expand and adapt product offerings to suit the more health-conscious consumer as the health and wellness movement evolves from niche trend to mainstream retailers. As international sourcing of food and ingredients remains high, food retailers need to further improve the efficiency and transparency of their supply chains. Furthermore, investments in data analysis and IT systems will be necessary for retailers in order to analyze consumer trends more closely and control working capital more efficiently. The expiration of drug patents will continue to generate revenue and growth as drug retailers (also included within the sector) are able to provide consumers with generic alternatives to name brand blockbusters. Drug retailers and consumers alike have already enjoyed significant cost savings with the availability of a wave of generic drugs. Moreover as the debate over the high cost and inadequate access to healthcare rages, the convenience offered by retail outlets and in-store clinics provides an ideal solution for affordable, basic health care.

Highlighted criteria

- Economic Dimension**
 - Customer Relationship Management
 - Health & Nutrition
 - Supply Chain Management
- Environmental Dimension**
 - Operational Eco-Efficiency
 - Packaging
 - Raw Material Sourcing
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
METRO AG	Germany
RobecoSAM Silver Class	
Wesfarmers Ltd	Australia
RobecoSAM Bronze Class	
Carrefour SA	France
Kesko OYJ*	Finland
Koninklijke Ahold Delhaize NV	Netherlands
Seven & i Holdings Co Ltd	Japan
Sustainability Yearbook Members	
Aeon Co Ltd	Japan
Casino Guichard Perrachon SA	France
CVS Health Corp	United States

* RobecoSAM Industry Mover

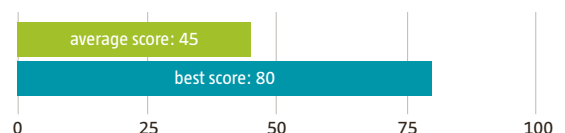
Industry statistics

Number of companies in universe	65
Number of companies assessed by RobecoSAM in 2017	48
Assessed companies to total companies in universe (%)	74
Market capitalization of assessed companies to total market capitalization (%)	90

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	50	81	39%
Environmental	42	88	31%
Social	41	76	30%

Total score





Food Products

Driving forces

Growth in the food industry continues to be driven by the increased wealth and consumption spawned by a growing middle class in emerging economies. In the developed world, a heavy consumer focus on diet and healthy lifestyles has prompted product transformations as well as new innovations centered on clean, natural, wholesome and organic ingredients. In addition, as the pace and intensity of work, life and leisure increases, consumers in all markets are ever-pressed for time, leading to a growing demand for convenient, albeit functional, food. Health, wellness, and nutrition have emerged as major growth categories and will remain in the spotlight for food manufacturers as a growing number of consumers become aware of the relationship between diet and health. The industry's main risks and challenges include rising raw material prices and new packaging solutions, which are both effective and environmentally friendly. Better management and increased transparency of supply chains can help reduce costs and ensure food safety - a key concern for consumers.

Highlighted criteria

- Economic Dimension**
 - Health & Nutrition
 - Innovation Management
 - Supply Chain Management
- Environmental Dimension**
 - Operational Eco-Efficiency
 - Packaging
 - Raw Material Sourcing
- Social Dimension**
 - Human Capital Development
 - Human Rights
 - Occupational Health and Safety

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	Nestle SA	Switzerland
●	RobecoSAM Silver Class	
	Grupo Nutresa SA	Colombia
●	RobecoSAM Bronze Class	
	Ajinomoto Co Inc	Japan
	Charoen Pokphand Foods PCL	Thailand
	Thai Union Group PCL	Thailand
	Sustainability Yearbook Members	
	Archer-Daniels-Midland Co*	United States
	Campbell Soup Co	United States
	CJ CheilJedang Corp	South Korea
	Colombina SA ¹	Colombia
	Conagra Brands Inc	United States
	Danone SA	France
	General Mills Inc	United States
	Hain Celestial Group Inc	United States
	Hershey Co	United States
	Kellogg Co	United States
	Mondelez International Inc	United States

* RobecoSAM Industry Mover

¹ This company was not assessed for inclusion in the Dow Jones Sustainability Indices, but applying the same assessment methodology.

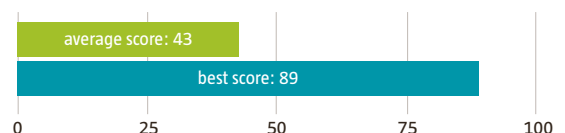
Industry statistics

Number of companies in universe	114
Number of companies assessed by RobecoSAM in 2017	86
Assessed companies to total companies in universe (%)	75
Market capitalization of assessed companies to total market capitalization (%)	86

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	45	88	42%
Environmental	40	97	28%
Social	43	89	30%

Total score





Gas Utilities

Driving forces

Natural gas is the least carbon-intensive fossil fuel. As a substitute for coal in power generation, or for oil in the heating and transportation sector, it can help reduce CO2 emissions, water consumption and air pollution in the short/medium term. However, natural gas is still a fossil fuel, contributing to climate change and thus threatened by increased regulatory oversight. While gas supplies are increasingly available – driven by the impressive development of unconventional resources that are re-shaping the industry – long-term demand is less secure. The resulting outcome is an increased risk of stranded assets. Gas utilities must therefore develop new business models based on clean energies like biogas, wind and solar, or Power-to-Gas technologies. In addition, high profile gas accidents in the media have raised public awareness of the aging gas infrastructure and gas leakage risks. Given the controversial public image of the oil & gas industry in general, building stakeholder trust and increasing safety, reliability and energy efficiency of operations are key concerns for the industry.

Highlighted criteria

- Economic Dimension**
 - Market Opportunities
 - Corporate Governance
 - Supply Chain Management
- Environmental Dimension**
 - Climate Strategy
 - Operational Eco-Efficiency
 - Transmission & Distribution
- Social Dimension**
 - Occupational Health and Safety
 - Stakeholder Engagement
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class

Gas Natural SDG SA Spain

Sustainability Yearbook Members

Grupo Energia Bogota SA ESP* Colombia

Osaka Gas Co Ltd Japan

* RobecoSAM Industry Mover

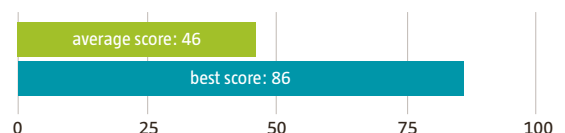
Industry statistics

Number of companies in universe	26
Number of companies assessed by RobecoSAM in 2017	20
Assessed companies to total companies in universe (%)	77
Market capitalization of assessed companies to total market capitalization (%)	84

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	46	84	33%
Environmental	46	89	34%
Social	47	86	33%

Total score





Health Care Equipment & Supplies

Driving forces

The health care equipment & supplies industry develops medical products such as orthopedic implants and cardiovascular devices, as well as medical supplies and instruments that are critical to improving the quality of life for patients with chronic diseases. Product quality, safety and collaboration with stakeholders are critical for ensuring successful product commercialization as well as for maintaining a company's license to operate. While government budget constraints and health care reforms have affected pricing, reimbursement and utilization, efforts to broaden health care coverage in the US and emerging markets coupled with rising income levels have created new growth opportunities for the industry. Sustainable companies in this sector focus on developing innovative and highly differentiated products as well as on demonstrating their products' clinical and economic benefits. Moreover, they adopt consistent, value- and stakeholder-oriented corporate strategies and governance systems based on effective human and intellectual capital management and transparent reporting frameworks.

Highlighted criteria

- Economic Dimension
 - Codes of Business Conduct
 - Innovation Management
 - Marketing Practices
 - Product Quality and Recall Management
- Environmental Dimension
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
- Social Dimension
 - Health Outcome Contribution
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class

Abbott Laboratories United States

Sustainability Yearbook Members

Baxter International Inc United States

Essilor International SA France

Medtronic PLC* United States

Smith & Nephew PLC United Kingdom

Sonova Holding AG Switzerland

Systemx Corp Japan

* RobecoSAM Industry Mover

Industry statistics

Number of companies in universe	58
Number of companies assessed by RobecoSAM in 2017	41
Assessed companies to total companies in universe (%)	71
Market capitalization of assessed companies to total market capitalization (%)	91

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	45	85	53%
Environmental	40	85	10%
Social	35	91	37%

Total score





Health Care Providers & Services

Driving forces

The health care providers & services industry includes managed care insurers, distributors, hospitals, and clinics that deliver care to patients. Demographic and epidemiologic trends such as aging populations and the increasing prevalence of chronic diseases are key factors affecting this industry. Exploding health care costs and the growing divide in access to health among population groups in many low and middle income countries present major societal challenges that are being tackled through health care reforms around the world. Leading companies assume an active role in the search for solutions and the creation of cost-effective, sustainable health care systems by engaging with relevant stakeholders including government payers, employers, providers and patients. As the industry moves towards more patient-centered care (particularly in developed markets), companies should focus on quality over quantity of care, cost-effective health outcomes over expensive therapies, early intervention & prevention over late-stage treatment and ongoing disease management rather than isolated, disconnected, episodic care. Furthermore, the importance of customer-oriented services, integrative care, and strategic alliances across traditional business boundaries will continue to rise as the industry moves towards patient-centric business models. Those that can efficiently deliver high quality care will be able to benefit from current industry trends.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Customer Relationship Management
 - Marketing Practices
- Environmental Dimension**
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
- Social Dimension**
 - Partnerships Towards Sustainable Healthcare
 - Service to Patients
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class

Cigna Corp United States

Sustainability Yearbook Members

Anthem Inc United States

Cardinal Health Inc* United States

Humana Inc United States

Netcare Ltd South Africa

Quest Diagnostics Inc United States

UnitedHealth Group Inc United States

* RobecoSAM Industry Mover

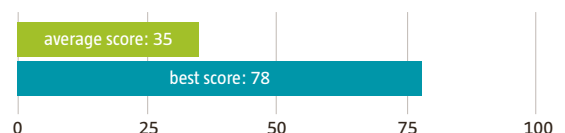
Industry statistics

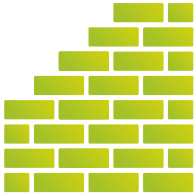
Number of companies in universe	61
Number of companies assessed by RobecoSAM in 2017	51
Assessed companies to total companies in universe (%)	84
Market capitalization of assessed companies to total market capitalization (%)	95

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	46	78	47%
Environmental	26	78	10%
Social	26	79	43%

Total score





Homebuilding

Driving forces

Growth in the homebuilding industry is largely driven by external factors such as interest rates and general economic conditions as well as highly specific national and regional housing markets. In addition, price pressures and tighter regulations remain constant challenges. Product stewardship and environmental efficiency in combination with innovation are key industry drivers in both the building and use stages of the product life cycle. As the demand and regulatory push for green building continues to grow, companies responding to new technology developments such as low-energy, passive and plus-energy buildings are likely to remain at the forefront of the industry. Occupational health & safety risks are high, requiring strict management practices to minimize the injury rate among employees and external contractors.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Risk & Crisis Management

Environmental Dimension

- Building Materials
- Operational Eco-Efficiency
- Resource Conservation and Resource Efficiency

Social Dimension

- Human Capital Development
- Occupational Health and Safety
- Social Integration & Regeneration

Sustainability leaders 2018

RobecoSAM Gold Class	
Sekisui House Ltd*	Japan
RobecoSAM Bronze Class	
Sekisui Chemical Co Ltd	Japan
Sumitomo Forestry Co Ltd	Japan

* RobecoSAM Industry Mover

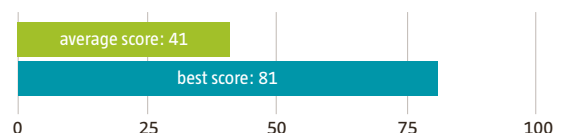
Industry statistics

Number of companies in universe	21
Number of companies assessed by RobecoSAM in 2017	17
Assessed companies to total companies in universe (%)	81
Market capitalization of assessed companies to total market capitalization (%)	81

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	46	69	29%
Environmental	40	96	37%
Social	36	74	34%

Total score



Hotels, Resorts & Cruise Lines



Driving forces

The travel & tourism industry has embraced the sustainability agenda as a means of attracting customers, enhancing product offerings and engaging more actively with stakeholders. Sustainability criteria play an increasingly important role in selecting suppliers for business customers in this space. Environmental preservation and an increased interest in both eco-tourism and volunteer tourism have led to new business opportunities. Hotels, resorts and cruise operators are increasing their efforts to limit their environmental impact. In doing so, they have attracted more environmentally-conscious, private clients as well as more sustainably-minded corporate clients. The increased use of indicators to measure the impact of local operations and value generation are essential to identifying areas for improvement and engagement. Human rights issues linked to local employment must be addressed and the implementation of local monitoring systems is crucial. Industry-wide efforts to address issues like human trafficking offer an opportunity for companies to jointly tackle these issues in a consistent and effective way. Long-term risk management systems must address economic, geopolitical and climate risks to ensure business continuity and adaptability to changing global conditions.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Customer Relationship Management
 - Risk & Crisis Management
- Environmental Dimension**
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
- Social Dimension**
 - Human Rights
 - Occupational Health and Safety
 - Stakeholder Engagement

Sustainability leaders 2018

RobecoSAM Gold Class		
InterContinental Hotels Group PLC		United Kingdom
RobecoSAM Silver Class		
Accor SA*		France
TUI AG		Germany
RobecoSAM Bronze Class		
Wyndham Worldwide Corp		United States

* RobecoSAM Industry Mover

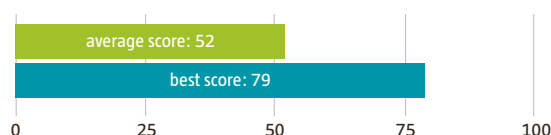
Industry statistics

Number of companies in universe	19
Number of companies assessed by RobecoSAM in 2017	16
Assessed companies to total companies in universe (%)	84
Market capitalization of assessed companies to total market capitalization (%)	83

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	54	77	35%
Environmental	53	91	23%
Social	49	81	42%

Total score





Household Durables

Driving forces

The household durables industry is characterized by a cyclical and constantly moving consumer demand for tailored products to support contemporary lifestyles. Moreover, the industry is subject to opportunities and challenges related to major trends like a growing global population, an expanding middle class, urbanization and climate change. Successful companies in this fast-paced industry differentiate themselves with good brand management, innovation, quality and customer service. Leading companies proactively integrate sustainability trends in their business models and support the shift toward sustainable consumption by providing new-eco conscious products and end-of-life solutions, as the thriving concept of smart housing and the internet of things opens new sustainable markets. Consumers increasingly demand transparency with regard to product components making it important for industry participants to source materials from responsible suppliers.

Highlighted criteria

Economic Dimension

- Brand Management
- Customer Relationship Management
- Innovation Management
- Supply Chain Management

Environmental Dimension

- Environmental Policy & Management Systems
- Operational Eco-Efficiency
- Product Stewardship

Social Dimension

- Human Capital Development
- Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Electrolux AB	Sweden
RobecoSAM Bronze Class	
Coway Co Ltd	South Korea

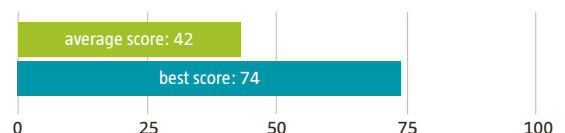
Industry statistics

Number of companies in universe	19
Number of companies assessed by RobecoSAM in 2017	15
Assessed companies to total companies in universe (%)	79
Market capitalization of assessed companies to total market capitalization (%)	87

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	44	71	50%
Environmental	44	87	22%
Social	38	71	28%

Total score





Household Products

Driving forces

Household products companies operate in a highly competitive, multi-brand environment. Brand management and product quality issues are key focus areas following closely with the need to continuously innovate to retain market positioning and gain market share. Given their ubiquitous presence and sheer volume of use in every day life, the waste from these products are prone to have a higher impact on the natural environment. As a result, companies should be engaged in rigorous product stewardship management and address recurring concerns over product safety and environmental impact. This, combined with a changing regulatory environment surrounding the use of ingredients & chemicals, is driving innovation and ultimately setting higher quality and safety standards. Avoidance of toxins and a greater emphasis on more natural and sustainable products are also key themes. Such factors, as well as restrictions on emissions, energy consumption and water use, have an impact on production and operating costs. Moreover, emerging markets continue to offer growth opportunities. Successful companies are establishing R&D centers in those regions, adapting and developing new products to local needs and tastes, and establishing flexible, market-specific pricing strategies.

Highlighted criteria

- Economic Dimension**
 - Brand Management
 - Customer Relationship Management
 - Innovation Management
 - Strategy for Emerging Markets
- Environmental Dimension**
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	Henkel AG & Co KGaA*	Germany
●	RobecoSAM Bronze Class	
	Colgate-Palmolive Co	United States

* RobecoSAM Industry Mover

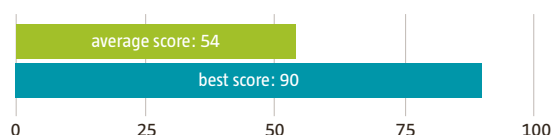
Industry statistics

Number of companies in universe	17
Number of companies assessed by RobecoSAM in 2017	14
Assessed companies to total companies in universe (%)	82
Market capitalization of assessed companies to total market capitalization (%)	90

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	51	90	53%
Environmental	61	94	21%
Social	55	87	26%

Total score





Industrial Conglomerates

Driving forces

Industrial conglomerates are highly decentralized businesses that rely on strong management and governance structures to achieve superior performance. Resource efficient and lean manufacturing processes are important aspects of their business strategies, especially if growth is partly driven by acquisitions. Within this framework, the development of new resource efficient technologies through careful product stewardship is key to gaining market share and increasing growth and profitability. Supply chain management and supplier sustainability risk assessment are also important as they often present opportunities to centralize functions that benefit from volume pricing. Ensuring business ethics throughout their own operations is also critical as they typically have a global presence that includes emerging markets. Companies must therefore focus on promoting common corporate values that recognize and promote the diversity brought by multi-cultural backgrounds. In addition, conglomerates must construct and enforce corporate policies and build strong compliance systems to prevent corruption and illegal market practices.

Highlighted criteria

- Economic Dimension**
 - Corporate Governance
 - Innovation Management
 - Supply Chain Management
- Environmental Dimension**
 - Climate Strategy
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Koninklijke Philips NV	Netherlands
Siemens AG	Germany
RobecoSAM Silver Class	
Samsung C&T Corp*	South Korea
Sustainability Yearbook Members	
3M Co	United States
Doosan Corp	South Korea
SK Holdings Co Ltd	South Korea

* RobecoSAM Industry Mover

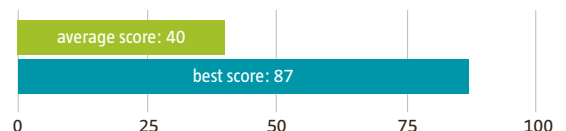
Industry statistics

Number of companies in universe	50
Number of companies assessed by RobecoSAM in 2017	35
Assessed companies to total companies in universe (%)	70
Market capitalization of assessed companies to total market capitalization (%)	90

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	41	85	42%
Environmental	36	96	29%
Social	40	88	29%

Total score





Insurance

Driving forces

The insurance industry's focus on sound risk management has resulted in the relative absence of significant fines and penalties compared to other areas of finance. The industry has also demonstrated leadership in integrating sustainability considerations into its core business. Most notably, leading insurers are increasingly considering long-term sustainability trends and factors in their risk assessments and claims management processes. At the same time, the industry faces both significant threats as well as opportunities as it embraces digitalization. This has provided consumers with increased transparency and choice while simultaneously providing insurers with new direct to consumer channels for delivering new products and services. Moreover, it enables insurers to collect real-time data on consumer behavior. Leading insurers, especially in the life insurance subsector, are exploring ways to use digital technology developments to offer innovative products that are customized to meet the needs of their customers and incentivize healthier lifestyles through lower premiums.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Principles for Sustainable Insurance
- Risk & Crisis Management

Environmental Dimension

- Business Risks and Opportunities
- Risk Detection

Social Dimension

- Financial Inclusion
- Human Capital Development
- Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Allianz SE	Germany
RobecoSAM Silver Class	
AXA SA	France
Zurich Insurance Group AG	Switzerland
RobecoSAM Bronze Class	
Aegon NV	Netherlands
Cathay Financial Holding Co Ltd*	Taiwan
Dongbu Insurance Co Ltd	South Korea
Insurance Australia Group Ltd	Australia
MS&AD Insurance Group Holdings Inc	Japan
NN Group NV	Netherlands
Samsung Fire & Marine Insurance Co Ltd	South Korea
Samsung Life Insurance Co Ltd	South Korea
Sompo Holdings Inc	Japan
Standard Life PLC	United Kingdom
Swiss Re AG	Switzerland
Tokio Marine Holdings Inc	Japan
Sustainability Yearbook Members	
Assicurazioni Generali SpA	Italy
Aviva PLC	United Kingdom
Dai-ichi Life Holdings Inc	Japan
Muenchener Rueckversicherungs-Gesellschaft AG	Germany

* RobecoSAM Industry Mover

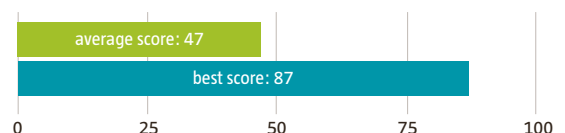
Industry statistics

Number of companies in universe	133
Number of companies assessed by RobecoSAM in 2017	92
Assessed companies to total companies in universe (%)	69
Market capitalization of assessed companies to total market capitalization (%)	86

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	54	84	45%
Environmental	44	95	23%
Social	41	88	32%

Total score





IT Services & Internet Software and Services

Driving forces

The IT services & Internet Software and Services industry consists of companies that provide such things as online databases, web design, and registration services. In addition, industry players develop and market internet software with the aim of helping clients run their business more efficiently by outsourcing business processes or developing new software applications. Therefore, data privacy and security are key priorities for customer satisfaction, attraction and retention, as well as for preventing potential legal and reputational risks. To protect client privacy and secure information technology, a rigorously enforced code of conduct covering access to confidential data is required. Knowledge management and human capital development are important for developing new products and fostering innovation, therefore attracting and retaining qualified staff is crucial. The industry's main environmental impacts stem from data center operations where, despite increasing efficiency, the exponential growth of data volume is requiring companies to focus on energy and water efficiency.

Highlighted criteria

- Economic Dimension**
 - Customer Relationship Management
 - IT Security & System Availability
 - Innovation Management
 - Privacy Protection
- Environmental Dimension**
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
- Social Dimension**
 - Human Capital Development
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Amadeus IT Group SA	Spain
RobecoSAM Silver Class	
Atos SE	France
Tech Mahindra Ltd	India
Wipro Ltd	India
RobecoSAM Bronze Class	
Fujitsu Ltd	Japan
NTT Data Corp*	Japan
Sustainability Yearbook Members	
Accenture PLC	United States
Cielo SA	Brazil
DXC Technology Co	United States
Indra Sistemas SA	Spain
Infosys Ltd	India
Nomura Research Institute Ltd	Japan
Tata Consultancy Services Ltd	India

* RobecoSAM Industry Mover

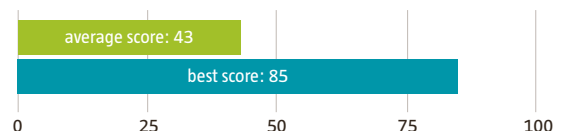
Industry statistics

Number of companies in universe	114
Number of companies assessed by RobecoSAM in 2017	66
Assessed companies to total companies in universe (%)	58
Market capitalization of assessed companies to total market capitalization (%)	90

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	48	83	52%
Environmental	39	97	21%
Social	37	86	27%

Total score





Leisure Equipment & Products and Consumer Electronics

Driving forces

Producers of leisure equipment and consumer electronics operate in a highly competitive market. Industry drivers include product quality, differentiation, time-to-market, and brand management. New products becoming commoditized within a short time frame lead companies to focus on innovation, particularly R&D, to maintain competitiveness. Moreover, many companies in the industry must manage the cyclical nature of new product releases. Given the labor intensity during the manufacturing phase, companies must pay close attention to working conditions in their supply chain, particularly among their suppliers and subcontractors in developing countries. In addition, companies must manage environmental challenges throughout the product life cycle including product modularity, the use of toxic substances in the manufacturing process and within products, energy efficiency, and recycling through effective take-back programs for the disposal of obsolete products.

Highlighted criteria

- Economic Dimension**
 - Brand Management
 - Innovation Management
 - Supply Chain Management
- Environmental Dimension**
 - Hazardous Substances
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension**
 - Human Rights
 - Occupational Health and Safety
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class

LG Electronics Inc South Korea

Sustainability Yearbook Members

Casio Computer Co Ltd Japan

Nikon Corp Japan

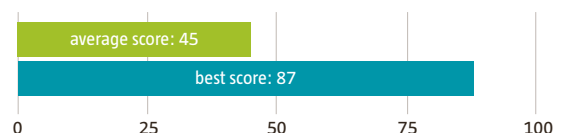
Industry statistics

Number of companies in universe	20
Number of companies assessed by RobecoSAM in 2017	17
Assessed companies to total companies in universe (%)	85
Market capitalization of assessed companies to total market capitalization (%)	94

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	43	83	43%
Environmental	49	91	28%
Social	43	90	29%

Total score





Life Sciences Tools & Services

Driving forces

The life science tools & services industry includes companies that develop technologies, instruments and tests that enable scientific and medical progress through research, the development of new medical products, as well as diagnostic testing and analysis. These companies rely on government spending, academic or industry R&D budgets, and (to a certain extent) health care utilization levels, and are therefore sensitive to economic cycles. As a knowledge-intensive industry, companies depend on a skilled workforce to drive innovation, making human capital management and talent attraction & retention important success factors. Effective client relationship management strategies are also crucial for ensuring customer loyalty to established products and technologies and for facilitating the adoption of new, innovative technologies. Comprehensive supply chain management strategies that consider environmental and social factors allow companies to minimize economic, social, and reputational risks connected to their supply chain.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Corporate Governance
 - Innovation Management
 - Supply Chain Management
- Environmental Dimension**
 - Climate Strategy
 - Environmental Reporting
 - Operational Eco-Efficiency
- Social Dimension**
 - Human Capital Development
 - Talent Attraction & Retention

Sustainability leaders 2018

Sustainability Yearbook Members

Agilent Technologies Inc	United States
IQVIA Holdings Inc	United States

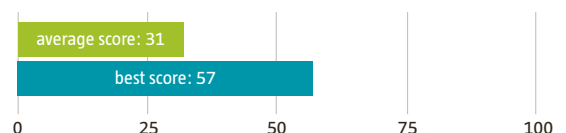
Industry statistics

Number of companies in universe	19
Number of companies assessed by RobecoSAM in 2017	14
Assessed companies to total companies in universe (%)	74
Market capitalization of assessed companies to total market capitalization (%)	93

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	34	61	54%
Environmental	28	71	10%
Social	27	51	36%

Total score





Machinery and Electrical Equipment

Driving forces

The machinery and equipment industry consists of companies engaged in the production of the machinery and equipment companies use in manufacturing their products. A company's ability to innovate through product development is a key determinant of competitiveness as a central business goal is to help improve their customer's manufacturing productivity. In this respect, they face particularly increasing pressure from new emerging market players. This is compounded by growing resource scarcity, which is spurring the need for improved resource efficiency, particularly energy and water efficiency. Leading companies are increasingly using life cycle analysis to deliver cost-savings and reduce environmental impacts for their customers. Upholding business ethics in their own operations as well as in their supply chain is essential to protecting their license to operate. The most successful companies in the industry have recognized the strategic importance of sustainability for their business models and are increasingly incorporating sustainability into their core strategic decision-making.

Highlighted criteria

- Economic Dimension**
 - Corporate Governance
 - Innovation Management
 - Supply Chain Management
- Environmental Dimension**
 - Climate Strategy
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety
 - Talent Attraction & Retention

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	CNH Industrial NV	Italy
●	RobecoSAM Silver Class	
	Valmet OYJ	Finland
●	RobecoSAM Bronze Class	
	Alstom SA	France
	Sandvik AB	Sweden
	Sustainability Yearbook Members	
	Caterpillar Inc	United States
	Cummins Inc	United States
	Doosan Heavy Industries & Construction Co Ltd	South Korea
	Gamesa Corp Tecnologica SA	Spain
	Ingersoll-Rand PLC	United States
	Komatsu Ltd	Japan
	Metso OYJ	Finland
	Nabtesco Corp	Japan
	Oshkosh Corp*	United States
	Stanley Black & Decker Inc	United States
	Vestas Wind Systems A/S	Denmark
	Wartsila OYJ Abp	Finland

* RobecoSAM Industry Mover

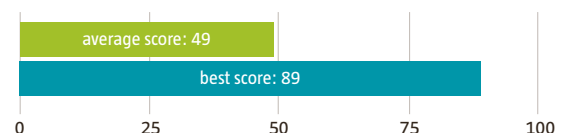
Industry statistics

Number of companies in universe	111
Number of companies assessed by RobecoSAM in 2017	87
Assessed companies to total companies in universe (%)	78
Market capitalization of assessed companies to total market capitalization (%)	89

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	49	86	44%
Environmental	51	95	28%
Social	47	90	28%

Total score





Media

Driving forces

The heterogeneous and highly competitive media industry has seen a major shift towards digitization. Publishing companies that embraced this shift and have increased their revenue streams from online market segments are industry leaders. The use of new technologies, innovative thinking, tailored content and channel management are important for tapping new markets and creating new business opportunities. In order to produce unique, valuable content or services, companies must continuously invest in retaining a talented, creative and digitally-skilled workforce. However, recent events have shown that the shift towards digitization has also significantly increased the risk of cyber-attacks. The ability of companies to implement a cybersecurity strategy that prevents, detects and remediates those risks is key in protecting customer information and companies' own data. Rising connectivity, literacy, and expression of cultural identity through the media in developing countries is set to be a growth driver over the coming years. Given media companies' power to shape public opinion, freedom of expression, accountability and the adherence to ethical standards in advertisement will also be important determinants of success in the long term.

Highlighted criteria

- Economic Dimension**
 - Brand Management
 - Codes of Business Conduct
 - Customer Relationship Management
 - Information Security & Cybersecurity
- Environmental Dimension**
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
- Social Dimension**
 - Human Capital Development
 - Responsibility of Content
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Pearson PLC	United Kingdom
RobecoSAM Silver Class	
JCDecaux SA	France
Telenet Group Holding NV	Belgium
RobecoSAM Bronze Class	
Liberty Global PLC	United States
Sky PLC	United Kingdom
Television Francaise 1	France
Sustainability Yearbook Members	
Informa PLC*	United Kingdom
Modern Times Group MTG AB	Sweden
Vivendi SA	France
WPP PLC	United Kingdom

* RobecoSAM Industry Mover

Industry statistics

Number of companies in universe	73
Number of companies assessed by RobecoSAM in 2017	53
Assessed companies to total companies in universe (%)	73
Market capitalization of assessed companies to total market capitalization (%)	90

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	43	75	44%
Environmental	37	100	17%
Social	34	83	39%

Total score





Metals & Mining

Driving forces

The mining industry's environmental issues center on land use, mineral waste management, energy, noise, dust and water use. Workforce challenges include labor terms and conditions as well as health & safety. All of these issues have the potential to expand and escalate outside the confines of the mine site impacting relations with local communities and stakeholders. As a result, mining companies have been required to improve their environmental performance, their social interaction (which includes establishing adequate consultation processes and grievance mechanisms), and their control over exposure to human rights risks. Companies who are able to comply will benefit from maintaining operations at existing mines as well as from demonstrating a positive track record that supports development of new mining opportunities. Broader trends like deeper extraction, declining ore grades, increasing waste rock, and process tailings volumes are tending to increase the scale of these challenges going forward. Moreover, regional water scarcity and increasing water use in processing, raises the potential for conflict with other water users.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Corporate Governance
 - Payment Transparency
- Environmental Dimension**
 - Climate Strategy
 - Mineral Waste Management
 - Operational Eco-Efficiency
 - Water Related Risks
- Social Dimension**
 - Occupational Health and Safety
 - Social Impacts on Communities

Sustainability leaders 2018

RobecoSAM Gold Class	
Newmont Mining Corp	United States
RobecoSAM Silver Class	
Barrick Gold Corp	Canada
Teck Resources Ltd	Canada
RobecoSAM Bronze Class	
Anglo American PLC	United Kingdom
Gold Fields Ltd	South Africa
Sustainability Yearbook Members	
AngloGold Ashanti Ltd	South Africa
Hindustan Zinc Ltd	India
Hudbay Minerals Inc	Canada
Kinross Gold Corp*	Canada
Outotec OYJ	Finland
Rio Tinto PLC	United Kingdom

* RobecoSAM Industry Mover

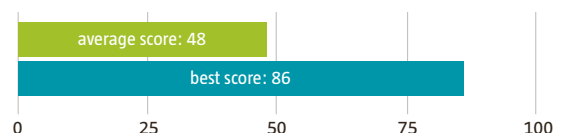
Industry statistics

Number of companies in universe	74
Number of companies assessed by RobecoSAM in 2017	67
Assessed companies to total companies in universe (%)	91
Market capitalization of assessed companies to total market capitalization (%)	85

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	52	84	33%
Environmental	43	85	32%
Social	49	89	35%

Total score





Multi and Water Utilities

Driving forces

The multi- and water-utilities industry is being transformed on many different fronts. The electricity market is undergoing a major transformation caused by the decarbonization and decentralization of power generation. Utilities need to develop innovative business models that adapt to these new political, economic and technical constraints within their environments. Gas markets, on the other hand, are being reshaped by the development of unconventional resources and the fact that natural gas is a cleaner and more flexible alternative to coal in power generation. However, gas utilities remain exposed to the risk of the long-term phase out of all fossil fuels. For water utilities, aging distribution and collection networks as well as opposition to privatization are key challenges in developed countries. Increasing water stress (when demand exceeds supply) and deteriorating water quality are additional challenges, while increased consumption and rapid infrastructure expansion are driving market growth in emerging markets. Leading companies perform active resource management, reduce water losses during distribution, and foster demand-side efficiency with innovative tariffs. Finally, electricity, water and gas are basic services that require proactive stakeholder engagement.




Highlighted criteria

Economic Dimension
 – Codes of Business Conduct
 – Corporate Governance
 – Market Opportunities

Environmental Dimension
 – Climate Strategy
 – Electricity Generation
 – Operational Eco-Efficiency
 – Water Related Risks

Social Dimension
 – Stakeholder Engagement
 – Talent Attraction & Retention

Sustainability leaders 2018

	RobecoSAM Gold Class	
	Veolia Environnement SA*	France
	RobecoSAM Silver Class	
	Engie SA	France
	RobecoSAM Bronze Class	
	Sempra Energy	United States
	Suez	France
	Sustainability Yearbook Members	
	EPM Empresas Publicas de Medellin E.S.P. ¹	Colombia
	United Utilities Group PLC	United Kingdom

* RobecoSAM Industry Mover

¹ This company was not assessed for inclusion in the Dow Jones Sustainability Indices, but applying the same assessment methodology.

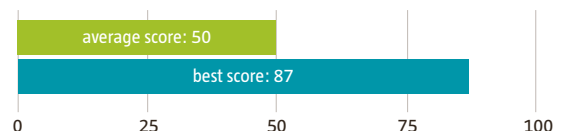
Industry statistics

Number of companies in universe	40
Number of companies assessed by RobecoSAM in 2017	29
Assessed companies to total companies in universe (%)	73
Market capitalization of assessed companies to total market capitalization (%)	86

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	54	85	31
Environmental	47	92	42
Social	51	93	27

Total score





Oil & Gas Refining & Marketing

Driving forces

The oil refining & marketing industry represents a vital process step in converting crude oil into a variety of petroleum-based products including fuel used to power cars, jets, and industrial machinery. Other applications include asphalt, lubricants, waxes for packaging and heating for homes and buildings. At the same time, the industry is competitive and margins are cyclical. A sound workforce, contractor health & safety, and good environmental management are closely linked to cost competitiveness through the operating availability of refineries as well as to maintaining compliance with operating permits. Leading companies are those who are able to minimize these impacts while also effectively managing operational risks. Understanding these issues is also an important concern where companies seek to strengthen their refinery portfolio through acquisitions while taking on potential legacy risks. Going forward, exposure to sustainable mobility trends like electric and hybrid vehicles means that climate strategy is becoming increasingly important in defining the industry's future. Leading companies are those who are able to balance their conventional product offerings with those in line with a lower carbon future.

Highlighted criteria

Economic Dimension
 – Codes of Business Conduct
 – Risk & Crisis Management
 – Supply Chain Management

Environmental Dimension
 – Climate Strategy
 – Operational Eco-Efficiency
 – Water Related Risks

Social Dimension
 – Human Capital Development
 – Occupational Health and Safety
 – Stakeholder Engagement

Sustainability leaders 2018

RobecoSAM Gold Class	
Thai Oil PCL	Thailand
RobecoSAM Silver Class	
IRPC PCL	Thailand
SK Innovation Co Ltd*	South Korea
RobecoSAM Bronze Class	
Neste Oyj	Finland
S-Oil Corp	South Korea

* RobecoSAM Industry Mover

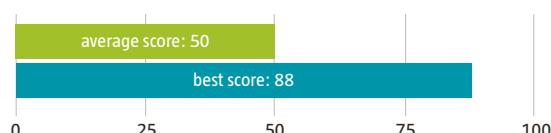
Industry statistics

Number of companies in universe	33
Number of companies assessed by RobecoSAM in 2017	22
Assessed companies to total companies in universe (%)	67
Market capitalization of assessed companies to total market capitalization (%)	77

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	56	85	34%
Environmental	44	96	31%
Social	51	94	35%

Total score





Oil & Gas Storage & Transportation

Driving forces

For the oil & gas storage & transportation industry, growing demand for transportation of crude oil and natural gas into demand-intensive urbanized centers is a key growth and profitability driver. At the same time, lengthening supply chains increase the number of challenges in addition to putting upward pressure on costs. Maintaining the integrity of pipeline and storage systems is vital for minimizing environmental impacts, ensuring compliance with industry and environmental regulators, and underpinning sound community relations. The cost of failure can be significant for operating permits and in obtaining licenses to operate new infrastructure projects. Another significant factor in planning and developing new infrastructure, is the management of land acquisition and any physical or economic re-settlement. Leading companies in this sector are able to manage the twin demands of maximizing capacity utilization in their networks, while minimizing impacts through effective environmental management systems that are supported by modern risk and crisis management frameworks.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Risk & Crisis Management

Environmental Dimension

- Climate Strategy
- Environmental Policy & Management Systems
- Operational Eco-Efficiency

Social Dimension

- Occupational Health and Safety
- Social Impacts on Communities
- Stakeholder Engagement

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	Enagas SA	Spain
●	RobecoSAM Silver Class	
	Snam SpA	Italy
	Sustainability Yearbook Members	
	TransCanada Corp	Canada

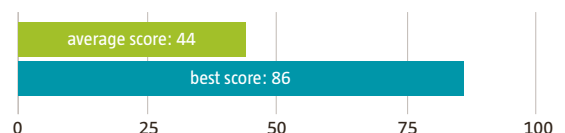
Industry statistics

Number of companies in universe	22
Number of companies assessed by RobecoSAM in 2017	17
Assessed companies to total companies in universe (%)	77
Market capitalization of assessed companies to total market capitalization (%)	91

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	53	79	32%
Environmental	35	91	23%
Social	42	89	45%

Total score





Oil & Gas Upstream & Integrated

Driving forces

Among upstream and integrated oil & gas companies, the need to develop corporate strategies that take into account the transition to lower carbon economies is becoming steadily apparent. Climate strategy linked to corporate governance is therefore becoming an increasing issue for investors in this sector. At the same time, companies need to ensure that their current businesses can generate cash-flows that cover investment and dividend requirements, while also underpinning future options. Leading companies have a strong grip on operational eco-efficiency, environmental impacts, and health & safety. In the upstream segment this requires adjusting to growth opportunities in natural gas, frontier exploration in remote environments, and greater use of unconventional technologies for drilling and extraction. Downstream, cost competitiveness is closely linked to environmental and health & safety excellence. In this context, the leading companies are those who are able to focus on managing this broad set of environmental, health & safety, ethical conduct, and stakeholder risks, while also discerning their pathway to a lower carbon future.

Highlighted criteria

- Economic Dimension**
 - Corporate Governance
 - Exploration & Production
 - Gas Portfolio
- Environmental Dimension**
 - Climate Strategy
 - Operational Eco-Efficiency
 - Water Related Risks
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety
 - Social Impacts on Communities

Sustainability leaders 2018

RobecoSAM Gold Class		
PTT Exploration & Production PCL	Thailand	
PTT PCL	Thailand	
RobecoSAM Silver Class		
TOTAL SA	France	
Woodside Petroleum Ltd	Australia	
RobecoSAM Bronze Class		
Galp Energia SGPS SA	Portugal	
Oil Search Ltd	Australia	
Sustainability Yearbook Members		
Cenovus Energy Inc	Canada	
ConocoPhillips	United States	
Hess Corp*	United States	
Inpex Corp	Japan	
MOL Hungarian Oil & Gas PLC	Hungary	
Royal Dutch Shell PLC	United Kingdom	

* RobecoSAM Industry Mover

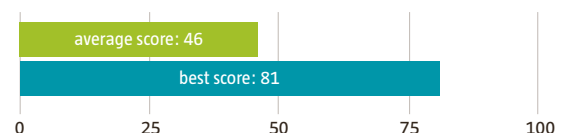
Industry statistics

Number of companies in universe	86
Number of companies assessed by RobecoSAM in 2017	65
Assessed companies to total companies in universe (%)	76
Market capitalization of assessed companies to total market capitalization (%)	93

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	48	78	42%
Environmental	43	91	26%
Social	45	89	32%

Total score





Paper & Forest Products

Driving forces

The paper and forest products industry is comprised of companies that manufacture timber, wood products, and paper. Responsible management of plantations and sourcing of wood fibers is demonstrated through certification and chains of custody (CoC) schemes. These play an important role in gaining customer trust through providing assurance and traceability on important public issues including preservation of high biodiversity, land rights, and equitable sharing of benefits. Effectively engaging with local stakeholders is essential to maintain access to land and a social license to operate. Effectively managing water-related risks are crucial to ensure productive plantations and reliable production. Top priorities for paper production also include operational eco-efficiency, climate strategy, and occupational health and safety. Innovations such as converting waste biomass into fuel contribute to cost advantages through reducing carbon emissions and waste. In addition, converting waste biomass into bioplastics open up new market opportunities and sources of revenue streams. Moreover, the introduction of new technologies such as enzyme-based processes can further contribute to securing a competitive advantage.

Highlighted criteria

- Economic Dimension
 - Corporate Governance
 - Customer Relationship Management
 - Supply Chain Management
- Environmental Dimension
 - Product Stewardship
 - Sustainable Fiber and Pulp Sourcing
 - Sustainable Management of Forests
- Social Dimension
 - Human Capital Development
 - Occupational Health and Safety
 - Social Impacts on Communities

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	UPM-Kymmene OYJ*	Finland
●	RobecoSAM Silver Class	
	Fibria Celulose SA	Brazil

* RobecoSAM Industry Mover

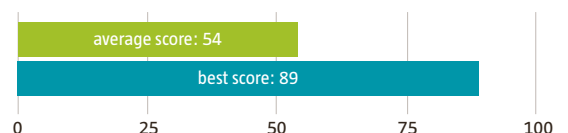
Industry statistics

Number of companies in universe	14
Number of companies assessed by RobecoSAM in 2017	11
Assessed companies to total companies in universe (%)	79
Market capitalization of assessed companies to total market capitalization (%)	75

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	54	91	34%
Environmental	56	92	33%
Social	53	90	33%

Total score





Personal Products

Driving forces

Personal products companies operate in a highly competitive, multi-brand environment. Brand management and product quality are key focus issues for this industry driven by the need to continuously innovate, retain market positioning, and gain market share. Rigorous product stewardship management addresses recurring concerns over product safety, a growing demand for advanced products, and leads companies to develop improved & reformulated versions of traditional products. This, combined with a changing regulatory environment surrounding the use of ingredients & chemicals, drives innovation which ultimately results in higher quality and safety standards. Product sourcing, the avoidance of toxins, and a greater emphasis on more natural and sustainable products are key themes. Such factors, as well as restrictions on emissions, energy consumption, and water use have a strong impact on production and operating costs. Emerging markets continue to offer growth opportunities. Successful companies are establishing R&D centers in regions where they are adapting and developing new products to suit local needs and tastes as well as structuring flexible, market-specific pricing strategies.

Highlighted criteria

- Economic Dimension**
 - Brand Management
 - Customer Relationship Management
 - Innovation Management
 - Strategy for Emerging Markets
- Environmental Dimension**
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety

Sustainability leaders 2018

RobecoSAM Gold Class	
Unilever NV	Netherlands
RobecoSAM Bronze Class	
Kao Corp	Japan
LG Household & Health Care Ltd	South Korea

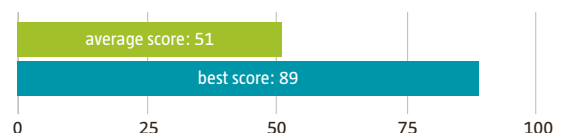
Industry statistics

Number of companies in universe	24
Number of companies assessed by RobecoSAM in 2017	20
Assessed companies to total companies in universe (%)	83
Market capitalization of assessed companies to total market capitalization (%)	81

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	50	88	53%
Environmental	55	94	21%
Social	51	87	26%

Total score



Pharmaceuticals



Driving forces

Pharmaceutical companies continue to face scrutiny related to pricing and reimbursement of their products as resource-constrained governments seek to slow the rise in health care costs. Moreover, public criticism of drug pricing practices is widespread and continues to remain an important issue on the political agenda. Companies are increasingly under pressure to demonstrate the value of their products and ensure their pricing practices are sustainable. Access to treatment for disadvantaged populations is also an important issue for the industry, with the focus on developed and emerging markets alike. The pharmaceutical industry relies heavily on human capital for innovation and the continuous development of novel medicines. The industry is characterized by the extensive capital invested in R&D efforts as well as the high risk of failure in product development. For this reason, attracting and retaining the most talented researchers/scientists as well as the management of their intellectual property are key success factors in product development. Finally, business ethics, competitive practices, and product quality & safety remain important aspects contributing to the pharma sector's license to operate. Violations have the potential of causing significant reputational and financial damage, the impact of which has grown with the speed of information flow from social media and increased regulatory oversight.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Innovation Management
- Product Quality and Recall Management

Environmental Dimension

- Climate Strategy
- Operational Eco-Efficiency

Social Dimension

- Addressing Cost Burden
- Health Outcome Contribution
- Strategy to Improve Access to Drugs or Products
- Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
GlaxoSmithKline PLC	United Kingdom
Roche Holding AG	Switzerland
RobecoSAM Silver Class	
AstraZeneca PLC	United Kingdom
Bayer AG	Germany
Daiichi Sankyo Co Ltd	Japan
Novartis AG	Switzerland
RobecoSAM Bronze Class	
Novo Nordisk A/S	Denmark
Sanofi	France
Sustainability Yearbook Members	
Bristol-Myers Squibb Co	United States
Eisai Co Ltd	Japan
Santen Pharmaceutical Co Ltd	Japan
Sumitomo Dainippon Pharma Co Ltd*	Japan
Takeda Pharmaceutical Co Ltd	Japan

* RobecoSAM Industry Mover

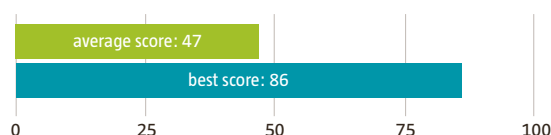
Industry statistics

Number of companies in universe	89
Number of companies assessed by RobecoSAM in 2017	64
Assessed companies to total companies in universe (%)	72
Market capitalization of assessed companies to total market capitalization (%)	96

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	51	84	50%
Environmental	52	93	9%
Social	42	90	41%

Total score





Professional Services

Driving forces

Professional services companies provide other companies with a range of business support services in the areas of staffing, consumer credit ratings, research & analytics, as well as the testing, inspection and certification of manufacturing or other business processes. As providers of specialized services, these are knowledge-intensive companies whose success depends on the quality of their workforce. Therefore, human capital development and talent attraction and retention are particularly important to professional services companies. A reputation for integrity is also critical to retaining customers and winning new business. Consequently, companies must ensure that employees comply with their codes of conduct and that their services are delivered according to high ethical standards. Professional services companies are entrusted with customer data, making data security and cybersecurity top priorities in order to avoid negative reputational impacts.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Corporate Governance
- Customer Relationship Management

Environmental Dimension

- Environmental Policy & Management Systems
- Operational Eco-Efficiency

Social Dimension

- Human Capital Development
- Labor Practice Indicators
- Occupational Health and Safety
- Talent Attraction & Retention

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	SGS SA	Switzerland
●	RobecoSAM Silver Class	
	Randstad Holding NV	Netherlands
●	RobecoSAM Bronze Class	
	Experian PLC	United Kingdom
	IHS Markit Ltd	United States
	ManpowerGroup Inc	United States
	Nielsen Holdings PLC*	United States

* RobecoSAM Industry Mover

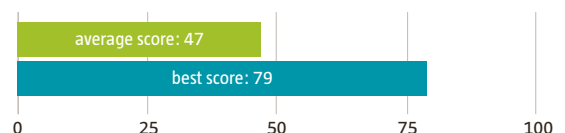
Industry statistics

Number of companies in universe	29
Number of companies assessed by RobecoSAM in 2017	26
Assessed companies to total companies in universe (%)	90
Market capitalization of assessed companies to total market capitalization (%)	87

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	51	78	42%
Environmental	42	93	16%
Social	44	85	42%

Total score





Real Estate

Driving forces

Real estate is a heterogeneous industry comprising developers and maintenance professionals as well as residential and commercial property managers and investors. Constructing and managing real estate offers social benefits but also depletes natural resources and releases pollutants to land, air and water. Recent studies estimate that buildings demand 40 percent of global energy use and contribute to a third of global greenhouse gas emissions. The environmental footprint of property runs through its entire value chain including the production of building materials, construction and ongoing operational efficiency. Sustainable real estate companies take care to evaluate the environmental impact of their property construction and management, use resources efficiently and ensure their procurement processes consider the sustainability of suppliers' material. These leading companies also improve the livelihoods and well-being of communities and individuals through developing and managing real estate such as homes, education and recreational facilities.

Highlighted criteria

Economic Dimension

- Corporate Governance
- Risk & Crisis Management
- Supply Chain Management

Environmental Dimension

- Climate Strategy
- Operational Eco-Efficiency
- Resource Conservation and Resource Efficiency

Social Dimension

- Human Capital Development
- Social Integration & Regeneration
- Stakeholder Engagement

Sustainability leaders 2018

RobecoSAM Gold Class

Gecina SA	France
Mirvac Group	Australia

RobecoSAM Silver Class

CapitalLand Ltd	Singapore
Dexus Property Group	Australia
GPT Group	Australia
Klepierre	France
Stockland	Australia
Vicinity Centres	Australia

RobecoSAM Bronze Class

Land Securities Group PLC	United Kingdom
Wereldhave NV	Netherlands

Sustainability Yearbook Members

Intu Properties PLC	United Kingdom
Ayala Land Inc	Philippines
Jones Lang LaSalle Inc	United States
British Land Co PLC	United Kingdom
Kilroy Realty Corp	United States
Castellum AB	Sweden
Kimco Realty Corp	United States
Central Pattana PCL	Thailand
LendLease Group	Australia
City Developments Ltd	Singapore
Link REIT	Hong Kong
Fonciere Des Regions	France
Swire Pacific Ltd	Hong Kong
Hammerson PLC	United Kingdom
Swire Properties Ltd	Hong Kong
Hang Lung Properties Ltd	Hong Kong
Ventas Inc	United States
HCP Inc	United States
Welltower Inc*	United States
Host Hotels & Resorts Inc	United States
Weyerhaeuser Co	United States

* RobecoSAM Industry Mover

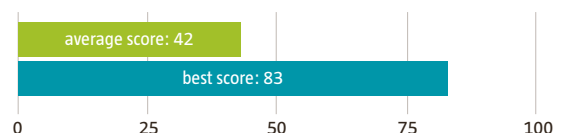
Industry statistics

Number of companies in universe	253
Number of companies assessed by RobecoSAM in 2017	152
Assessed companies to total companies in universe (%)	60
Market capitalization of assessed companies to total market capitalization (%)	70

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	46	79	28%
Environmental	41	94	38%
Social	38	83	34%

Total score





Restaurants & Leisure Facilities

Driving forces

The restaurant and leisure sector continues to be subject to scrutiny over accountability and transparency in its supply chain including issues of worker welfare, food safety, sustainability and accurate labeling. Labor issues relating to fair wages and working conditions are major risks that attract increasing attention from regulators in both developed and emerging markets. It is also of concern to a variety of other stakeholders and puts pressure on existing franchising, licensing and accountability systems. Furthermore, health conscious consumers in developed markets are driving companies to innovate their product and service offerings. Environmental challenges such as energy and water consumption need to be tackled globally, and data across both company-owned and franchised locations must be consolidated so that companies can effectively implement their global sustainability programs.

Highlighted criteria

Economic Dimension

- Codes of Business Conduct
- Customer Relationship Management
- Supply Chain Management

Environmental Dimension

- Environmental Policy & Management Systems
- Operational Eco-Efficiency
- Raw Material Sourcing

Social Dimension

- Labor Practice Indicators
- Local Impact of Business Operations
- Stakeholder Engagement

Sustainability leaders 2018

RobecoSAM Gold Class

Sodexo SA France

Sustainability Yearbook Members

Compass Group PLC United Kingdom

Starbucks Corp United States

Whitbread PLC United Kingdom

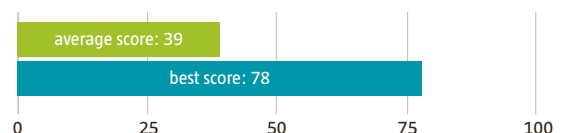
Industry statistics

Number of companies in universe	34
Number of companies assessed by RobecoSAM in 2017	16
Assessed companies to total companies in universe (%)	47
Market capitalization of assessed companies to total market capitalization (%)	83

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	45	71	42%
Environmental	35	82	18%
Social	34	83	40%

Total score





Retailing

Driving forces

The retailing industry is dominated by multinational companies with global supply and distribution networks focused on increasingly sophisticated inventory management, marketing strategies and technological advances. Brand management is a key success factor and successful retailers will need to continue to develop new strategies and technologies to retain and analyze customers' purchasing habits, as well as implement more responsive and tailored customer relationship management systems. Distribution channels such as e-commerce platforms, home delivery services and pick-up systems are key value drivers. Faced with continuous stakeholder scrutiny, companies need to address the efficiency, safety and sustainability of their supply chain management, distribution systems and the use and disposal of packaging. Labor and human rights issues within the supply chain also pose a key risk. Hence, retailers must establish long-term relationships with suppliers, integrate new technologies, and provide enhanced transparency and environmental consciousness in order to minimize reputational risk and increase operational efficiency.

Highlighted criteria

- Economic Dimension**
 - Brand Management
 - Customer Relationship Management
 - Supply Chain Management
- Environmental Dimension**
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
 - Packaging
- Social Dimension**
 - Human Rights
 - Stakeholder Engagement
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Industria de Diseno Textil SA	Spain
RobecoSAM Silver Class	
Home Product Center PCL	Thailand
Sustainability Yearbook Members	
Best Buy Co Inc	United States
Canadian Tire Corp Ltd	Canada
Gap Inc	United States
Hennes & Mauritz AB	Sweden
Kingfisher PLC	United Kingdom
Lojas Renner SA	Brazil
Marui Group Co Ltd	Japan
Organizacion Terpel SA ¹	Colombia
SACI Falabella	Chile
Vipshop Holdings Ltd*	China
Woolworths Holdings Ltd/South Africa	South Africa

* RobecoSAM Industry Mover

¹ This company was not assessed for inclusion in the Dow Jones Sustainability Indices, but applying the same assessment methodology.

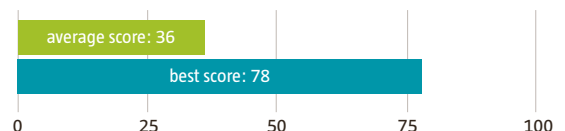
Industry statistics

Number of companies in universe	113
Number of companies assessed by RobecoSAM in 2017	88
Assessed companies to total companies in universe (%)	78
Market capitalization of assessed companies to total market capitalization (%)	95

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	40	78	50%
Environmental	33	96	22%
Social	32	79	28%

Total score





Semiconductors & Semiconductor Equipment

Driving forces

Continuous innovation is crucial for this industry - not only in order to keep pace with Moore's Law, but also to respond to the rise of artificial intelligence, which requires novel chip designs. To ensure their long-term capacity to innovate, semiconductor companies must properly manage R&D processes and attract and retain a skilled workforce. Shrinkage (increasing transistors and processing power without increasing chip size), migration to new materials, and the introduction of more efficient production processes are the dominant trends. Other challenges include energy-efficient production processes and low energy consumption chips and processors. Quality, performance, and reliability must be monitored throughout the entire value chain. The semiconductor industry must also address the environmental impacts of its own operations by reducing the use of chemicals and hazardous substances, generating less waste, enhancing the energy efficiency of ultra-clean spaces, and reducing consumption of ultra-pure water. Considering the long lead time of capacity extensions, the semiconductor industry's extreme cyclicity is forcing companies to pay close attention to strategic planning and business cycle management.

Highlighted criteria

- Economic Dimension**
 - Corporate Governance
 - Innovation Management
 - Supply Chain Management
- Environmental Dimension**
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
 - Product Stewardship
- Social Dimension**
 - Human Capital Development
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Advanced Semiconductor Engineering Inc	Taiwan
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan
RobecoSAM Silver Class	
United Microelectronics Corp	Taiwan
RobecoSAM Bronze Class	
ASML Holding NV	Netherlands
Infineon Technologies AG	Germany
Intel Corp*	United States
STMicroelectronics NV	Italy
Sustainability Yearbook Members	
NVIDIA Corp	United States
SK Hynix Inc	South Korea
Tokyo Electron Ltd	Japan

* RobecoSAM Industry Mover

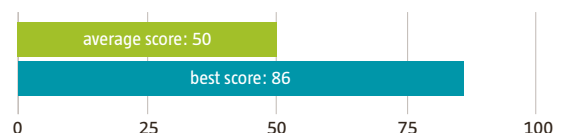
Industry statistics

Number of companies in universe	70
Number of companies assessed by RobecoSAM in 2017	38
Assessed companies to total companies in universe (%)	54
Market capitalization of assessed companies to total market capitalization (%)	91

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	50	88	43%
Environmental	53	97	34%
Social	47	91	23%

Total score





Software

Driving forces

Innovation and human capital are closely intertwined sustainability aspects for the software industry. The industry is characterized by rapid technological innovation which consequently demands a highly-qualified, innovative workforce necessary for identifying critical trends and developing new products. Adequately managing, training and developing employees is therefore crucial for profitability and growth. Customer loyalty and retention are also key drivers for long-term profitability. The offering of sustainability-related software solutions helps create more efficient business processes, facilitates risk measurement and management, and aids resource management, all of which enable clients to improve their performance and profitability. Furthermore, companies must ensure data security, as a growing amount of confidential data is processed and stored in remote data centers and as governments show an interest in accessing customer/user data. Environmental footprint has not traditionally been seen as a critical issue for the software industry, however energy use is a future source of scrutiny as data centers demand constant energy supplies to avoid disruptions.

Highlighted criteria

- Economic Dimension**
 - Customer Relationship Management
 - IT Security & System Availability
 - Innovation Management
 - Privacy Protection
- Environmental Dimension**
 - Climate Strategy
 - Environmental Policy & Management Systems
 - Operational Eco-Efficiency
- Social Dimension**
 - Human Capital Development
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class

SAP SE	Germany
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Sustainability Yearbook Members

Adobe Systems Inc*	United States
CA Inc	United States
Microsoft Corp	United States
Symantec Corp	United States

* RobecoSAM Industry Mover

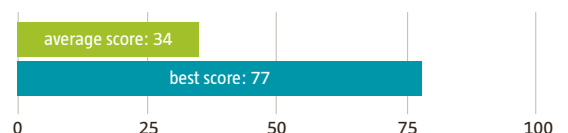
Industry statistics

Number of companies in universe	64
Number of companies assessed by RobecoSAM in 2017	34
Assessed companies to total companies in universe (%)	53
Market capitalization of assessed companies to total market capitalization (%)	89

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	39	71	52%
Environmental	29	87	21%
Social	29	80	27%

Total score





Steel

Driving forces

Steel is infinitely recyclable which provides opportunities for lowering production costs by reducing raw material inputs, energy use, and the overall emissions footprint. Some grades of high strength steel also offer opportunities for reducing energy consumption in the use phase by reducing the total amount of metal used (lightweighting). Primary production, however, continues to have significant environmental impacts as steel companies operate in a highly competitive environment subject to periodic overcapacity which restricts the pace of change. Blast furnace production of steel leads to significant direct GHG emissions and other environmental impacts using technology that is not expected to change significantly in the foreseeable future. Community concerns may also arise due to the presence of large production facilities that create excessive noise, air pollution, increased traffic, and negatively impact land and/or property rights. Furthermore, employee and contractor health & safety are critical indicators of operational excellence. Consequently, climate strategy and reducing air, water, and waste emissions remain high priorities for leading steel makers.

Highlighted criteria

- Economic Dimension**
 - Codes of Business Conduct
 - Corporate Governance
 - Supply Chain Management
- Environmental Dimension**
 - Climate Strategy
 - Operational Eco-Efficiency
 - Water Related Risks
- Social Dimension**
 - Occupational Health and Safety
 - Social Impacts on Communities
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
China Steel Corp	Taiwan
POSCO	South Korea
Tata Steel Ltd	India
RobecoSAM Silver Class	
Hyundai Steel Co	South Korea
Sustainability Yearbook Members	
JSW Steel Ltd*	India

* RobecoSAM Industry Mover

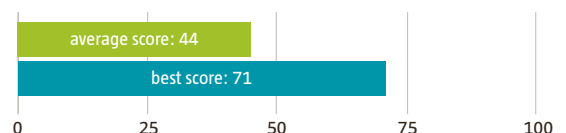
Industry statistics

Number of companies in universe	37
Number of companies assessed by RobecoSAM in 2017	26
Assessed companies to total companies in universe (%)	70
Market capitalization of assessed companies to total market capitalization (%)	81

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	44	69	34%
Environmental	42	89	33%
Social	44	72	33%

Total score





Telecommunication Services

Driving forces

The exploding demand for smart devices and data services has led telecommunication companies to diversify their service portfolios and has also created opportunities for new market players. As a result, the telecommunication industry operates in a highly competitive albeit heavily regulated environment, where exposure to anti-trust issues is pronounced. In order to remain competitive in a market subject to rapid technological change, companies need to adopt flexible business models that enable them to integrate next-generation technologies and produce innovative, energy-efficient solutions that address social and environmental issues. The increased use of smart devices has also augmented the attention that consumers pay to data privacy. Implementing strong systems and policies related to the privacy of customer data is key to retaining customers and avoiding regulatory issues. Insufficient database and network protection could further expose companies to reputational and legal risks. Cybersecurity, but also physical threats to network infrastructure (e.g. extreme weather events) can have significant economic impacts. Investing in data security and upgrading network infrastructure is therefore crucial.

Highlighted criteria

Economic Dimension

- Customer Relationship Management
- Information Security & Cybersecurity
- Network Reliability
- Privacy Protection
- Risk & Crisis Management

Environmental Dimension

- Climate Strategy
- Operational Eco-Efficiency

Social Dimension

- Human Capital Development
- Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Koninklijke KPN NV	Netherlands
RobecoSAM Silver Class	
NTT DOCOMO Inc	Japan
SK Telecom Co Ltd	South Korea
Taiwan Mobile Co Ltd	Taiwan
Telecom Italia SpA/Milano	Italy
RobecoSAM Bronze Class	
Deutsche Telekom AG	Germany
KT Corp	South Korea
Telefonica SA	Spain
TELUS Corp	Canada
True Corp PCL*	Thailand
Sustainability Yearbook Members	
Chunghwa Telecom Co Ltd	Taiwan
Nippon Telegraph & Telephone Corp	Japan
Swisscom AG	Switzerland

* RobecoSAM Industry Mover

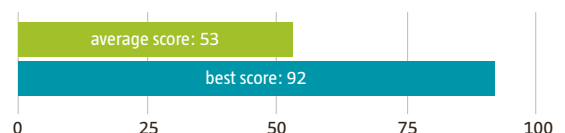
Industry statistics

Number of companies in universe	92
Number of companies assessed by RobecoSAM in 2017	57
Assessed companies to total companies in universe (%)	62
Market capitalization of assessed companies to total market capitalization (%)	84

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	53	91	47%
Environmental	53	98	20%
Social	53	96	33%

Total score





Textiles, Apparel & Luxury Goods

Driving forces

Textile, apparel & luxury goods companies leverage their strong brand recognition, high level of innovation, and sophisticated technologies to expand into new markets and categories for new consumer segments. Fast fashion, where collections race from catwalks to store racks, and rapid advances in technology, such as online shopping platforms, have produced the need to engage consumers 24/7. Companies not only require innovative marketing and selling strategies, but also responsible and environmentally-friendly sourcing models. Faced with intense stakeholder scrutiny, particularly regarding health, safety and sustainability in the supply chain, companies must increase transparency across all levels of operations. In response to more demanding consumers, companies must integrate environmental considerations into the whole life-cycle process, from product design at the front end to recycling of used goods on the back end. Companies must not only engage with contractors and suppliers on sustainability issues, but also actively monitor various practices and disclose the results of activities with its stakeholders in order to protect their reputation and ultimately, their brand and enterprise value.

Highlighted criteria

Economic Dimension

- Brand Management
- Risk & Crisis Management
- Supply Chain Management

Environmental Dimension

- Environmental Policy & Management Systems
- Operational Eco-Efficiency
- Product Stewardship

Social Dimension

- Human Rights
- Occupational Health and Safety
- Stakeholder Engagement

Sustainability leaders 2018

RobecoSAM Gold Class	
adidas AG	Germany
Kering	France
RobecoSAM Silver Class	
HUGO BOSS AG*	Germany
RobecoSAM Bronze Class	
Burberry Group PLC	United Kingdom
Gildan Activewear Inc	Canada
Sustainability Yearbook Members	
Asics Corp	Japan

* RobecoSAM Industry Mover

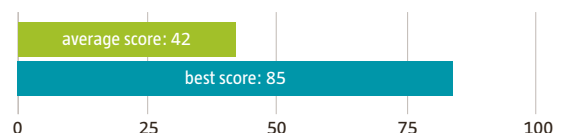
Industry statistics

Number of companies in universe	45
Number of companies assessed by RobecoSAM in 2017	33
Assessed companies to total companies in universe (%)	73
Market capitalization of assessed companies to total market capitalization (%)	91

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	43	84	41%
Environmental	43	95	21%
Social	39	86	38%

Total score



Tobacco

Driving forces

Cigarette sales volumes are stable globally, but declines in developed markets are being offset by increased consumption in emerging markets resulting in major consequences for population health. The industry's relationship with the public sector is of fundamental importance with regard to tax policies, regulations and efforts aimed at reducing cigarette smoking, especially among vulnerable groups like the young and the poor. The industry is constantly scrutinized by legislators, the media and NGOs, which require well-managed supply and distribution chains as well as a high degree of transparency. Following new tobacco control measures, it will also be increasingly important for tobacco companies to diversify their product mix. This means moving away from traditional tobacco products and exploring innovative options in areas of non-combustible (smokeless) tobacco such as snus, and reduced-harm nicotine products (with low to zero tobacco) which claim to lower health risks.

Highlighted criteria

Economic Dimension

- Brand Management
- Codes of Business Conduct
- Risk & Crisis Management
- Supply Chain Management

Environmental Dimension

- Environmental Policy & Management Systems
- Operational Eco-Efficiency
- Raw Material Sourcing

Social Dimension

- Human Capital Development
- Occupational Health and Safety

Sustainability leaders 2018

●	RobecoSAM Gold Class	
	British American Tobacco PLC	United Kingdom
●	RobecoSAM Silver Class	
	Imperial Brands PLC*	United Kingdom

* RobecoSAM Industry Mover

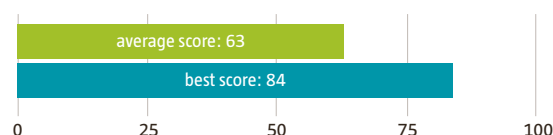
Industry statistics

Number of companies in universe	12
Number of companies assessed by RobecoSAM in 2017	9
Assessed companies to total companies in universe (%)	75
Market capitalization of assessed companies to total market capitalization (%)	93

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	60	87	42%
Environmental	71	94	24%
Social	60	87	34%

Total score





Trading Companies & Distributors

Driving forces

The trading companies and distributors industry includes companies operating in wholesale and in the distribution of multiple goods. Due to their diverse business lines, companies rely heavily on corporate governance and management skills to operate. It is a knowledge-intensive industry, therefore fair labor practices, talent attraction & retention and human capital development are key to productivity and business success. Because of their often large diversification (e.g. Japanese trading companies), the industry faces higher exposure to environmental and/or social-related risks either directly through their own direct operations or indirectly through their supply chain partners. As a result, defining clear policies and risk management processes are important for long-term value creation. Environmental and social impact assessments, as well as transparency to their stakeholders are key to mitigate future operational and reputational risks.

Highlighted criteria

- Economic Dimension**
 - Corporate Governance
 - Customer Relationship Management
 - Supply Chain Management
- Environmental Dimension**
 - Environmental Policy & Management Systems
 - Environmental Reporting
 - Operational Eco-Efficiency
- Social Dimension**
 - Human Capital Development
 - Occupational Health and Safety
 - Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
ITOCHU Corp	Japan
Mitsui & Co Ltd	Japan
RobecoSAM Silver Class	
Marubeni Corp	Japan
RobecoSAM Bronze Class	
Sojitz Corp*	Japan

* RobecoSAM Industry Mover

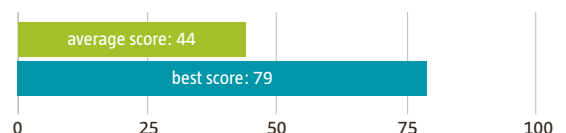
Industry statistics

Number of companies in universe	33
Number of companies assessed by RobecoSAM in 2017	29
Assessed companies to total companies in universe (%)	88
Market capitalization of assessed companies to total market capitalization (%)	97

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	48	77	43%
Environmental	43	83	19%
Social	41	84	38%

Total score





Transportation and Transportation Infrastructure

Driving forces

The transportation industry consists of a number of sub-industries (e.g. marine, rail, trucking, freight-forwarders, logistics and related infrastructure), each with distinctive dynamics, competitive landscapes, and sustainability issues. The most important material issues across the entire industry relate to the safe and efficient movement of goods and passengers. These include fuel efficiency, operational eco-efficiency, and occupational health & safety. Effectively managing these issues contributes to cost advantages which influence a companies ability to offer competitive pricing and capture market share gains. Strong customer relationship management is essential to proactively understand today's needs and identify potential issues. Offering lower carbon and more efficient transportation options provide an opportunity to acquire new customers and retain existing ones as more companies commit to reducing their carbon footprint along the entire value chain. Offering high quality, reliable service requires companies to work internally on developing an engaged and motivated workforce through effective human capital development programs. In addition, it also requires that companies work on their external image to enhance their ability to attract talented and skilled individuals.

Highlighted criteria

Economic Dimension
 – Codes of Business Conduct
 – Customer Relationship Management
 – Risk & Crisis Management

Environmental Dimension
 – Climate Strategy
 – Fuel Efficiency
 – Operational Eco-Efficiency

Social Dimension
 – Occupational Health and Safety
 – Stakeholder Engagement
 – Talent Attraction & Retention

Sustainability leaders 2018

RobecoSAM Gold Class	
Royal Mail PLC	United Kingdom
RobecoSAM Bronze Class	
Aéroports de Paris	France
Canadian National Railway Co	Canada
PostNL NV	Netherlands
Transurban Group	Australia
Sustainability Yearbook Members	
Abertis Infraestructuras SA	Spain
Airports of Thailand PCL*	Thailand
Atlantia SpA	Italy
Auckland International Airport Ltd	New Zealand
CSX Corp	United States
Deutsche Post AG	Germany
Grupo Aeroportuario del Centro Norte SAB de CV	Mexico
MTR Corp Ltd	Hong Kong
Sydney Airport	Australia
United Parcel Service Inc	United States

* RobecoSAM Industry Mover

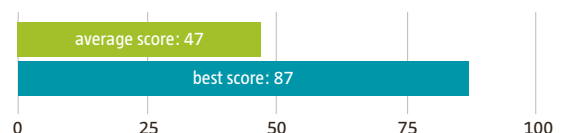
Industry statistics

Number of companies in universe	102
Number of companies assessed by RobecoSAM in 2017	76
Assessed companies to total companies in universe (%)	75
Market capitalization of assessed companies to total market capitalization (%)	90

Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	49	82	34%
Environmental	47	95	27%
Social	45	88	39%

Total score



Company overview

Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
3M Co	Industrial Conglomerates	United States			74
AA PLC	Diversified Consumer Services	United Kingdom			59
Abbott Laboratories	Health Care Equipment & Supplies	United States	●		68
AbbVie Inc	Biotechnology	United States	●		48
Abertis Infraestructuras SA	Transportation and Transportation Infrastructure	Spain			100
ABN AMRO Group NV	Banks	Netherlands	●		46
Accenture PLC	IT services & Internet Software and Services	United States			76
Acciona SA	Electric Utilities	Spain			61
Accor SA	Hotels, Resorts & Cruise Lines	France	●	●	71
Acer Inc	Computers & Peripherals and Office Electronics	Taiwan	●		55
ACS Actividades de Construccion y Servicios SA	Construction & Engineering	Spain	●		56
adidas AG	Textiles, Apparel & Luxury Goods	Germany	●		97
Adobe Systems Inc	Software	United States		●	94
Advanced Semiconductor Engineering Inc	Semiconductors & Semiconductor Equipment	Taiwan	●		93
Aegon NV	Insurance	Netherlands	●		75
Aeon Co Ltd	Food & Staples Retailing	Japan			65
Aeroports de Paris	Transportation and Transportation Infrastructure	France	●		100
AES Corp/VA	Electric Utilities	United States			61
Agilent Technologies Inc	Life Sciences Tools & Services	United States			78
Air France-KLM	Airlines	France	●		42
Airports of Thailand PCL	Transportation and Transportation Infrastructure	Thailand		●	100
Ajinomoto Co Inc	Food Products	Japan	●		66
Akzo Nobel NV	Chemicals	Netherlands	●		51
Alcoa Corp	Aluminum	United States	●		43
Allianz SE	Insurance	Germany	●		75
Alstom SA	Machinery and Electrical Equipment	France	●		79
Amadeus IT Group SA	IT services & Internet Software and Services	Spain	●		76
ANA Holdings Inc	Airlines	Japan	●	●	42
Anglo American PLC	Metals & Mining	United Kingdom	●		81
AngloGold Ashanti Ltd	Metals & Mining	South Africa			81
Anthem Inc	Health Care Providers & Services	United States			69
Archer-Daniels-Midland Co	Food Products	United States		●	66
Asahi Group Holdings Ltd	Beverages	Japan			47
Asics Corp	Textiles, Apparel & Luxury Goods	Japan			97
ASML Holding NV	Semiconductors & Semiconductor Equipment	Netherlands	●		93
Assicurazioni Generali SpA	Insurance	Italy			75
AstraZeneca PLC	Pharmaceuticals	United Kingdom	●		88
Atlantia SpA	Transportation and Transportation Infrastructure	Italy			100
Atos SE	IT services & Internet Software and Services	France	●		76

● RobecoSAM Gold Class ● RobecoSAM Silver Class ● RobecoSAM Bronze Class

Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
AU Optronics Corp	Electronic Equipment, Instruments & Components	Taiwan	●		63
Auckland International Airport Ltd	Transportation and Transportation Infrastructure	New Zealand			100
Australia & New Zealand Banking Group Ltd	Banks	Australia	●		46
Aviva PLC	Insurance	United Kingdom			75
AXA SA	Insurance	France	●		75
Ayala Land Inc	Real Estate	Philippines			90
BAE Systems PLC	Aerospace & Defense	United Kingdom			41
Baker Hughes Inc	Energy Equipment & Services	United States	●		64
Ball Corp	Containers & Packaging	United States	●	●	58
Banco Bilbao Vizcaya Argentaria SA	Banks	Spain			46
Banco Bradesco SA	Banks	Brazil	●		46
Banco Comercial Portugues SA	Banks	Portugal			46
Banco Davivienda SA	Banks	Colombia			46
Banco do Brasil SA	Banks	Brazil			46
Banco Santander SA	Banks	Spain	●		46
Bancolombia SA	Banks	Colombia	●		46
Bank of America Corp	Banks	United States	●		46
Bank of New York Mellon Corp	Diversified Financial Services and Capital Markets	United States			60
Bankia SA	Banks	Spain			46
Bankinter SA	Banks	Spain			46
Banpu PCL	Coal & Consumable Fuels	Thailand	●	●	52
Barclays PLC	Banks	United Kingdom			46
Barrick Gold Corp	Metals & Mining	Canada	●		81
BASF SE	Chemicals	Germany			51
Baxter International Inc	Health Care Equipment & Supplies	United States			68
Bayer AG	Pharmaceuticals	Germany	●		88
Bayerische Motoren Werke AG	Automobiles	Germany	●		45
Benesse Holdings Inc	Diversified Consumer Services	Japan		●	59
Best Buy Co Inc	Retailing	United States			92
BillerudKorsnas AB	Containers & Packaging	Sweden	●		58
Biogen Inc	Biotechnology	United States	●	●	48
BNP Paribas SA	Banks	France	●		46
Brambles Ltd	Commercial Services & Supplies	Australia	●		53
Braskem SA	Chemicals	Brazil			51
Bridgestone Corp	Auto Components	Japan			44
Bristol-Myers Squibb Co	Pharmaceuticals	United States			88
British American Tobacco PLC	Tobacco	United Kingdom	●		98
British Land Co PLC	Real Estate	United Kingdom			90
Burberry Group PLC	Textiles, Apparel & Luxury Goods	United Kingdom	●		97
CA Inc	Software	United States			94
CaixaBank SA	Banks	Spain	●		46

● RobecoSAM Gold Class ● RobecoSAM Silver Class ● RobecoSAM Bronze Class

Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
Campbell Soup Co	Food Products	United States			66
Canadian National Railway Co	Transportation and Transportation Infrastructure	Canada	●		100
Canadian Tire Corp Ltd	Retailing	Canada			92
CapitaLand Ltd	Real Estate	Singapore	●		90
Cardinal Health Inc	Health Care Providers & Services	United States		●	69
Carrefour SA	Food & Staples Retailing	France	●		65
Casino Guichard Perrachon SA	Food & Staples Retailing	France			65
Casio Computer Co Ltd	Leisure Equipment & Products and Consumer Electronics	Japan			77
Castellum AB	Real Estate	Sweden			90
Caterpillar Inc	Machinery and Electrical Equipment	United States			79
Cathay Financial Holding Co Ltd	Insurance	Taiwan	●	●	75
Celsia SA ESP	Electric Utilities	Colombia			61
Cementos Argos SA	Construction Materials	Colombia	●		57
Enovus Energy Inc	Oil & Gas Upstream & Integrated	Canada			85
Central Pattana PCL	Real Estate	Thailand			90
Charoen Pokphand Foods PCL	Food Products	Thailand	●		66
China Airlines Ltd	Airlines	Taiwan			42
China Everbright International Ltd	Commercial Services & Supplies	China	●		53
China Steel Corp	Steel	Taiwan	●		95
Chunghwa Telecom Co Ltd	Telecommunication Services	Taiwan			96
Cia Energetica de Minas Gerais	Electric Utilities	Brazil	●		61
Cie de Saint-Gobain	Building Products	France	●		49
Cielo SA	IT services & Internet Software and Services	Brazil			76
Cigna Corp	Health Care Providers & Services	United States	●		69
Cisco Systems Inc	Communications Equipment	United States	●	●	54
Citigroup Inc	Banks	United States	●		46
City Developments Ltd	Real Estate	Singapore			90
CJ CheilJedang Corp	Food Products	South Korea			66
Clariant AG	Chemicals	Switzerland	●		51
CNH Industrial NV	Machinery and Electrical Equipment	Italy	●		79
Coca-Cola European Partners PLC	Beverages	United Kingdom	●		47
Coca-Cola Femsa SAB de CV	Beverages	Mexico			47
Coca-Cola HBC AG	Beverages	Switzerland	●		47
Colgate-Palmolive Co	Household Products	United States	●		73
Colombina SA	Food Products	Colombia			66
Commonwealth Bank of Australia	Banks	Australia	●		46
Compass Group PLC	Restaurants & Leisure Facilities	United Kingdom			91
Conagra Brands Inc	Food Products	United States			66
ConocoPhillips	Oil & Gas Upstream & Integrated	United States			85
Coway Co Ltd	Household Durables	South Korea	●		72
Credit Suisse Group AG	Diversified Financial Services and Capital Markets	Switzerland			60

● RobecoSAM Gold Class ● RobecoSAM Silver Class ● RobecoSAM Bronze Class

Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
CRH PLC	Construction Materials	Ireland	●	●	57
CSX Corp	Transportation and Transportation Infrastructure	United States			100
CTBC Financial Holding Co Ltd	Banks	Taiwan	●		46
CTCI Corp	Construction & Engineering	Taiwan	●		56
Cummins Inc	Machinery and Electrical Equipment	United States			79
CVS Health Corp	Food & Staples Retailing	United States			65
Dai-ichi Life Holdings Inc	Insurance	Japan			75
Daiichi Sankyo Co Ltd	Pharmaceuticals	Japan	●		88
Daiwa Securities Group Inc	Diversified Financial Services and Capital Markets	Japan			60
Danone SA	Food Products	France			66
Delta Electronics Inc	Electronic Equipment, Instruments & Components	Taiwan	●		63
Delta Electronics Thailand PCL	Electronic Equipment, Instruments & Components	Thailand	●		63
Deutsche Bank AG	Diversified Financial Services and Capital Markets	Germany			60
Deutsche Boerse AG	Diversified Financial Services and Capital Markets	Germany			60
Deutsche Post AG	Transportation and Transportation Infrastructure	Germany			100
Deutsche Telekom AG	Telecommunication Services	Germany	●		96
Dexus Property Group	Real Estate	Australia	●		90
Diageo PLC	Beverages	United Kingdom	●		47
Dongbu Insurance Co Ltd	Insurance	South Korea	●		75
Doosan Corp	Industrial Conglomerates	South Korea			74
Doosan Heavy Industries & Construction Co Ltd	Machinery and Electrical Equipment	South Korea			79
DowDuPont Inc.	Chemicals	United States			51
DXC Technology Co	IT services & Internet Software and Services	United States			76
E.Sun Financial Holding Co Ltd	Banks	Taiwan	●		46
Ecolab Inc	Chemicals	United States			51
EDP - Energias de Portugal SA	Electric Utilities	Portugal	●		61
Eisai Co Ltd	Pharmaceuticals	Japan			88
Electricite de France SA	Electric Utilities	France	●		61
Electrolux AB	Household Durables	Sweden	●		72
Embraer SA	Aerospace & Defense	Brazil	●		41
Enagas SA	Oil & Gas Storage & Transportation	Spain	●		84
Endesa SA	Electric Utilities	Spain	●		61
Enel SpA	Electric Utilities	Italy	●		61
Engie SA	Multi and Water Utilities	France	●		82
Entergy Corp	Electric Utilities	United States			61
EPM Empresas Publicas de Medellin E.S.P.	Multi and Water Utilities	Colombia			82
Essilor International SA	Health Care Equipment & Supplies	France			68
Evonik Industries AG	Chemicals	Germany	●		51

● RobecoSAM Gold Class ● RobecoSAM Silver Class ● RobecoSAM Bronze Class

Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
Experian PLC	Professional Services	United Kingdom	●		89
Ferrovial SA	Construction & Engineering	Spain	●		56
Fibria Celulose SA	Paper & Forest Products	Brazil	●		86
Fonciere Des Regions	Real Estate	France			90
Fubon Financial Holding Co Ltd	Diversified Financial Services and Capital Markets	Taiwan			60
Fujitsu Ltd	IT services & Internet Software and Services	Japan	●		76
Galp Energia SGPS SA	Oil & Gas Upstream & Integrated	Portugal	●		85
Gamesa Corp Tecnologica SA	Machinery and Electrical Equipment	Spain			79
Gap Inc	Retailing	United States			92
Gas Natural SDG SA	Gas Utilities	Spain	●		67
Gecina SA	Real Estate	France	●		90
General Mills Inc	Food Products	United States			66
General Motors Co	Automobiles	United States	●		45
Gildan Activewear Inc	Textiles, Apparel & Luxury Goods	Canada	●		97
Givaudan SA	Chemicals	Switzerland			51
GlaxoSmithKline PLC	Pharmaceuticals	United Kingdom	●		88
Gold Fields Ltd	Metals & Mining	South Africa	●		81
GPT Group	Real Estate	Australia	●		90
Grupo Aeroportuario del Centro Norte SAB de CV	Transportation and Transportation Infrastructure	Mexico			100
Grupo Argos SA/Colombia	Construction Materials	Colombia	●		57
Grupo de Inversiones Suramericana SA	Diversified Financial Services and Capital Markets	Colombia			60
Grupo Energia Bogota SA ESP	Gas Utilities	Colombia		●	67
Grupo Nutresa SA	Food Products	Colombia	●		66
GS Engineering & Construction Corp	Construction & Engineering	South Korea	●		56
Hain Celestial Group Inc	Food Products	United States			66
Hammerson PLC	Real Estate	United Kingdom			90
Hang Lung Properties Ltd	Real Estate	Hong Kong			90
Hankook Tire Co Ltd	Auto Components	South Korea			44
HCP Inc	Real Estate	United States			90
Henderson Group PLC	Diversified Financial Services and Capital Markets	United Kingdom			60
Henkel AG & Co KGaA	Household Products	Germany	●	●	73
Hennes & Mauritz AB	Retailing	Sweden			92
Herman Miller Inc	Commercial Services & Supplies	United States	●		53
Hershey Co	Food Products	United States			66
Hess Corp	Oil & Gas Upstream & Integrated	United States		●	85
Hewlett Packard Enterprise Co	Computers & Peripherals and Office Electronics	United States	●		55
Hindustan Zinc Ltd	Metals & Mining	India			81
Hitachi Ltd	Electronic Equipment, Instruments & Components	Japan			63
HOCHTIEF AG	Construction & Engineering	Germany	●		56
Home Product Center PCL	Retailing	Thailand	●		92

● RobecoSAM Gold Class ● RobecoSAM Silver Class ● RobecoSAM Bronze Class

Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
Honda Motor Co Ltd	Automobiles	Japan	●		45
Hong Kong Exchanges & Clearing Ltd	Diversified Financial Services and Capital Markets	Hong Kong			60
Host Hotels & Resorts Inc	Real Estate	United States			90
HP Inc	Computers & Peripherals and Office Electronics	United States	●		55
Hudbay Minerals Inc	Metals & Mining	Canada			81
HUGO BOSS AG	Textiles, Apparel & Luxury Goods	Germany	●	●	97
Humana Inc	Health Care Providers & Services	United States			69
Hyundai Engineering & Construction Co Ltd	Construction & Engineering	South Korea	●		56
Hyundai Mobis Co Ltd	Auto Components	South Korea			44
Hyundai Steel Co	Steel	South Korea	●		95
Iberdrola SA	Electric Utilities	Spain	●		61
IHS Markit Ltd	Professional Services	United States	●		89
Imperial Brands PLC	Tobacco	United Kingdom	●	●	98
Indorama Ventures PCL	Chemicals	Thailand	●	●	51
Indra Sistemas SA	IT services & Internet Software and Services	Spain			76
Industria de Diseno Textil SA	Retailing	Spain	●		92
Infineon Technologies AG	Semiconductors & Semiconductor Equipment	Germany	●		93
Informa PLC	Media	United Kingdom		●	80
Infosys Ltd	IT services & Internet Software and Services	India			76
ING Groep NV	Banks	Netherlands	●		46
Ingersoll-Rand PLC	Machinery and Electrical Equipment	United States			79
Innolux Corp	Electronic Equipment, Instruments & Components	Taiwan			63
Inpex Corp	Oil & Gas Upstream & Integrated	Japan			85
Insurance Australia Group Ltd	Insurance	Australia	●		75
Intel Corp	Semiconductors & Semiconductor Equipment	United States	●	●	93
Interconexion Electrica SA ESP	Electric Utilities	Colombia			61
InterContinental Hotels Group PLC	Hotels, Resorts & Cruise Lines	United Kingdom	●		71
Intesa Sanpaolo SpA	Banks	Italy			46
Intu Properties PLC	Real Estate	United Kingdom			90
Investec PLC	Diversified Financial Services and Capital Markets	United Kingdom			60
IQVIA Holdings Inc	Life Sciences Tools & Services	United States			78
IRPC PCL	Oil & Gas Refining & Marketing	Thailand	●		83
ISS A/S	Commercial Services & Supplies	Denmark	●		53
Itau Unibanco Holding SA	Banks	Brazil	●		46
Itausa - Investimentos Itau SA	Banks	Brazil	●		46
ITOCHU Corp	Trading Companies & Distributors	Japan	●		99
JCDecaux SA	Media	France	●		80
Jones Lang LaSalle Inc	Real Estate	United States			90
JSW Steel Ltd	Steel	India		●	95
Kangwon Land Inc	Casinos & Gaming	South Korea	●		50
Kao Corp	Personal Products	Japan	●		87

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
Kasikornbank PCL	Banks	Thailand	●		46
KB Financial Group Inc	Banks	South Korea	●	●	46
Kellogg Co	Food Products	United States			66
KEPCO Plant Service & Engineering Co Ltd	Commercial Services & Supplies	South Korea	●		53
Kering	Textiles, Apparel & Luxury Goods	France	●		97
Kesko OYJ	Food & Staples Retailing	Finland	●	●	65
Kilroy Realty Corp	Real Estate	United States			90
Kimco Realty Corp	Real Estate	United States			90
Kingfisher PLC	Retailing	United Kingdom			92
Kinross Gold Corp	Metals & Mining	Canada		●	81
Klabin SA	Containers & Packaging	Brazil	●		58
Klepierre	Real Estate	France	●		90
Komatsu Ltd	Machinery and Electrical Equipment	Japan			79
Konica Minolta Inc	Computers & Peripherals and Office Electronics	Japan	●		55
Koninklijke Ahold Delhaize NV	Food & Staples Retailing	Netherlands	●		65
Koninklijke DSM NV	Chemicals	Netherlands	●		51
Koninklijke KPN NV	Telecommunication Services	Netherlands	●		96
Koninklijke Philips NV	Industrial Conglomerates	Netherlands	●		74
Korea Electric Power Corp	Electric Utilities	South Korea			61
KT Corp	Telecommunication Services	South Korea	●		96
Ladbrokes Coral Group PLC	Casinos & Gaming	United Kingdom	●		50
Land Securities Group PLC	Real Estate	United Kingdom	●		90
LANXESS AG	Chemicals	Germany	●		51
Latam Airlines Group SA	Airlines	Chile			42
LendLease Group	Real Estate	Australia			90
Leonardo SpA	Aerospace & Defense	Italy	●		41
LG Chem Ltd	Chemicals	South Korea			51
LG Electronics Inc	Leisure Equipment & Products and Consumer Electronics	South Korea	●		77
LG Household & Health Care Ltd	Personal Products	South Korea	●		87
LG Innotek Co Ltd	Electronic Equipment, Instruments & Components	South Korea			63
Liberty Global PLC	Media	United States	●		80
Linde AG	Chemicals	Germany			51
Link REIT	Real Estate	Hong Kong			90
Lite-On Technology Corp	Computers & Peripherals and Office Electronics	Taiwan	●		55
LIXIL Group Corp	Building Products	Japan			49
Lockheed Martin Corp	Aerospace & Defense	United States	●		41
Lojas Renner SA	Retailing	Brazil			92
London Stock Exchange Group PLC	Diversified Financial Services and Capital Markets	United Kingdom			60
Mahindra & Mahindra Financial Services Ltd	Diversified Financial Services and Capital Markets	India			60
ManpowerGroup Inc	Professional Services	United States	●		89

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
Marubeni Corp	Trading Companies & Distributors	Japan	●		99
Marui Group Co Ltd	Retailing	Japan			92
Mazda Motor Corp	Automobiles	Japan	●		45
Medtronic PLC	Health Care Equipment & Supplies	United States		●	68
METRO AG	Food & Staples Retailing	Germany	●		65
Metso OYJ	Machinery and Electrical Equipment	Finland			79
Microsoft Corp	Software	United States			94
Mirae Asset Daewoo Co Ltd	Diversified Financial Services and Capital Markets	South Korea			60
Mirvac Group	Real Estate	Australia	●		90
Mitsubishi Chemical Holdings Corp	Chemicals	Japan	●		51
Mitsui & Co Ltd	Trading Companies & Distributors	Japan	●		99
Modern Times Group MTG AB	Media	Sweden			80
MOL Hungarian Oil & Gas PLC	Oil & Gas Upstream & Integrated	Hungary			85
Mondelez International Inc	Food Products	United States			66
MS&AD Insurance Group Holdings Inc	Insurance	Japan	●		75
MTR Corp Ltd	Transportation and Transportation Infrastructure	Hong Kong			100
Muenchener Rueckversicherungs-Gesellschaft AG	Insurance	Germany			75
Nabtesco Corp	Machinery and Electrical Equipment	Japan			79
National Australia Bank Ltd	Banks	Australia	●		46
Nedbank Group Ltd	Banks	South Africa			46
Neste Oyj	Oil & Gas Refining & Marketing	Finland	●		83
Nestle SA	Food Products	Switzerland	●		66
Netcare Ltd	Health Care Providers & Services	South Africa			69
Newmont Mining Corp	Metals & Mining	United States	●		81
NGK Spark Plug Co Ltd	Auto Components	Japan			44
Nielsen Holdings PLC	Professional Services	United States	●	●	89
Nikon Corp	Leisure Equipment & Products and Consumer Electronics	Japan			77
Nippon Telegraph & Telephone Corp	Telecommunication Services	Japan			96
NN Group NV	Insurance	Netherlands	●		75
Nokia OYJ	Communications Equipment	Finland	●		54
Nokian Renkaat OYJ	Auto Components	Finland	●	●	44
Nomura Holdings Inc	Diversified Financial Services and Capital Markets	Japan			60
Nomura Research Institute Ltd	IT services & Internet Software and Services	Japan			76
Norsk Hydro ASA	Aluminum	Norway	●		43
Novartis AG	Pharmaceuticals	Switzerland	●		88
Novo Nordisk A/S	Pharmaceuticals	Denmark	●		88
Novozymes A/S	Chemicals	Denmark			51
NTT Data Corp	IT services & Internet Software and Services	Japan	●	●	76
NTT DOCOMO Inc	Telecommunication Services	Japan	●		96
NVIDIA Corp	Semiconductors & Semiconductor Equipment	United States			93

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
Oil Search Ltd	Oil & Gas Upstream & Integrated	Australia	●		85
Omron Corp	Electronic Equipment, Instruments & Components	Japan			63
Organizacion Terpel SA	Retailing	Colombia			92
Osaka Gas Co Ltd	Gas Utilities	Japan			67
Oshkosh Corp	Machinery and Electrical Equipment	United States		●	79
OSRAM Licht AG	Electrical Components & Equipment	Germany	●		62
Outotec OYJ	Metals & Mining	Finland			81
Owens Corning	Building Products	United States	●		49
Pearson PLC	Media	United Kingdom	●		80
Peugeot SA	Automobiles	France	●		45
PG&E Corp	Electric Utilities	United States		●	61
Philips Lighting NV	Electrical Components & Equipment	Netherlands	●		62
Pirelli & C. SpA	Auto Components	Italy	●		44
POSCO	Steel	South Korea	●		95
PostNL NV	Transportation and Transportation Infrastructure	Netherlands	●		100
Praxair Inc	Chemicals	United States	●		51
Provident Financial PLC	Diversified Financial Services and Capital Markets	United Kingdom		●	60
Prysmian SpA	Electrical Components & Equipment	Italy	●	●	62
PTT Exploration & Production PCL	Oil & Gas Upstream & Integrated	Thailand	●		85
PTT Global Chemical PCL	Chemicals	Thailand	●		51
PTT PCL	Oil & Gas Upstream & Integrated	Thailand	●		85
Quest Diagnostics Inc	Health Care Providers & Services	United States			69
Randstad Holding NV	Professional Services	Netherlands	●		89
Red Electrica Corp SA	Electric Utilities	Spain	●		61
Rentokil Initial PLC	Commercial Services & Supplies	United Kingdom	●		53
Republic Services Inc	Commercial Services & Supplies	United States	●		53
Rio Tinto PLC	Metals & Mining	United Kingdom			81
Roche Holding AG	Pharmaceuticals	Switzerland	●		88
Rolls-Royce Holdings PLC	Aerospace & Defense	United Kingdom	●		41
Royal Bank of Canada	Banks	Canada			46
Royal Bank of Scotland Group PLC	Banks	United Kingdom			46
Royal Dutch Shell PLC	Oil & Gas Upstream & Integrated	United Kingdom			85
Royal Mail PLC	Transportation and Transportation Infrastructure	United Kingdom	●		100
S-Oil Corp	Oil & Gas Refining & Marketing	South Korea	●		83
S&P Global Inc	Diversified Financial Services and Capital Markets	United States			60
SACI Falabella	Retailing	Chile			92
Saipem SpA	Energy Equipment & Services	Italy	●		64
Samsung C&T Corp	Industrial Conglomerates	South Korea	●	●	74
Samsung Electro-Mechanics Co Ltd	Electronic Equipment, Instruments & Components	South Korea	●		63

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
Samsung Electronics Co Ltd	Computers & Peripherals and Office Electronics	South Korea	●	●	55
Samsung Engineering Co Ltd	Construction & Engineering	South Korea	●		56
Samsung Fire & Marine Insurance Co Ltd	Insurance	South Korea	●		75
Samsung Life Insurance Co Ltd	Insurance	South Korea	●		75
Samsung SDI Co Ltd	Electronic Equipment, Instruments & Components	South Korea	●	●	63
Samsung Securities Co Ltd	Diversified Financial Services and Capital Markets	South Korea	●		60
Sandvik AB	Machinery and Electrical Equipment	Sweden	●		79
Sanofi	Pharmaceuticals	France	●		88
Santen Pharmaceutical Co Ltd	Pharmaceuticals	Japan			88
SAP SE	Software	Germany	●		94
SBM Offshore NV	Energy Equipment & Services	Netherlands	●		64
Schlumberger Ltd	Energy Equipment & Services	United States	●		64
Schneider Electric SE	Electrical Components & Equipment	France	●		62
Sekisui Chemical Co Ltd	Homebuilding	Japan	●		70
Sekisui House Ltd	Homebuilding	Japan	●	●	70
Sempra Energy	Multi and Water Utilities	United States	●		82
Seven & i Holdings Co Ltd	Food & Staples Retailing	Japan	●		65
SGS SA	Professional Services	Switzerland	●		89
Shinhan Financial Group Co Ltd	Banks	South Korea	●		46
Siam Cement PCL	Construction Materials	Thailand	●		57
Siam Commercial Bank PCL	Banks	Thailand	●		46
Siemens AG	Industrial Conglomerates	Germany	●		74
SK Holdings Co Ltd	Industrial Conglomerates	South Korea	●		74
SK Hynix Inc	Semiconductors & Semiconductor Equipment	South Korea			93
SK Innovation Co Ltd	Oil & Gas Refining & Marketing	South Korea	●	●	83
SK Telecom Co Ltd	Telecommunication Services	South Korea	●		96
Skandinaviska Enskilda Banken AB	Banks	Sweden			46
Sky PLC	Media	United Kingdom	●		80
Smith & Nephew PLC	Health Care Equipment & Supplies	United Kingdom			68
Snam SpA	Oil & Gas Storage & Transportation	Italy	●		84
Societe Generale SA	Banks	France			46
Sodexo SA	Restaurants & Leisure Facilities	France	●		91
Sojitz Corp	Trading Companies & Distributors	Japan	●	●	99
Solvay SA	Chemicals	Belgium			51
Sompo Holdings Inc	Insurance	Japan	●		75
Sonoco Products Co	Containers & Packaging	United States	●		58
Sonova Holding AG	Health Care Equipment & Supplies	Switzerland			68
Standard Chartered PLC	Banks	United Kingdom			46
Standard Life PLC	Insurance	United Kingdom	●		75
Stanley Black & Decker Inc	Machinery and Electrical Equipment	United States			79
Star Entertainment Grp Ltd	Casinos & Gaming	Australia	●		50

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
Starbucks Corp	Restaurants & Leisure Facilities	United States			91
State Street Corp	Diversified Financial Services and Capital Markets	United States			60
STMicroelectronics NV	Semiconductors & Semiconductor Equipment	Italy	●		93
Stockland	Real Estate	Australia	●		90
Suez	Multi and Water Utilities	France	●		82
Sumitomo Dainippon Pharma Co Ltd	Pharmaceuticals	Japan		●	88
Sumitomo Forestry Co Ltd	Homebuilding	Japan	●		70
Svenska Handelsbanken AB	Banks	Sweden			46
Swedbank AB	Banks	Sweden			46
Swire Pacific Ltd	Real Estate	Hong Kong			90
Swire Properties Ltd	Real Estate	Hong Kong			90
Swiss Re AG	Insurance	Switzerland	●		75
Swisscom AG	Telecommunication Services	Switzerland			96
Sydney Airport	Transportation and Transportation Infrastructure	Australia			100
Symantec Corp	Software	United States			94
System Corp	Health Care Equipment & Supplies	Japan			68
Tabcorp Holdings Ltd	Casinos & Gaming	Australia	●		50
Taiwan Mobile Co Ltd	Telecommunication Services	Taiwan	●		96
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & Semiconductor Equipment	Taiwan	●		93
Takeda Pharmaceutical Co Ltd	Pharmaceuticals	Japan			88
Tata Consultancy Services Ltd	IT services & Internet Software and Services	India			76
Tata Steel Ltd	Steel	India	●		95
Tech Mahindra Ltd	IT services & Internet Software and Services	India	●		76
TechnipFMC PLC	Energy Equipment & Services	United States	●	●	64
Teck Resources Ltd	Metals & Mining	Canada	●		81
Telecom Italia SpA/Milano	Telecommunication Services	Italy	●		96
Telefonica SA	Telecommunication Services	Spain	●		96
Telenet Group Holding NV	Media	Belgium	●		80
Television Francaise 1	Media	France	●		80
TELUS Corp	Telecommunication Services	Canada	●		96
Terna Rete Elettrica Nazionale SpA	Electric Utilities	Italy	●		61
Thai Beverage PCL	Beverages	Thailand	●	●	47
Thai Oil PCL	Oil & Gas Refining & Marketing	Thailand	●		83
Thai Union Group PCL	Food Products	Thailand	●		66
Thales SA	Aerospace & Defense	France	●		41
Tokio Marine Holdings Inc	Insurance	Japan	●		75
Tokyo Electron Ltd	Semiconductors & Semiconductor Equipment	Japan	●		93
Toppa Printing Co Ltd	Commercial Services & Supplies	Japan	●	●	53
Toronto-Dominion Bank	Banks	Canada	●		46
TOTAL SA	Oil & Gas Upstream & Integrated	France	●		85
TransCanada Corp	Oil & Gas Storage & Transportation	Canada	●		84

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Mover	Page
Transurban Group	Transportation and Transportation Infrastructure	Australia	●		100
True Corp PCL	Telecommunication Services	Thailand	●	●	96
TUI AG	Hotels, Resorts & Cruise Lines	Germany	●		71
Turkiye Garanti Bankasi AS	Banks	Turkey			46
UBS Group AG	Diversified Financial Services and Capital Markets	Switzerland	●		60
UniCredit SpA	Banks	Italy			46
Unilever NV	Personal Products	Netherlands	●		87
United Microelectronics Corp	Semiconductors & Semiconductor Equipment	Taiwan	●		93
United Parcel Service Inc	Transportation and Transportation Infrastructure	United States			100
United Utilities Group PLC	Multi and Water Utilities	United Kingdom			82
UnitedHealth Group Inc	Health Care Providers & Services	United States			69
UPM-Kymmene OYJ	Paper & Forest Products	Finland	●	●	86
Valeo SA	Auto Components	France	●		44
Valmet OYJ	Machinery and Electrical Equipment	Finland	●		79
Ventas Inc	Real Estate	United States			90
Veolia Environnement SA	Multi and Water Utilities	France	●	●	82
Vestas Wind Systems A/S	Machinery and Electrical Equipment	Denmark			79
Vicinity Centres	Real Estate	Australia	●		90
Vinci SA	Construction & Engineering	France	●		56
Vipshop Holdings Ltd	Retailing	China		●	92
Vivendi SA	Media	France			80
Voya Financial Inc	Diversified Financial Services and Capital Markets	United States			60
Wartsila OYJ Abp	Machinery and Electrical Equipment	Finland			79
Waste Management Inc	Commercial Services & Supplies	United States	●		53
Welltower Inc	Real Estate	United States		●	90
Wereldhave NV	Real Estate	Netherlands	●		90
Wesfarmers Ltd	Food & Staples Retailing	Australia	●		65
Westpac Banking Corp	Banks	Australia	●		46
Weyerhaeuser Co	Real Estate	United States			90
Whitbread PLC	Restaurants & Leisure Facilities	United Kingdom			91
Wipro Ltd	IT services & Internet Software and Services	India	●		76
Woodside Petroleum Ltd	Oil & Gas Upstream & Integrated	Australia	●		85
Woolworths Holdings Ltd/South Africa	Retailing	South Africa			92
WPP PLC	Media	United Kingdom			80
Wyndham Worldwide Corp	Hotels, Resorts & Cruise Lines	United States	●		71
Yes Bank Ltd	Banks	India			46
Yokogawa Electric Corp	Electronic Equipment, Instruments & Components	Japan			63
Zurich Insurance Group AG	Insurance	Switzerland	●		75

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About RobecoSAM

Founded in 1995, RobecoSAM is an investment specialist focused exclusively on Sustainability Investing. It offers asset management, indices, impact analysis and investing, sustainability assessments, and benchmarking services. The company's asset management capabilities cater to institutional asset owners and financial intermediaries and cover a range of ESG-integrated investments, featuring a strong track record in resource efficiency-themed strategies. Together with S&P Dow Jones Indices, RobecoSAM publishes the globally recognized Dow Jones Sustainability Indices (DJSI) as well as the S&P ESG Factor Weighted Index series, the first index family to treat ESG as a standalone performance factor using the RobecoSAM Smart ESG methodology. Based on its Corporate Sustainability Assessment (CSA), an annual ESG analysis of over 3,900 listed companies, RobecoSAM has compiled one of the world's most comprehensive databases of financially material sustainability information. The CSA data is also included in USD 104 billion of assets under management at Robeco.

RobecoSAM is a sister company of Robeco, the Dutch investment management firm founded in 1929. Both entities are subsidiaries of ORIX Corporation Europe N.V., the center of asset management expertise for ORIX Corporation. As a reflection of its own commitment to advancing sustainable investment practices, RobecoSAM is a signatory of the PRI, UN Global Compact and Climate Action 100+, a supporter of the Task force on Climate-related Financial Disclosure (TCFD), as well as a member of Eurosif, Swiss Sustainable Finance, Carbon Disclosure Project (CDP), and Portfolio Decarbonization Coalition (PDC).

RobecoSAM Academic Activities

RobecoSAM has implemented a proactive approach to developing its research partnerships with academic institutions. The purpose of these research collaborations is to strengthen RobecoSAM's position as a thought leader within the Sustainability Finance industry, capitalize on the value of RobecoSAM's proprietary database and further develop its cutting edge methodology for integrating sustainability into the investment process. Within this framework, RobecoSAM focuses on extensive collaboration with and sponsorship of selected academic institutions.

Over the past year, RobecoSAM has been involved in research collaborations with the following academic institutions:

- Harvard Law School (USA)
- Griffith University (Australia)
- Rotterdam School of Management (Netherlands)
- University of Queensland (Australia)
- University of Siena (Italy)

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