

## RobecoSAM Communication on Progress (COP)

### General

Period covered: FY2013 - 2014

Background and Scope of COP: *RobecoSAM is a specialized investment boutique, focusing exclusively on Sustainability Investing with 100 employees based in Zurich Switzerland. Hence, the direct impact of our operations on environmental or human rights matters is negligible. However, RobecoSAM has been assessing companies on environmental, social and economic criteria since 1995, thereby preceding the launch of the Global Compact by 5 years. RobecoSAM assesses and rates the corporate sustainability of corporates on the basis of public information as well as information provided directly by those companies. The overall market capitalization of all companies assessed amounts to over 35 trillion US dollars, which represents over 65% of the world global market capitalization of publically traded stocks. Many of those companies use the results of RobecoSAM's assessment as a benchmark to improve their own corporate sustainability performance. RobecoSAM's indirect impact on global corporates behaviour is therefore infinitely more significant than its direct impact due to its own operations. Hence, in the following report, we mostly address our indirect impact. While one of the outputs of this assessment is widely known as the Dow Jones Sustainability Indices, RobecoSAM also puts together an annual review of the assessment, the RobecoSAM Yearbook, which we attach to this COP.*

### Statement of continued support by the Chief Executive Officer (CEO)

H.E. Ban Ki-moon  
Secretary-General  
United Nations  
New York, NY 10017, USA

Zurich, February 6<sup>th</sup>, 2014

*Dear Mr. Secretary-General,*

*We are pleased to confirm that RobecoSAM supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. RobecoSAM will continue making a clear statement of this commitment to our stakeholders and the general public.*

*We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement or to help implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress annually according to the Global Compact COP policy.*

*Sincerely yours,*

Michael Baldinger  
Chief Executive Officer  
RobecoSAM

Corresponding Contact  
Christopher Greenwald  
Christopher.Greenwald@robecosam.com

### **Human Rights Principles**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

#### **Assessment, Policy and Goals**

Description of the relevance of human rights for the company. Description of policies, public commitments and company goals on Human Rights.

*RobecoSAM believes that all companies should follow Principle 1 and 2. We also believe that companies that have systems in place which ensure that such issue won't take place in their own global operations as well as in their supply chain will outperform those of their peers which do not have such systems in place. Hence, we evaluate for all of the companies which we assess annually if they follow principles 1 and 2.*

#### **Implementation**

Description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.

*As mentioned above companies are asked to answer specific questions about human rights and processes in place and to provide documents demonstrating their internal human right assessment process.*

#### **Measurement of outcomes**

Description of how the company monitors and evaluates performance.

*On the basis of the quality of the answers, companies are assigned scores which allows for a ranking of companies. Companies are made aware of their scores, and they try to improve year over year versus their peers.*

### **Labour Principles**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

#### **Assessment, Policy and Goals**

Description of the relevance of labour rights for the company. Description of written policies, public commitments and company goals on labour rights.

*RobecoSAM believes that employees are a company's most important resource, as such it is important to treat its workforce with respect and dignity. Companies which don't follow recognized international standards will eventually lose their employees to companies which do, and expose themselves to reputational risks and liabilities thereby underperforming their peers in the long run. Hence, RobecoSAM asks questions to all of the companies assessed that are related to labour conditions, standards and management practices related to the workforce.*

#### **Implementation**

Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations.

*As mentioned above companies are asked to answer specific questions about labour indicators, rights and processes in place.*

#### **Measurement of outcomes**

Description of how the company monitors and evaluates performance.

*On the basis of the quality of the answers, companies are assigned scores which allows for a ranking of companies. Companies are made aware of their scores, and they try to improve year over year versus their peers.*

### **Environmental Principles**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

### **Assessment, Policy and Goals**

Description of the relevance of environmental protection for the company. Description of policies, public commitments and company goals on environmental protection

*RobecoSAM believes that companies which take into consideration global trends in running their businesses will outperform companies which don't. RobecoSAM believes that climate change, water scarcity, energy scarcity, resources scarcity, pollution of the biosphere and decreasing biodiversity are trends which will have significant impact on the risk profiles of companies in the decades to come. At the same time, companies bringing solutions to these environmental challenges will benefit from those higher growth opportunities. Hence, companies which better manage environmental risks and opportunities will outperform their peers in the future. RobecoSAM assesses companies on their ability to manage such environmental risks and opportunities.*

### **Implementation**

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents

*As mentioned above companies are asked to report on environmental KPIs, and processes in place, such as climate strategy, CO2 emissions, energy usage, water usage, water related risks, toxic waste, recycling of products, life cycle analysis, etc.*

### **Measurement of outcomes**

Description of how the company monitors and evaluates environmental performance

*On the basis of the quality of the answers, companies are assigned scores which allows for a ranking of companies. Companies are made aware of their scores, and they try to improve year over year versus their peers.*

### **Anti-Corruption Principles**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

### **Assessment, Policy and Goals**

Description of the relevance of anti-corruption for the company. Description of policies, public commitments and company goals on anti-corruption.

*Corruption represents high transaction cost for companies and limits fair competition, hence RobecoSAM believe that companies should do all they can to combat corruption in their spheres of influence. Processes put in place by companies to minimize corruption are assessed looking at companies' codes of conducts, educational systems, whistle blowing policy,...*

### **Implementation**

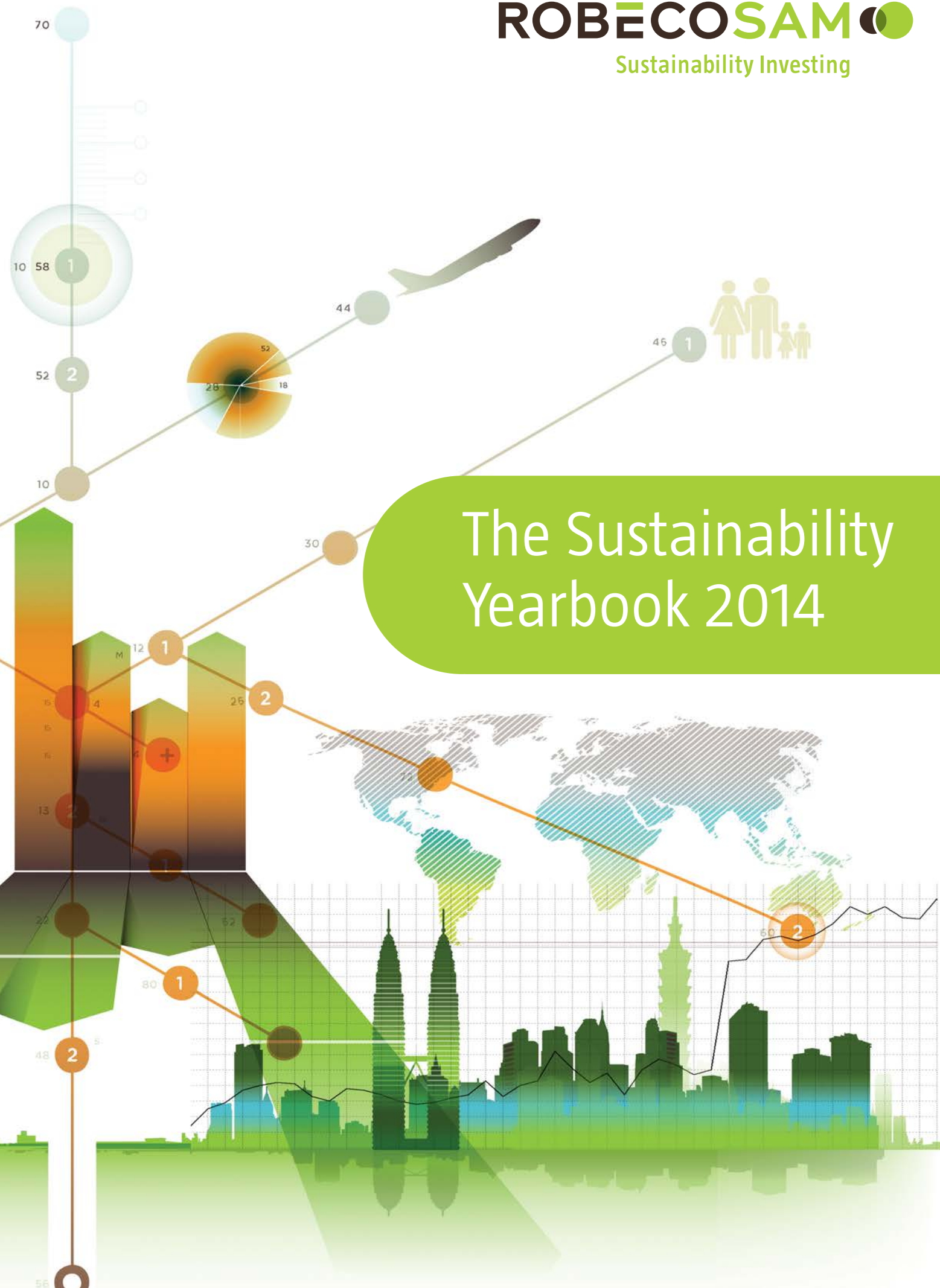
Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

*As mentioned above companies are asked to answer specific questions about corruption, KPIs, and processes in place.*

### **Measurement of outcomes**

Description of how the company monitors and evaluates anti-corruption performance.

*On the basis of the quality of the answers, companies are assigned scores which allows for a ranking of companies. Companies are made aware of their scores, which they try to improve year over year versus their peers.*



**The Sustainability Yearbook 2014**

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01/2014

RobecoSAM AG

[yearbook.robecosam.com](http://yearbook.robecosam.com)



# Foreword

**Michael Baldinger**  
Chief Executive Officer  
RobecoSAM



## Dear Reader,

Over the last few years, financial materiality and integrated reporting have dominated much of the discussions surrounding Sustainability Investing and corporate sustainability. In addition to publicly recognizing the companies that have excelled in corporate sustainability, the 2014 edition of The Sustainability Yearbook offers some insights into these topics.

This year's publication begins with a guest article by Yvo de Boer, Global Chairman Climate Change & Sustainability Services at KPMG International, in which he examines the current corporate sustainability reporting landscape. Although sustainability reporting was once merely considered an 'optional but nice' activity, it now appears to have become practically mandatory for most multinational companies. Yet companies still struggle to communicate how environmental, social and governance factors affect the long-term financial performance of their business.

And here lies the challenge for companies and investors alike: How does one determine whether or not a sustainability factor is financially material? But this is nothing new to RobecoSAM. As an asset manager dedicated exclusively to Sustainability Investing, we have always focused on identifying financially relevant sustainability factors. Based on rigorous research and continuous dialogue with thousands of companies over the years, we have continuously refined our methodology to ensure that our analysis remains focused on financially material criteria. Christopher Greenwald, RobecoSAM's Co-Head of Sustainability Investing Research sheds light on how RobecoSAM determines financial materiality of sustainability.

This year, we were pleased to see a 31% increase in participation in the Corporate Sustainability Assessment from companies based in the emerging markets. Over the last few years, companies in the emerging markets have increasingly embraced corporate sustainability as

a source of competitive advantage. In the third chapter of The Sustainability Yearbook, Guido Giese, Head of Indices, and Kathelijne Marritt-Alers, Senior Relationship Manager of Sustainability Indices at RobecoSAM, explore some of the drivers behind this growing interest in sustainability, and highlight some of the countries and industries in these regions that have emerged as sustainability leaders.

As multinational companies increasingly expand their operations, sales and distribution activities to other regions – including the emerging markets – companies must be willing to interact with local stakeholders to

**Starting with their own corporate pension funds, Sustainability Leaders are in an ideal position to encourage investors to integrate sustainability into their investment strategies.**

understand the full economic, environmental and social impact of their business activities. With the rise of social media in an ever more globalized world, local stakeholders have the power to disrupt local operations, production or sales, causing reputational and financial damage to the company. For this reason, RobecoSAM recently introduced an enhanced framework for assessing companies' stakeholder engagement strategies. We highlight the preliminary findings of our evaluation of companies' approaches to stakeholder engagement and talk to Stefan Seidel of PUMA. Safe to learn why stakeholder engagement is an important component of his company's corporate sustainability strategy.

As always, The Sustainability Yearbook also provides an overview of the results of our annual Corporate Sustainability Assessment and highlights key trends shaping each of the 59 analyzed industries. The top scoring company in each industry is named the RobecoSAM Industry Leader, and companies listed in the Yearbook are classified into three categories: RobecoSAM Gold Class, RobecoSAM Silver Class and RobecoSAM Bronze Class.

A record-breaking number of companies took part in this year's assessment. I am delighted to see that every year, a growing number of companies demonstrate their commitment to sustainability by actively participating in the Corporate Sustainability Assessment. But companies still face many challenges in convincing investors to embrace sustainability as a means of generating shareholder value. I am confident that we can change this. Starting with their own corporate pension funds, Sustainability Leaders are in an ideal position to encourage investors to integrate sustainability into their investment strategies. Therefore, with the publication of the 2014 Sustainability Yearbook, I would like to issue a challenge to the Sustainability Leaders: talk to your pension fund managers. Help them understand the financial and competitive benefits of corporate sustainability strategies and how these translate into shareholder value.

I hope this edition of the Yearbook helps spark a much needed discussion within companies and among investors, helping to bring about the necessary changes in order to create long-term value for all stakeholders: investors, companies and society alike.

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**Yvo de Boer, Global Chairman Climate Change & Sustainability Services at KPMG International, explores the current state of corporate sustainability reporting and how it is likely evolve.**

Back in 1993, corporate responsibility (CR) reporting was a new and niche activity practiced by only one in ten pioneering companies, according to the first KPMG Survey of Corporate Responsibility Reporting that was published that year.

Fast forward 20 years and things are very different. The latest KPMG survey, published in December 2013, shows that CR reporting is now mainstream business practice the world over. Almost three quarters (71 %) of the 4,100 companies our member firms researched, representing the top 100 companies from 41 countries

(N100) across 15 sectors, now issue CR or sustainability reports.

Asia Pacific in particular has seen remarkable growth in CR reporting. Only two years ago, less than half of the top companies in the Asia Pacific issued CR reports, now seven out of ten do so. The CR reporting rate has surged by 53 percentage points in India, by 37 in Singapore, 19 in Taiwan and 16 in China.

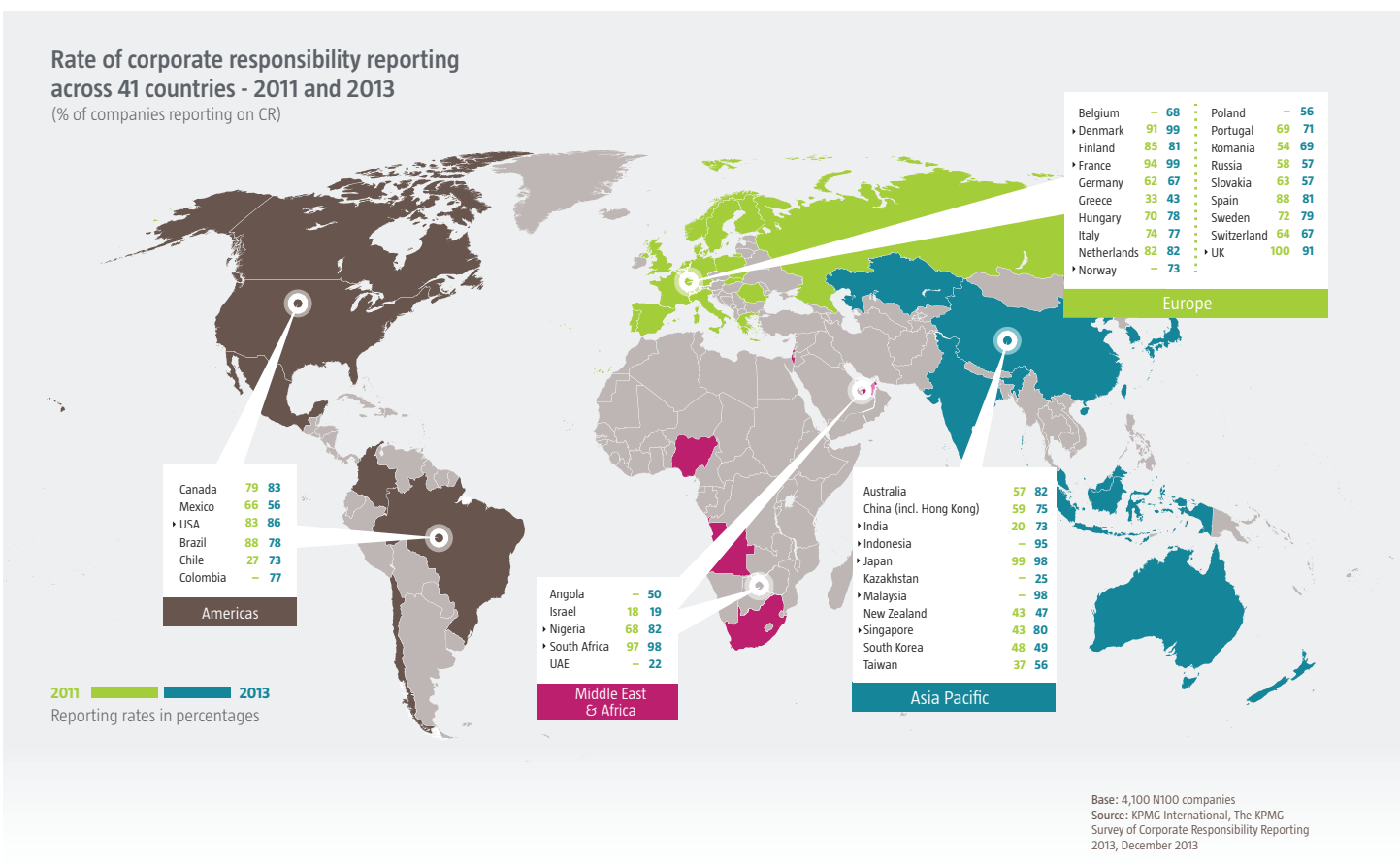
If anyone still thinks that Asia is a CR reporting dead zone, they should think again.

**Figure 1: Countries included in the KPMG Survey of Corporate Responsibility Reporting 2013**

Americas	Asia Pacific	Europe		Middle East & Africa
Brazil	Australia	▶ Belgium	▶ Poland	▶ Angola
Canada	China (incl. Hong Kong)	Denmark	Portugal	Israel
Chile	India	Finland	Romania	Nigeria
▶ Colombia	▶ Indonesia	France	Russia	South Africa
Mexico	Japan	Germany	Slovakia	▶ UAE
USA	▶ Kazakhstan	Greece	Spain	
	▶ Malaysia	Hungary	Sweden	
	New Zealand	Italy	Switzerland	
	Singapore	Netherlands	UK	
	South Korea	▶ Norway		
	Taiwan			

▶ New countries added to the survey in 2013

Figure 2: Rate of corporate responsibility reporting across 41 countries - 2011 and 2013



► Spotlight on reporting requirements

The following countries have high CR reporting rates or significant recent growth in CR reporting, related to reporting requirements:

► Denmark

Financial Statements Act requires large companies to report on CR activities, or, if they do not, to explain in their annual reports why not.

► France

Grenelle II Act requires large companies to report annually on CR activities and advises reports are subject to independent verification.

► India

The top 100 listed companies in India are required by the Securities Exchange Board to report on CR in their annual reporting from financial year 2012/13.

► Indonesia

Law No. 40/2007 requires Limited Liability Companies to report on CR in the annual report. Publicly-listed companies are also required to report on CR in the annual report.

► Japan

Mandatory and voluntary guidelines for certain types of companies to report on environmental impacts, including GHG emissions.

► Malaysia

Malaysia Stock Exchange listing requirement that companies describe CR activities and law that all publicly listed companies publish CR information in the annual report.

Source: KPMG, United Nations Environment Programme, Global Reporting Initiative and Unit for Corporate Governance in Africa, Carrots and Sticks, Sustainability reporting policies worldwide, 2013.

► Nigeria

Central Bank of Nigeria requires financial services companies to report on CR and the Securities and Exchange Commission of Nigeria Corporate Governance Code recommends companies disclose CR practices.

► Norway

Norwegian Accounting Act (and amendment in 2013) requires large companies to report on social, environmental and anti-corruption activities.

► Singapore

Singapore Stock Exchange (SGX) Sustainability Reporting Guide for listed companies and Code of Corporate Governance encourage CR reporting, and Energy Conservation Act 2012 requires large companies to report on energy use.

► South Africa

King Code of Governance Principles and King Report on Governance (King III), and Johannesburg Stock Exchange (JSE) require companies to publish an integrated report including CR performance.

► UK

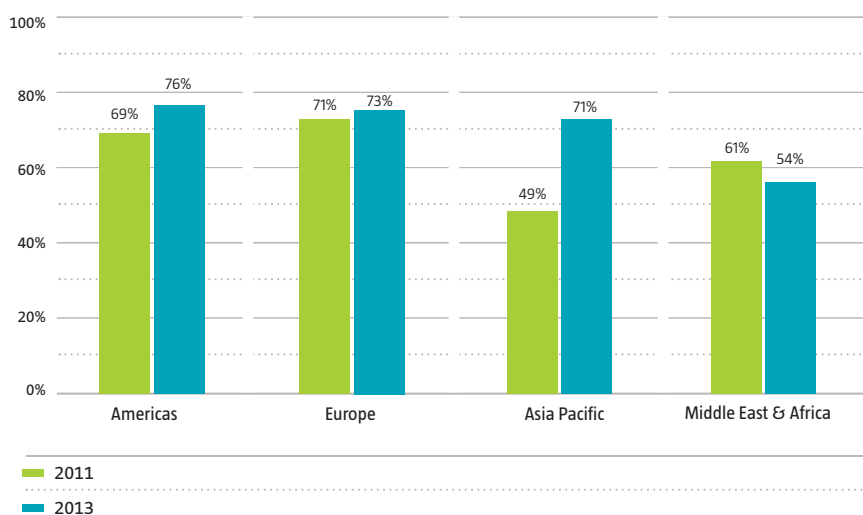
Companies listed on the London Stock Exchange must report on GHG emissions from 2013. Companies Act requires large and medium sized companies to disclose CR information relevant to company performance in the annual report.

► USA

Disclosure requirements of the U.S. Securities & Exchange Commission (SEC), Dodd-Frank Act requires disclosure on conflict minerals and Presidential Executive Order 13514 requires federal agencies to report on CR performance.

Source: KPMG International, The KPMG Survey of Corporate Responsibility Reporting 2013, December 2013

Figure 3: CR Reporting by region. Percentage of companies with CR reports



Base: 4,100 N 100 companies

Source: KPMG International, The KPMG Survey of Corporate Responsibility Reporting 2013. December 2013

Despite the growth in CR reporting, the practice is not without its critics.

Some people still say these reports are a waste of time and money, believing them to be so dense and so dull that no one could possibly bother to read them. Others see them as vehicles for corporate greenwash, an opportunity for companies to exaggerate their social and environmental credentials without any genuine intention to change.

Some in the corporate world see the production of these reports as too complex and too costly and with dubious return-on-investment.

While I understand the concerns behind accusations like these, I think such views are fortunately fast becoming outdated.

Yes, CR reports are often not an easy read and companies need to do more to communicate the information in more digestible and engaging ways. However, that is not an argument for not reporting at all.

Yes, greenwash can be a risk but as time goes on, stakeholders - from NGOs and pressure groups to customers and investors - are all becoming more adept at knowing the difference between PR spin and CR performance. It is not so easy to pull the proverbial wool over people's eyes anymore.

Yes, CR reporting done properly does require financial and human resources, but so do all forms of corporate reporting.

### CR reporting: an essential business management tool

The point that is being missed by many people who make these types of criticisms is that, in the 21st century, CR reporting is – or should be - an essential business management tool. It is not – or should not be - something produced simply to mollify potential critics and polish the corporate halo.

Businesses today are operating in a world undergoing unprecedented environmental and social changes. Rampant population growth is fuelling ever-increasing demands for limited resources. Unpredictable extreme weather is affecting supplies of key commodities. Changing social conditions and expectations are driving both increased spending power and social unrest.

CR reporting is the means by which a business can understand both its exposure to the risks of these changes and its potential to profit from the new commercial opportunities. CR reporting is the process by which a company can gather and analyze the data it needs to create long-term value and resilience to environmental and social change. CR reporting is essential to convince investors that your business has a future beyond the next quarter or the next year.

What encourages me most about the findings of this year's KPMG Survey of Corporate Responsibility Reporting are the signs that the world's largest companies now understand this and are beginning to use the process of CR reporting to bring CR and sustainability right to the heart of business strategy where it belongs.

### CR information in the annual report and assurance: becoming standard practice

To begin with, a majority of reporting companies worldwide (51 %) now include CR information in their annual financial reports as well as, or instead of, publishing separate CR reports. This suggests that most companies now see CR information as core to the business and something that all stakeholders, including shareholders, need to know about.

This is a marked trend. Two years ago, only 20 % of reporting companies put CR information in their annual financial reports and in 2008 hardly any companies at all did so - only 4 %. The direction of travel is clear and with more than half of companies now including CR data in their annual financial reports, this can arguably be considered as standard global practice.

Similarly, just as CR reporting itself and the inclusion of CR data in annual financial reports is becoming standard business practice; it is also becoming standard practice to have CR and sustainability data externally assured. The tipping point has been crossed, with over half (51 %) of the world's 250 largest companies by revenue according to Fortune 2012 (G250) now investing in assurance for CR and sustainability data. As can be seen with other trends in CR reporting, the largest companies tend to set the direction that other corporations follow.

Many companies now face significant pressure to give stakeholders confidence in what they say and assurance can help provide this credibility. The question for leaders is therefore no longer "should we assure our CR data?" rather "why would we not?" and "how do we choose the appropriate assurance option that meets stakeholders' needs and puts us ahead of our peers?".

### Most companies report opportunity in environmental and social change

The KPMG research shows that almost all (87 %) the world's largest companies (G250) use their CR reports to identify at least some social and environmental changes, or megaforges, that affect the business. Climate change, material resource scarcity, and energy and fuel are the most commonly mentioned megaforges in CR reports.

Furthermore most G250 companies not only identify the megaforges that affect them but also report risks and opportunities they face from these megaforges. What is especially striking in the 2013 KPMG report is that more G250 companies report opportunities than risks: 81 % of reporting companies identify business risks from social and environmental factors, whereas slightly more (87 %) identify commercial opportunities.

Figure 4: Ten sustainability megaforges



### Six types of CR risk

KPMG has identified six key types of risks companies face from social and environmental megaforces. For the KPMG Survey of Corporate Responsibility Reporting 2013, KPMG member firms' professionals reviewed G250 CR reports to find out what types of risks large companies are identifying.

- **Physical:** Damage to assets and supply chains from physical impacts such as storms, floods, water shortages and sea-level rise.
- **Regulatory:** Complex and rapid changes to the regulatory landscape.
- **Reputational:** Damage to corporate reputation from being seen as doing the wrong thing.
- **Competitive:** Impacts of fast-changing market dynamics, and uncertainty of supply and price volatility of key inputs.
- **Social:** Conflicts, social unrest, community and worker protests, labor shortages, migration, etc.
- **Legal:** Exposure to potential legal action, for example, over non-disclosure of environmental, social and governance information.

The opportunity to innovate new products and services is the most commonly mentioned opportunity, followed by the opportunity to strengthen brands and corporate reputations, and the opportunity to grow market share.

When it comes to risks faced from environmental and social megaforces, reputational risk is the most commonly cited type of business risk, mentioned by just over half (53 %) of G250 companies that issue CR reports.

A significant number of reporting G250 companies also mention other types of risk that affect company operations and not just corporate reputations: regulatory risk (48 %), competitive risk (45 %), physical risk (38 %), social risks (36 %) and legal risks (21 %).

### Companies should prepare to report on value at stake

Only a small number of G250 CR reports (5 %) include information on the financial value at stake through environmental and social risk. Large companies in the financial services and oil & gas sectors are the most likely to quantify at least some of their environmental and social risks in financial terms. Around one third of CR reports issued by G250 companies in these sectors do so.

More and more investors accept that environmental and social megaforces put company value at stake. They will increasingly expect companies to be transparent about the risks they face, what the financial impacts of those risks could be and what the company is doing to mitigate them. Companies need to be prepared for change and should start to integrate the top and bottom-line implications in their business scenario planning and risk management.

### Boards need to get behind integrated reporting

There is general acceptance of integrated reporting as the next destination for corporate reporting, but few companies are doing it yet. While KPMG's research shows that more companies are combining non-financial with financial data in their corporate reporting, few companies yet feel confident in stating that they produce an integrated report. Our conversations with leading companies also revealed some nervousness around whether integrated reporting could limit rather than enhance communication around CR and sustainability, specifically for non-financial stakeholder groups.

Just one in ten companies that report on CR claims to publish an integrated report and even fewer reference the work of the International Integrated Reporting

Council (IRRC). However, I expect this will change with the launch of the final IIRC framework and as more companies use that framework and share experiences with their peers.

Most of the companies that currently state they produce an integrated report are based in South Africa where integrated reporting is driven by the King III Code of Corporate Governance. In South Africa, some 93 % of companies that report on CR state that their reports are integrated.

KPMG's experience in South Africa suggests that integrated reporting can be an effective catalyst for integrated management. Many South African companies demonstrate that close involvement of CEOs and other board members is essential to reach 'one view' of the business, consensus on one set of material issues and one combined business strategy. The lesson to be learned in other countries is that board support for integrated reporting needs to scale up, with an integrated approach to value creation as the end objective.

### Supply chain reporting needs more focus

Recent incidents including oil spills and factory disasters should remind business leaders how important it is to manage the environmental and social impacts of the supply chain.

For this reason, it is important that companies use their CR reporting to demonstrate that they have not only identified environmental and social risks and impacts associated with their suppliers, but that they have also established appropriate systems to manage these.

They should also show that they have formalized CR requirements for their supply chain and have mechanisms in place to improve the CR performance of their suppliers, such as supplier Codes of Conduct and CR criteria for supplier selection.

One of the more surprising results to emerge from the KPMG research is that some sectors with complex supply chains, carrying potentially catastrophic environmental and social risks, have low levels of reporting on supply chain issues.

Companies in the chemicals & synthetics sector, for example, are the least likely to report on supply chain issues. 60 % of G250 companies in this sector that report on CR do not report on the supply chain. By contrast, companies in the electronics & computers sector are the most likely to do so.

CR in the supply chain is not easy to manage and not easy to report on. The issues are diverse and close co-operation with suppliers is key.

However companies must work out how to do this. Put simply, if companies don't start managing these issues they won't have a license to operate in the globalized 21st century world. Companies urgently need to build confidence among customers, communities, investors and other stakeholders that their supply chains are being properly managed. Transparent corporate responsibility reporting is an effective way to build such confidence.

### Better links needed between CR performance and remuneration

Companies that clearly link employee remuneration to performance on social and environmental issues send a strong signal to employees, investors and other stakeholders that they are serious about CR performance and ensuring the long term viability of the company.

Yet only one in ten of the world's largest companies (G250) currently provides a clear explanation in its reporting of how remuneration is linked with CR performance.

This suggests that in most of these companies CR is still not considered a critical business performance indicator to factor in to executive remuneration, despite around a quarter of them (24 %) stating that the company Board has ultimate responsibility for CR.

European companies are the most likely to report a link, with France, Germany, the Netherlands and the UK standing out for having a significant number of companies that do so.

It is eye-opening to learn that worldwide so few companies link CR performance to executive remuneration in particular, especially given the potential for social and environmental issues to impact on the supply chain, financial performance, reputation and the ultimate brand value of companies.

If this link were stronger, I believe that there would be even greater incentives for more companies to bring corporate responsibility and sustainability to the heart of business strategy. It would also help to accelerate the move towards integrated reporting.

## Towards Future Value

CR reporting is now standard business practice the world over - even in those geographic regions and industry sectors that only two years ago lagged behind. This leads me to believe that the debate on whether companies should report on CR or not is dead and buried.

The questions companies need to ask themselves now are "what should we report on?" and "how should we report it?" Most importantly, they should ask, "how can we best use the process of reporting to generate maximum value both for our shareholders and for our stakeholders?"

It is the last question that interests me most.

It is my belief that conventional notions of corporate value, based solely around short term financial performance, are fast becoming unfit-for-purpose in the 21st century world.

Environmental and social megaforges, regulation, peer pressure and public scrutiny are all driving businesses to look at their value in a new way.

The challenge for companies is to understand and communicate how social and environmental factors, changing societal expectations, and policy responses have the potential to impact the long term financial performance of the business. This combined with an

understanding of how the company can deliver value to society through its operations, products and services, provides a new lens for corporate value: Future Value.

Business leaders that understand the Future Value of their business will be better equipped to make strategic decisions for long term success.

Quality CR reporting, as the means to collect, analyze and communicate information, is an essential starting point on the journey to Future Value.

**Download the KPMG Survey of Corporate Responsibility Reporting 2013 from [kpmg.com/crsurvey](http://kpmg.com/crsurvey)**





## 2. Focus on financial materiality of sustainability

Recent initiatives such as the Global Reporting Initiative's G4 Sustainability Reporting Guidelines have put a spotlight on the concept of financial materiality of sustainability. While RobecoSAM has always focused on identifying sustainability factors that are likely to have an impact on companies' financial performance, over the past year, the Sustainability Investing Research team has updated its analysis of the materiality of sustainability criteria across all industries. Christopher Greenwald, Co-Head of Sustainability Investing Research explains how RobecoSAM determines the financial relevance of the sustainability criteria that are incorporated into the Corporate Sustainability Assessment.

### How do you define financial materiality, and why is this important to you?

We consider any intangible factor that can have an impact on a company's core business value – namely growth, profitability, capital efficiency and risk exposure – to be financially material. Factors such as a company's ability to innovate, attract and retain talent, or anticipate regulatory changes matter from an investor's point of view because they have significant impacts on a company's competitive position and long-term financial performance.

As an asset manager, we have always focused on identifying financially relevant sustainability factors. For this reason, we have put considerable effort into developing and updating our materiality framework so that our analysts focus on those factors that are most relevant to the companies' financial performance. This helps us ensure that we integrate financially material sustainability factors into our investment process in a structured manner. Because these factors are relatively under-researched by most investors, our integration of financially material sustainability factors in the investment process allows us to make unique and better-informed investment decisions for the long-term.



**There has been much discussion about the materiality of sustainability in recent months. What makes your framework different?**

What sets us apart is that our approach focuses on the intersection between sustainability and business performance. Specifically, we focus on identifying the most important intangible factors that relate to companies' ability to create long-term value.

For instance, lowering energy consumption in manufacturing processes results in significant cost-saving opportunities and has a direct impact on a company's bottom line. This focus on the most financially relevant sustainability factors is essential, given our mission to create long-term attractive returns for our clients through Sustainability Investing strategies. However, we have also found that a focus on the link between sustainability and business performance is also a key priority for the leading companies in sustainability, which are working toward much more sophisticated models to understand the pay-offs of their sustainability investments in financial terms.

**So how do you determine which information is financially material?**

We begin with a top-down industry and mega-trend analysis. For each of the 59 industries we assess, we ask ourselves which are the key sources of value creation for that industry, and which long-term trends are likely to have an impact on these industry drivers. For example, one of the primary value drivers for the IT industry is its user and customer base. Given increasing interconnectedness and the exploding volume of data, an IT company's ability to ensure data privacy is critical to maintaining customer trust.

Once we have identified material factors for each industry, we prioritize them according to their expected magnitude and the likelihood of their impact on growth, profitability, capital efficiency and risk. This results in a materiality matrix for each industry, which maps the relative importance of each material factor against each other and provides us with a visualization of the most important factors for each industry (See Figure 1).

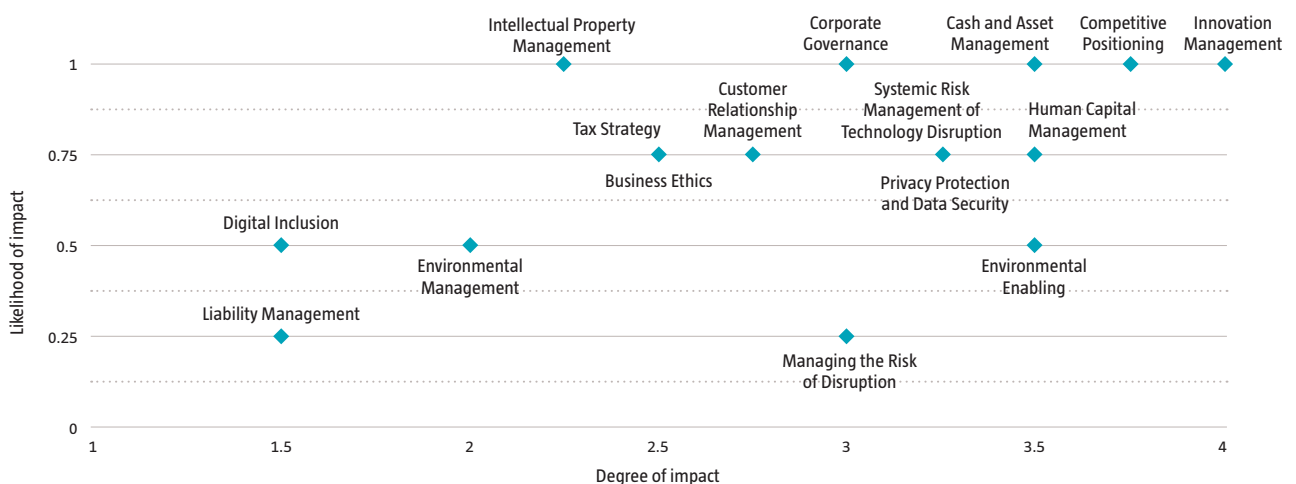
Once the material issues in each industry have been prioritized, our analysis shifts to the company level and focuses on how and to what degree management is addressing these intangible factors that are considered to be most relevant. This allows us to make the investment case for sustainability for individual companies, which in turn ensures that our investment decisions consider long-term company performance.

Essentially, we are determining which companies are most likely to remain competitive in a rapidly changing business environment and are therefore best positioned to continue to create value in a sustainable way.

**Although your materiality framework focuses on industry-specific criteria, have you identified any sustainability criteria or factors that are significant across all industries?**

Yes. A variety of sustainability factors are relevant to companies across a wide range of industries. These include innovation management, human capital management, supply chain management, environmental management and corporate governance. But we tailor the questions in these criteria to the specific characteristics of each industry.

**Figure 1: Example of Materiality Matrix: Software industry**



◆ Long-term intangible factors

Note: This materiality matrix is provided for illustrative purposes. The materiality matrix for other industries may differ.

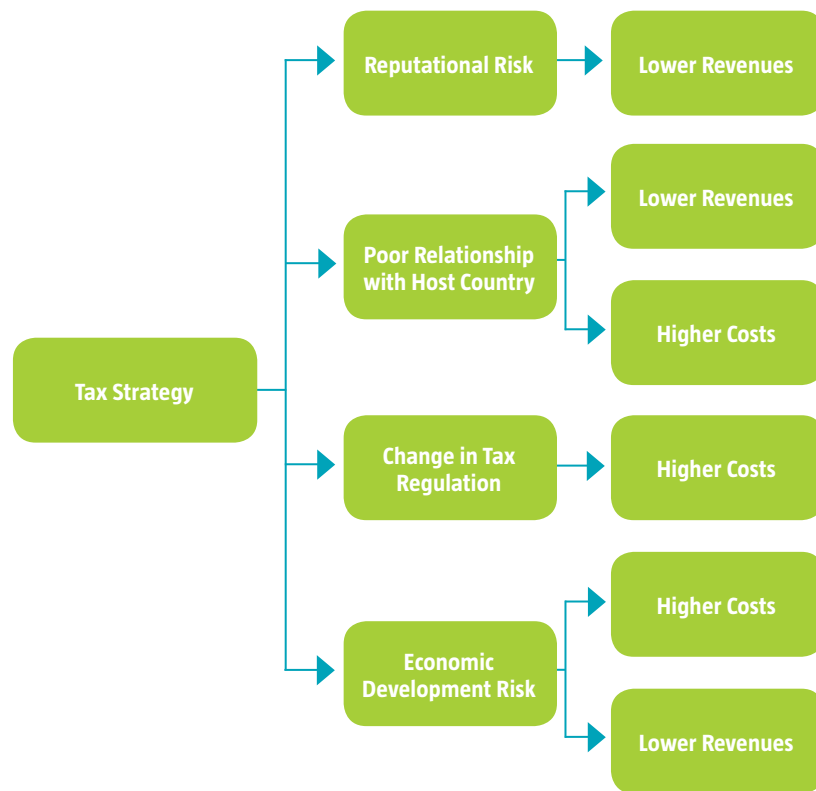
Source: RobecoSAM

# Sustainability factors and their financial impacts

In the next few pages, we provide three industry examples – one for each dimension – to illustrate the impact of three selected sustainability criteria on the business value drivers for that industry. These examples are by no means exhaustive, and were selected to demonstrate how we make the link between sustainability factors and company costs and revenues.



**Industry:** Beverages  
**Dimension:** Economic  
**Sustainability Criterion:** Tax Strategy



Source: RobecoSAM

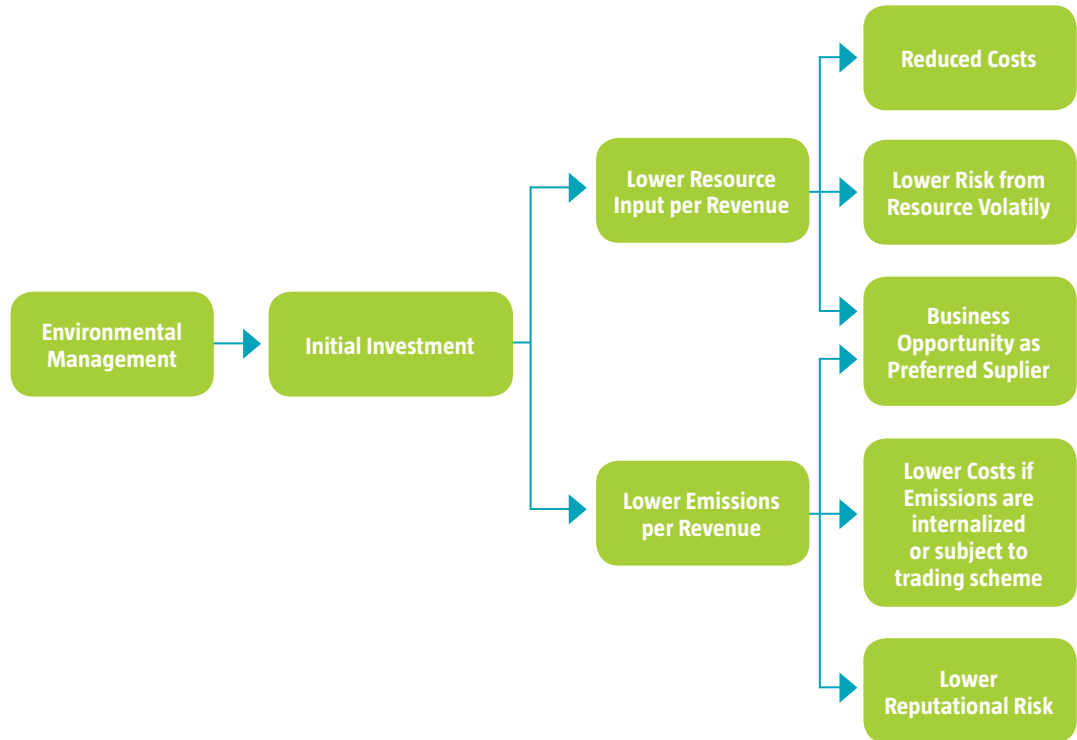
Tax competition among different tax jurisdictions offers opportunities for multinational companies to optimize their tax spending. Tax optimization can help a multinational beverage company, for instance, to enhance its profitability, which investors appreciate. But the company can also face reputational risks if its tax strategy is perceived to be too aggressive, hurting its brand value and revenues. It can also lead to a poor relationship with the host country, jeopardizing the company’s license to operate or slowing permit approvals to build new factories, leading to higher costs and lower revenues. In addition, a tax strategy that relies too heavily on exploiting tax loopholes is not sustainable in the long-run and may result in higher costs if the government decides to change tax regulations to close these loopholes. Finally, if the company is not paying an appropriate level of local taxes to support economic development, particularly in developing countries, it inhibits the government’s ability to invest in basic services for the local population, hurting potential consumers’ purchasing power, and ultimately, company revenues.



**Industry:** Construction Materials

**Dimension:** Environmental

**Sustainability Criterion:** Environmental Management

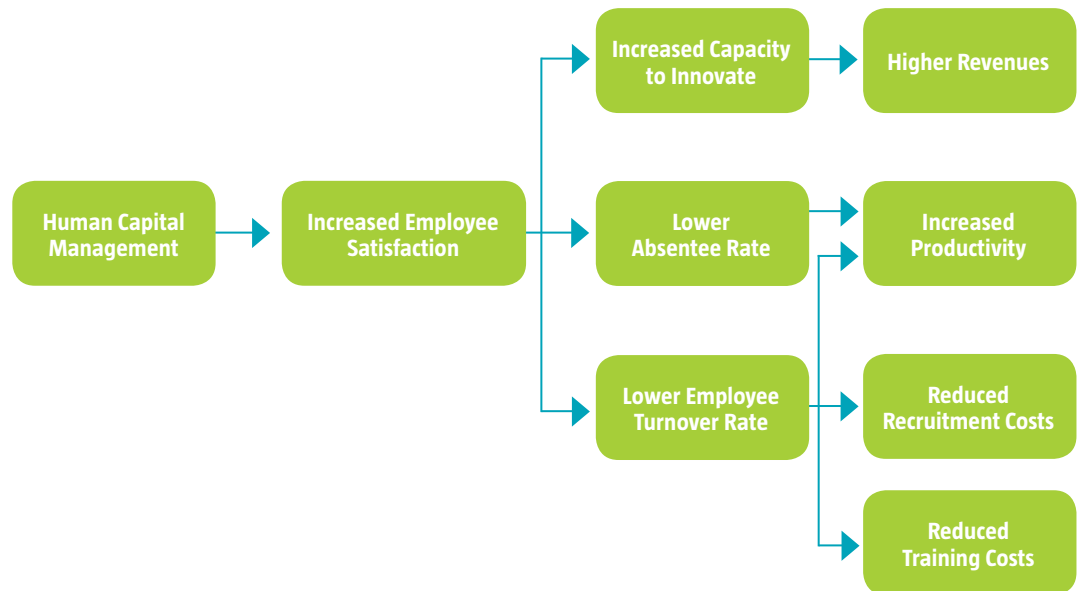


Source: RobecoSAM

Given the amount of energy required for cement production, the cement industry accounts for 5% of global CO<sub>2</sub> emissions. Therefore, reducing CO<sub>2</sub> emissions is an important component of an effective environmental management strategy for this resource-intensive industry. One approach, for instance, involves replacing CO<sub>2</sub> emitting coal with renewable energy. Though such a solution typically requires a large initial investment, it can also generate immediate benefits for the company. First, the amount of coal input per revenue generated is reduced, lowering operating costs and reducing the risk of margin volatility caused by changing coal prices. Second, emissions per revenue are reduced. This is particularly important in some regions, such as Europe, where CO<sub>2</sub> emissions are subject to an emissions trading scheme, and therefore have a real monetary value. Finally, a lower emissions profile may help companies generate business opportunities, as cement produced in this manner is considered to be more sustainable.



**Industry:** Pharmaceuticals  
**Dimension:** Social  
**Sustainability Criterion:** Human Capital Management



Source: RobecoSAM

For most companies today, employees are their most valuable asset. This is especially true for a knowledge-driven industry such as the pharmaceuticals industry. An advanced human capital management strategy that offers employees opportunities for career advancement, appropriate incentives to perform well, and a fulfilling work environment contributes to employee satisfaction. In turn, a motivated workforce contributes to the company's capacity to innovate, which has a positive impact on revenues. Lower absentee rates also contribute to enhanced productivity, while lower employee turnover leads to lower recruitment and training costs.

# 3. Sustainability leaders in the emerging markets: Myth or reality?





**People often assume that emerging markets are lagging behind developed markets when it comes to corporate sustainability. Yet data collected through the RobecoSAM Corporate Sustainability Assessment over the years reveals that emerging market companies have caught up with their developed market peers, and in some cases surpassed them. Kathelijne Marritt Alers and Guido Giese outline areas in which emerging markets-based companies are excelling, and explore some of the drivers behind their strong sustainability performance.**

**Guido Giese** Head of Indices

**Kathelijne Marritt Alers** Senior Relationship Manager, Sustainability Indices

Skepticism towards the combination of sustainability and the emerging markets<sup>1</sup> is widespread, as people tend to assume that these developing economies may not be particularly conducive to producing sustainability leaders or are improbable environments for best corporate sustainability practices. However, RobecoSAM has found that some of the world's leaders in the field of corporate sustainability come from the emerging

**Since 2009, RobecoSAM has seen a steady increase in the number of emerging market companies listed and being awarded medals in the Sustainability Yearbook.**

markets. Moreover, this can be determined without diluting the methodology of its global Corporate Sustainability Assessment (CSA) and by asking emerging market companies exactly the same questions as their developed market peers. Since 2009, RobecoSAM has seen a steady increase in the number of emerging market companies listed and being awarded medals in the Sustainability Yearbook.<sup>2</sup> Figure 1 shows that in the last six years, the number of emerging market companies included in the Yearbook has more than doubled, growing from 19 in 2009 to 48 in 2014, with the majority of these coming from Brazil and South Africa. In 2014, 21 emerging market companies have been awarded one of the 222 Yearbook medals, up from 13 in 2009. It is also worth noting that in terms of total number of Yearbook medals, Colombia and Taiwan are leading the way, ahead of Brazil and South Africa.

### **Emerging market companies catch up**

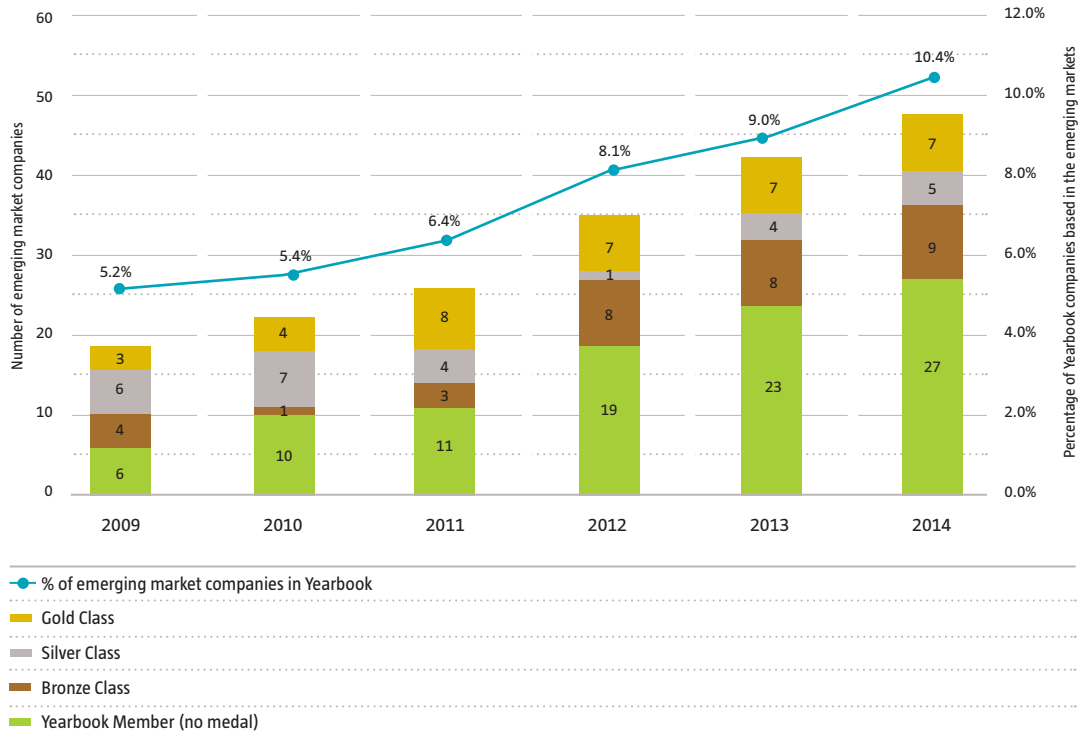
Although these markets have historically produced some of the leading companies in terms of corporate sustainability and an increasing number of companies from these regions have been invited to take part in the CSA each year, the absolute number of participating emerging market companies has remained low. Still, in 2013 RobecoSAM observed a 31% increase in the number of emerging market companies participating in the CSA. From 2008 to 2013, the number of companies participating in the CSA from these markets grew from 27 to 89, representing an improvement in the participation rate from 4.6% to 10.9%, confirming the trend towards long-term thinking and improved sustainable practices that are becoming ever more present in this part of the world. In addition to increased awareness and participation in the annual assessment, the improvements emerging market companies have seen in their sustainability strategies from year to year are also laudable. For instance, in 2014, 7 out of 70 Yearbook gold medals have been awarded to companies from the emerging markets, representing 10% of all medals in this category.

RobecoSAM sustainability data also shows that across a range of criteria, companies in the emerging markets are becoming more comparable to their developed market peers. A simple illustration of this can be found in Figure 2, which compares the sustainability performance of emerging market companies included in the 2014 Yearbook against that of the developed market Yearbook companies.

<sup>1</sup> In the context of this article, RobecoSAM considers the following 20 countries to be emerging markets: Brazil, Chile, China, Colombia, the Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, the Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey.

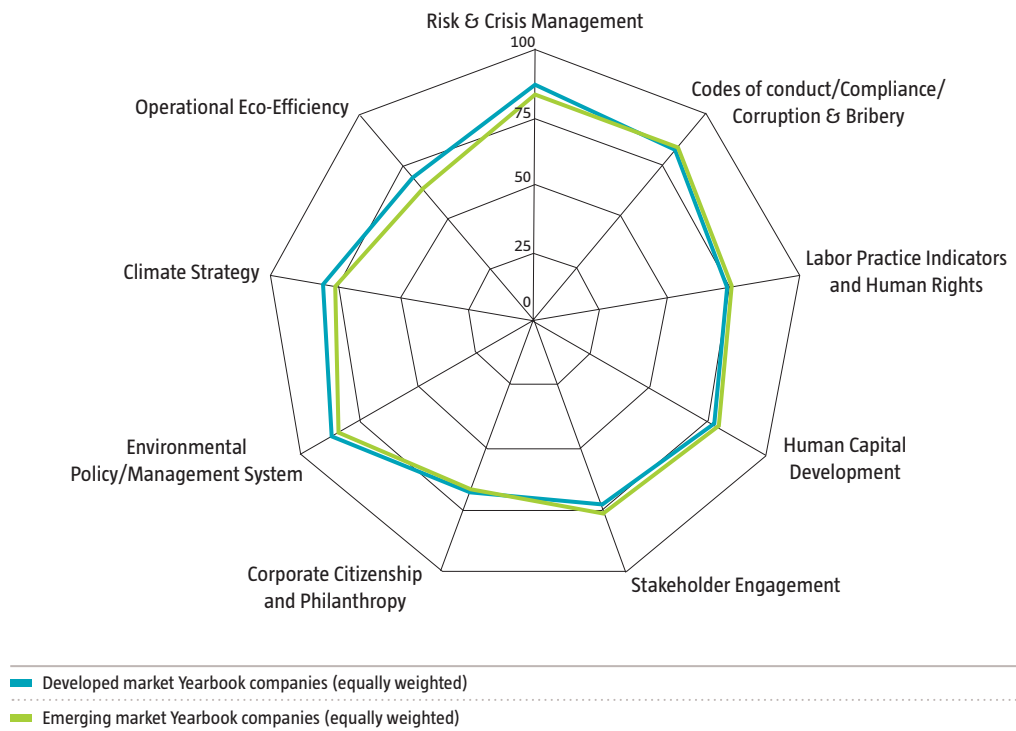
<sup>2</sup> The Yearbook medal classifications were introduced in 2009.

**Figure 1: Growth in number and percentage of emerging market companies and medalists listed in The Sustainability Yearbook**



Source: RobecoSAM

**Figure 2: Comparison of sustainability performance of all emerging market companies against all developed market companies in the 2014 Yearbook**



Source: RobecoSAM



From this diagram, it is evident that the difference in practices across social, economic, and environmental dimensions between the leading developed and emerging market companies is remarkably narrow. Particularly along social dimensions such as stakeholder management and labor practice indicators, leading emerging market companies have caught up with and even surpassed the standards of industrialized nations. One could argue that as many developing markets have fewer state-provided essential social services compared to developed countries, companies

Particularly along social dimensions such as stakeholder management and labor practice indicators, leading emerging market companies have caught up with and even surpassed the standards of industrialized nations.

need to step in and provide basic services such as housing, meals and the like for their employees. In such an environment, addressing the social dimension of sustainability factors represents a natural first step towards addressing sustainability.

#### **Emerging market companies operate in pressure cooker environment**

Although many positive things can be said about corporate sustainability in the emerging markets, it is clear that many of these companies still have some way to go in terms of improving their sustainability performance. One should not forget that many companies in this group still lag behind their developed market peers in terms of sustainability strategies along the environmental dimension, even though the business case for environmental responsibility is particularly strong given the nature of the risks faced by emerging market economies. Exogenous factors such as the regulatory environment in which the

Leading emerging market companies realize that sustainability is important in order to remain competitive in a global market place.

companies operate are also important to consider. Even in the social dimension, where emerging market companies on average are operating at a level close to their global peers, examples of disgruntled stakeholders and bad practice are never far away. A

variety of factors ranging from the individual need for economic survival to the need for economic growth at the country level and competitive forces at the company level (profits), place significant pressure on the system. But given growing stakeholder pressure and scrutiny, both emerging markets-based companies and foreign multinational companies relying on emerging market resources, suppliers, and labor, understand that they must address these issues in order to be successful in the mid to long-run.

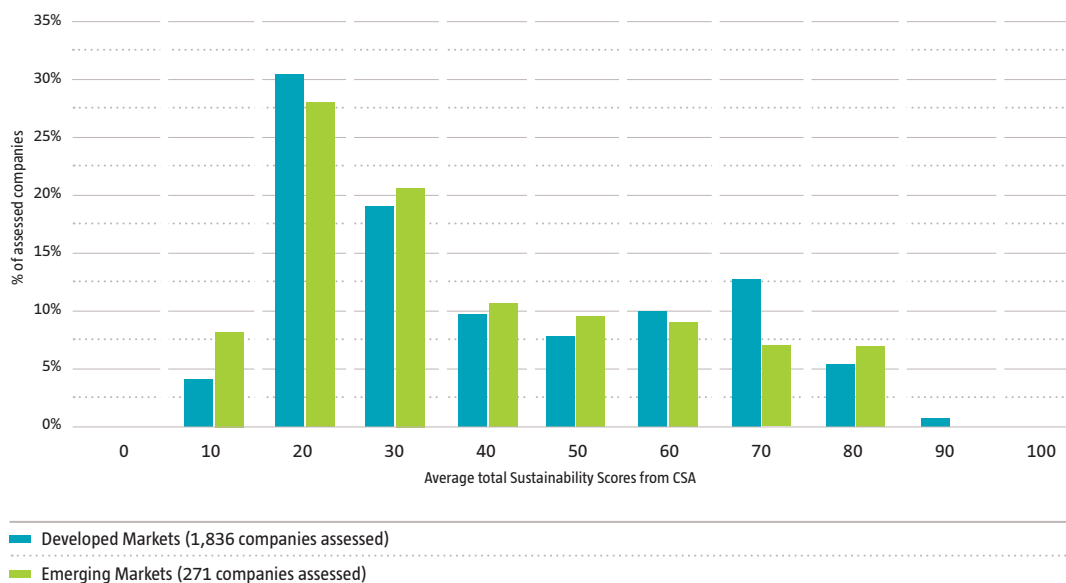
One of the key drivers for the strong focus on sustainability is that leading emerging market companies that are globally active realize that sustainability is important in order to remain competitive in a global market place, as they compete against peers from developed markets that already take these considerations into account. Colombian companies, for example, seem to have realized that investing time and thought into developing corporate governance, transparency, and environmental & social risk management strategies helps them build a reputation as trusted, stable business partners that are able to compete globally and attract (foreign) investors.

Local pressure and local stakeholder scrutiny is a second key driver affecting emerging market companies. Stakeholders have become increasingly vocal and technological advances such as the widespread availability of mobile devices combined with the rise of social media make more people aware of events as they unfold, as illustrated by the collapse of a Bangladesh garment factory last April, which made headlines around the globe. In the face of challenges such as the risk of losing the license to operate, or falling into disrepute among local communities in which companies are based, the case for sustained strategies towards stakeholder engagement and local development are crucial to long-term success.

#### **Emerging markets are heterogeneous**

The emerging markets are a very heterogeneous group, and the same can be said about the companies that are based there. The importance and relevance of different sustainability factors will vary depending on local characteristics and the conditions in the various countries, as well as the industry. Some markets are more advanced in terms of sustainability considerations and reporting than others. The RobecoSAM CSA results also show similar characteristics: in 6 out of 59 industries, the industry leader is an emerging market company. Of these six companies, one each comes from South Africa, Brazil and Thailand, and three are Taiwanese.

**Figure 3: Sustainability score distributions of assessed emerging market versus developed market companies**



Source: RobecoSAM

Even though many emerging market companies tend to be smaller in size, compared to their developed market peers, they are still able to compete. Many people

**In 6 out of 59 industries, the industry leader is an emerging market company.**

assume that emerging markets companies will be among the laggards in terms of corporate sustainability. But as shown in Figure 3, the score distribution of emerging market companies is comparable to that of their developed market peers, indicating that companies in the emerging markets are catching up.

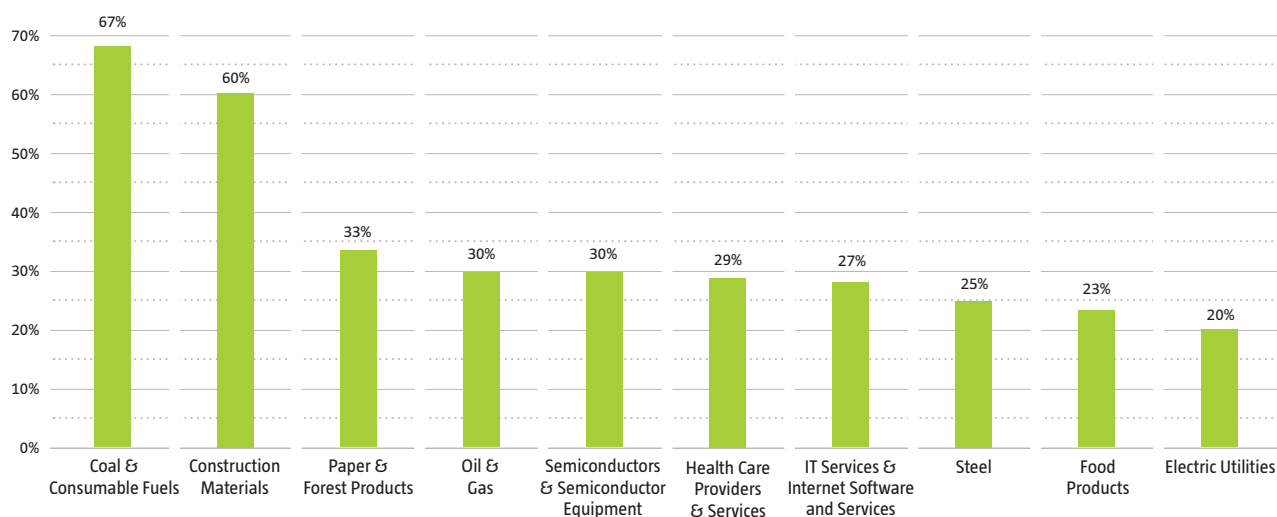
### The extractive industries paradox

Local and global companies operating in emerging market countries face unique social, economic and environmental risks, many of which are related to the efficient extraction and exploitation of commodities. Although emerging market companies generally seem to lag their developed peers on the environmental dimension, companies from extractive industries such as mining or pulp & paper paradoxically have a higher percentage of emerging markets-based companies represented in the Yearbook, as shown in Figure 4.

One explanation for this is that companies in these industries have a more pressing need to tackle environmental issues as they rely on natural resources to run their business. For instance, Fibria Celulose, a Brazilian paper & pulp company, is the highest scoring emerging market company listed in the Yearbook. Fibria is keenly aware of the importance of forests to the survival of its business and has focused on reducing its environmental footprint. The company's pulp comes from 100% planted forests and therefore explicitly avoids using natural forests for paper production. It has sought to improve forest productivity through a traditional breeding program, in which new generation clones use natural resources more efficiently, offering gains measured in terms of tons of pulp per hectare per year. Its projects focus on soil management, fertilizer optimization, disease resistance and biological pest control. Fibria is also committed to the social inclusion of people affected by the commercial use of forests, as it has recognized that dialogue and cooperation with local communities and NGOs, rather than a confrontational relationship, help ensure its social license to operate.

Other noteworthy examples of emerging markets-based companies leading their industries include Taiwan Semiconductor (TSMC) and ItauSA. Taiwan

Figure 4: Top 10 industries with the highest percentage of emerging market companies in the Yearbook



Source: RobecoSAM

Semiconductor is the largest semiconductor foundry in the world, and over the last ten years, it has reduced its electricity consumption per wafer unit by 47% and its water consumption by 56%, while its total wafer capacity has increased 4.8 times. Sustainability strategies and initiatives have been in place for many years at TSMC, and are incorporated in its long-term strategy.

The financial services industry may not immediately come to mind as a stronghold for emerging markets companies, yet many emerging markets companies feature in the top ranks as evidence that they are on par with their global peers. ItauSA, one of Brazil's largest investment holding companies, has been the industry leader in the Diversified Financial Services and Capital Markets industry<sup>3</sup> for five consecutive years from 2008 to 2013. This is particularly impressive in a large, competitive industry, which consisted of a total of 128 companies in 2013. To achieve long-term growth, ItauSA places great emphasis on stakeholder engagement and human capital development. It proactively engages with its employees and makes significant investments in their professional development by implementing well-defined processes for skill mapping and career development. Through its Itau Unibanco banking arm, it actively supports financial inclusion by providing financial services to low-income clients, micro-entrepreneurs and small businesses, which is a particularly important factor in its home country.

<sup>3</sup> Industry previously named "Financial Services"

### Stock exchanges facilitate change

Another factor that has contributed to the accelerating momentum towards embracing corporate sustainability in the emerging markets has been the growing number of investors asking about corporate responsibility and sustainability. Moreover, given the lack of sustainability data (or the perceived lack thereof) on emerging market companies, investors are specifically beginning to demand more ESG information from these companies in order to integrate sustainability considerations into a broader set of asset classes and styles. This has led to the development of initiatives such as the Sustainable Stock Exchanges (SSE). Launched in 2009 and backed by the United Nations, the SSE initiative aims to encourage improved transparency and disclosure on environmental, social and corporate governance factors among the companies listed on the exchanges of SSE members. Of the eight stock exchanges that have committed to the SSE, five are located in the emerging markets: the Borsa Istanbul in Turkey, BM&F Bovespa in Brazil, the Egyptian Stock Exchange, the Johannesburg Stock Exchange in South Africa, the Bombay Stock exchange and MCX-SX, both in India.

Several sustainability initiatives from emerging markets exchanges predate the SSE, highlighting once more that the emerging markets can be both early adopters and leaders when it comes to the topic of sustainability. Backed by the International Finance Corporation (IFC), Brazil's Bovespa has been publishing its own Corporate Sustainability Index since 2005, and the Johannesburg

Stock Exchange SRI Index has been in place since 2004. According to our own experience based on the CSA, companies from Brazil and South Africa – home to the two stock exchanges with the longest

**Given the lack of sustainability data on emerging market companies, investors are specifically beginning to demand more ESG information from these companies in order to integrate sustainability considerations into a broader set of asset classes and styles.**

running sustainability initiatives – have consistently been well-represented in the Yearbook. This suggests that a favorable regulatory environment related to sustainability reporting requirements encourages companies to adopt and report on their corporate sustainability practices.

Reporting on sustainability is a hot topic, and stock exchanges in the emerging markets are quickly catching up with their developed world counterparts in requiring more detailed sustainability reporting, according to a recent article in *The Financial Times*.<sup>4</sup> In a ranking by CK Capital of the 45 stock exchanges that make up the world federation of exchanges, China's Shanghai and Shenzhen ranked 26<sup>th</sup> and 38<sup>th</sup> based on the number of sustainability indicators they reported on, the growth of reporting on sustainability indicators over the past five years, and the timeliness of reporting. Examples of emerging market stock exchanges that lead the way in terms of sustainability reporting are the Johannesburg Stock Exchange and BM&F Bovespa. The former has a listing requirement on integrated reporting following the introduction of the King III code for corporate governance in 2009, whereas the latter offers guidance and training on sustainability reporting aligned with the Global Reporting Initiative.

In November 2013, ESG research provider EIRIS published the results of a survey of 11 stock exchanges – seven of which are located in the emerging markets – aimed at learning about their motivations for launching sustainability initiatives. Among the reasons cited, the goal of encouraging companies to improve their practices on issues such as pollution and labor rights is particularly relevant to the emerging markets. Other emerging market stock exchanges mentioned that by encouraging companies to manage sustainability risks, they contribute towards improving their overall risk profiles, their long-term survival, and by extension, the long-term viability of the stock exchanges on which they are listed.<sup>5</sup>

Still, much of the ESG information disclosed by companies to their stock exchanges varies widely, making it difficult to compare their sustainability performance, whereas the RobecoSAM methodology is applied consistently across all companies within the same industry, regardless of where they are located or listed. But one thing is clear, the momentum and the motivation for improving corporate sustainability practices in the emerging markets is strong.

### **Emerging markets take the lead on gender equality and philanthropy**

RobecoSAM has found that emerging market companies participating in the CSA outperform their emerging markets peers when it comes to labor key performance indicators such as the equality of female and male salaries at all organizational levels, as well as the number of females in management or executive positions. In 2012 and 2013 emerging market companies on average scored 16% better than their developed market peers and have significantly outperformed on this criterion for the past four years. An explanation for this may be that out of economic necessity, both men and women need to work to support their families. Another reason may be that in many emerging markets, it is commonly accepted that women set up and manage (small) businesses. The recent wave of microfinance initiatives, often actively targeting women, illustrates this. In these developing economies, having economically active women is beneficial to families and society at large.

The political landscape in many emerging market countries has shifted over the past decade and a move towards greater social and economic stability has been observed in many countries. As in developed markets, the state plays an important role by providing incentives for private investment. Effectively complementing the role of the state provides ample opportunity for companies operating in the emerging markets. In the social dimension in particular, emerging market companies seize opportunities that may not exist to the same extent in developed markets. Corporate philanthropy, for example, is widely practiced in South East Asia, while many developed market companies find fewer direct financial benefits in such approaches. In the emerging markets, companies recognize that certain philanthropic initiatives might have a direct positive impact on the local labor pools and communities where they operate, much like forward looking entrepreneurs did during the Industrial Revolution. Legislation also plays a key role, as states may actively want to encourage companies to further education, health care or culture by means of tax credits and other instruments aimed at attracting private investment.

<sup>4</sup> "Bourses urged to boost disclosure policies," *Financial times*, Monday, November 4, 2013

<sup>5</sup> "Sustainability Initiatives: Insights from Stock Exchanges into Motivations and Challenges," EIRIS, November 2013

## Conclusion

Although the emerging markets may not be the first thing that comes to mind when one thinks of corporate sustainability, companies in the emerging markets do in fact play a leading role when it comes to sustainability. As evidenced by the steady increase in emerging market companies listed in the Yearbook, as well as the growing number of industry and industry group leaders hailing from the emerging markets, companies in the emerging markets have been taking corporate sustainability seriously for a number of years.

Over the past decade, many emerging markets have seen a move towards a more stable state. This has encouraged international investors, but also corporations, to further explore opportunities in these markets. Governments of several emerging market states have also discovered the power and appeal of incentives such as tax incentives in order to attract investment in areas that it would like to encourage, but where means are limited.

Companies from these countries have come to realize that sustainability considerations can boost their attractiveness for foreign investment and help them compete globally. Leading companies from the emerging markets in the RobecoSAM assessment are performing on par with their global peers and tend to show particular strength in the social dimension. Regulators and stock exchanges in the emerging markets are playing a key role in initiatives on reporting and transparency, thus further strengthening the business case for taking sustainability considerations into account.

Of course, one should not forget that the emerging markets themselves and the companies that stem from these markets are a very heterogeneous group. Local characteristics and conditions influence the importance and relevance of different sustainability factors. Controversies are likely to continue to flare up as the markets develop further. Likewise, although significant progress has been made in some countries, in others the quality of sustainability reporting is still limited at best. Furthermore, the environmental dimension continues to be an area of improvement for many emerging market companies, despite the progress that has been made.

Local pressure and stakeholder scrutiny will likely continue to push emerging markets companies to boost their sustainability efforts and thus help debunk the myth that the emerging markets and sustainability are incompatible.



The rise of social media and the speed with which information is disseminated have afforded local stakeholders considerably more power than they had in the past. Labor unions, local authorities, communities and NGOs have the ability to disrupt production, sales and business, leading to stalled production, cost overruns, reduced revenues or reputational damage. Therefore, RobecoSAM introduced an enhanced framework for evaluating companies' stakeholder engagement activities in this year's Corporate Sustainability Assessment. Matthias Narr and Edoardo Gai offer an overview of the new framework and highlight some of the key findings from this year's assessment.

**Edoardo Gai** Head of Sustainability Services

**Matthias Narr** Manager, Sustainability Services

### Raising the bar

RobecoSAM's assessment of companies' stakeholder engagement strategies has always been an important component of the annual Corporate Sustainability Assessment (CSA). Over the years, it has been encouraging to see that many companies have come a long way in terms of adopting top-down stakeholder engagement policies applicable across their entire operations. However, although a growing number of companies has developed such stakeholder engagement strategies and disclosed them, insufficient information was available about how these strategies were

implemented on the ground, and whether they were effective. Thus, it was no longer possible to differentiate the leaders from the laggards in terms of stakeholder engagement.

In order to distinguish companies from each other, RobecoSAM developed an enhanced stakeholder

### The rise of the local stakeholders

engagement framework to reflect recent global developments, encouraging companies to adopt more comprehensive practices that have not yet been fully embraced. Previously, the CSA simply asked companies whether they had a stakeholder engagement policy in place, whereas the redesigned stakeholder engagement framework has shifted its focus towards evaluating how companies go about implementing their policy. This has enabled us to understand what is actually happening at the local level and how the top-down guidance feeds into concrete action at the operating sites.

But why does stakeholder engagement matter? By taking a proactive approach to stakeholder engagement, companies can establish constructive relationships with local stakeholders such as labor unions, regulators or local communities. This, in turn, can help companies avoid local business interruptions such as strikes, boycotts, theft or even sabotage that can result in additional costs, lost revenues or reputational damage.

Moreover, thanks to the rise of social media within the last several years combined with the easy access to cheap mobile devices, local stakeholders wield significantly more power than they did a few years ago. Nowadays people can share news with the rest of the world instantaneously, no matter where they are located and at almost no cost. The speed with which information is disseminated to a global audience has deeply altered the companies' ability to react to

When used effectively, social media has the power to shape public opinion. NGOs, media and even private citizens can mount viral campaigns to mobilize consumers and citizens to boycott products or organize labor strikes, disrupting production or sales, often destroying substantial brand value while doing so.



local events quickly enough to minimize their impact on business. An incident such as a major workplace accident may take place at a local site in Indonesia, and only minutes later, the public across the globe is aware of the incident, often even before the company headquarters have been alerted. This, combined with many traditional media outlets' willingness to use social media as a newsgathering source, means that

All these factors combined mean that local issues can quickly escalate and become globally relevant. Therefore, it is in the companies' best interest to communicate with local stakeholders transparently and frequently, allowing them to identify and address potential stakeholder conflicts before they intensify, thus minimizing the risk of blow ups. Ultimately, a successful local stakeholder engagement strategy helps companies maintain their social license to operate.

## A good relationship with local stakeholders can assist companies' recruitment efforts or facilitate their search for local partners and joint ventures.

companies are faced with a constant 24/7 real-time news flow that puts them in the public spotlight at all times, with only a small window of time to react and mitigate negative consequences of a local incident.

This effect is multiplied by the proliferation of tech savvy NGOs that are very skilled at using this new communication channel. When used effectively, social media has the power to shape public opinion. NGOs, media and even private citizens can mount viral campaigns to mobilize consumers and citizens to boycott products or organize labor strikes, disrupting production or sales, often destroying substantial brand value while doing so.

### Opportunities

But an effective approach to engaging with local stakeholders isn't only about mitigating risks: it also offers opportunities. Forward looking stakeholder engagement processes help build trust, ultimately facilitating a cooperative relationship with local authorities, associations and labor unions. For certain types of manufacturing industries that are particularly labor-intensive, the local community is essentially the companies' labor pool. Therefore, a good relationship with local stakeholders can assist companies' recruitment efforts or facilitate their search for local partners and joint ventures. On the revenue side, successful stakeholder engagement can increase sales, as the lack of any incidents helps to protect or even strengthen the brand, subsequently helping to retain existing customers and attract new customers.

Figure 1: Drivers and benefits of local stakeholder engagement



Source: RobecoSAM



### Exposure to emerging markets

These developments are further reinforced by many companies' growing exposure to the emerging markets, either as they expand their production capacities, or as they seek to tap into new markets. In many cases, a weaker regulatory environment in these markets – either through an absence of meaningful environmental, governance and social regulations or through a lack of enforcement power – contributes to the increased likelihood of serious incidents compared to developed markets. Such incidents often have a direct impact on the company's revenues, for example in the case of oil theft in Mexico and Nigeria, or major construction delays caused by labor strikes and opposition from indigenous communities to dam projects in Brazil.

### The investors' perspective

Investors benefit when companies develop a robust framework for dealing with local stakeholders. Additional costs, lost revenues and reputational damage arising from business disruptions such as protests, stalled production lasting several weeks or months, sabotage and boycotts all have a negative impact on shareholder value. Therefore, investors have an interest in identifying companies that have implemented successful stakeholder engagement strategies that help them avoid costs that can hurt financial performance.

**Additional costs, lost revenues and reputational damage arising from business disruptions such as protests, stalled production, sabotage and boycotts all have a negative impact on shareholder value.**

From the investors' perspective, another dimension worth considering is their own reputational risk. Nowadays many investors are no longer willing to invest in companies that do not consider the local environmental and social impacts of their operations. Institutional investors, in particular, are under increasing pressure from their beneficiaries to integrate ESG factors into their investment decisions or have signaled a commitment to investing responsibly by joining initiatives such as the UN PRI. For these investors, an incident at one of their portfolio companies' local sites that receives global attention poses a reputational risk.

### Local focus

Given these developments, the enhanced stakeholder engagement criterion focuses on how companies deal with local stakeholder groups such as communities immediately surrounding production sites, local authorities such as municipal governments and regulators, local or national trade unions representing the company's local employees, local media, associations, as well as NGOs active where the companies operate.

Certainly, companies must also satisfy the needs of other important stakeholders such as investors, employees, customers and suppliers, but these specific groups are addressed in the Corporate Governance, Human Capital Development, Client Relationship Management and Supply Chain Management criteria of the RobecoSAM Corporate Sustainability Assessment.

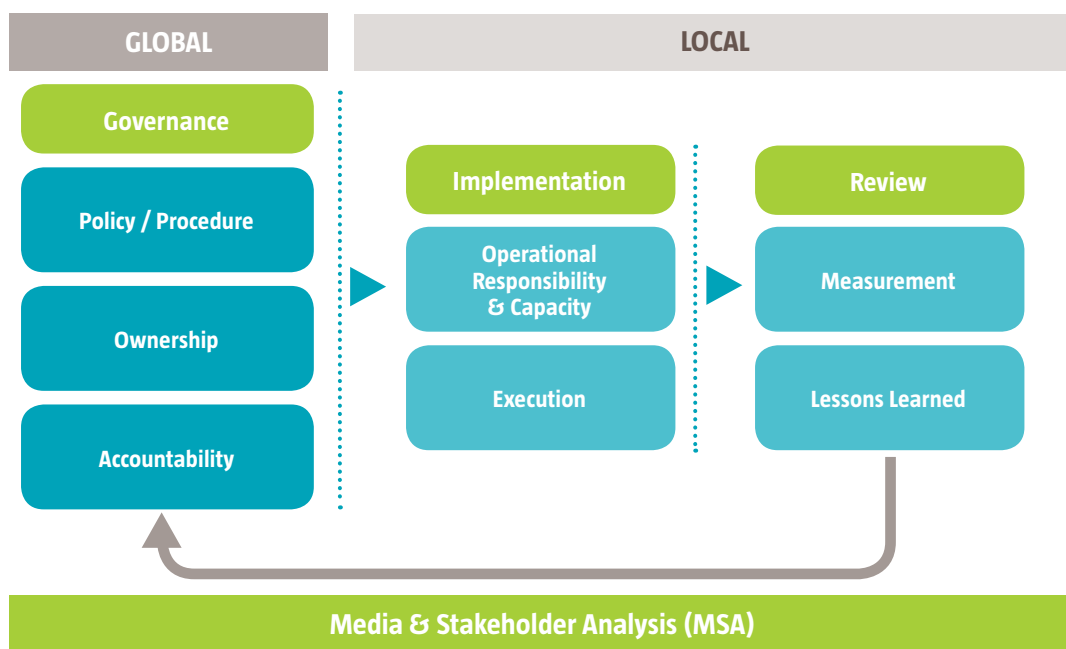
As an industry-specific criterion, the stakeholder engagement framework is only applied to industries that have a significant impact on the local environment and society, and therefore have greater exposure to local incidents. Typical examples include industries with large manufacturing operations, extractive industries, those with resource- or labor-intensive business models such as the textile industry, but also industries such as utilities, which provide vital services to a local area.

### Structure

The new stakeholder engagement framework consists of the three parts: governance, implementation and review. It is also complemented by a Media & Stakeholder Analysis (MSA), which monitors whether external news sources and other organizations have a negative view of the company's stakeholder engagement efforts.

A key feature of the framework is that it looks at how companies strike a balance between the top-down corporate stakeholder engagement policy and how it is implemented at the local level.

Figure 2: Framework for assessing stakeholder engagement strategy



Source: RobecoSAM

### Governance

When it comes to governance, a group-wide policy or procedure helps ensure that the stakeholder engagement strategy is applied consistently throughout the firm. Such a document provides the responsible employees on the ground with clear guidelines on how to communicate, interact and manage the company's relationships with its local stakeholders. By making such a policy or procedure publicly available, companies demonstrate their commitment to a proactive and collaborative relationship with key local players. In order to ensure that policies are properly implemented, the CSA checks whether there is clear ownership for the stakeholder engagement process and verifies whether companies have an accountability mechanism in place, which allows stakeholders to escalate an issue if their concerns are not being properly addressed.

### Implementation

The second component of the stakeholder engagement framework looks at how the stakeholder engagement strategy is actually implemented at the local level. Managers on the ground have a much better understanding of the local context, know which stakeholders are the most relevant to the company's local operations, and what is feasible in terms of approaching and interacting with local stakeholders. For instance, companies need to make sure that relevant local stakeholders have the financial means to actually travel to a proposed stakeholder roundtable.

For this reason, companies must assign clear responsibilities and provide proper incentives. Stakeholder engagement KPIs should be part of the annual performance appraisal of the local operations' top managers, and if they meet their targets, they should be rewarded. But companies must also ensure that local managers possess the right skills such as language, knowledge of the local regulatory framework, an understanding of the local political environment, societal expectations and culture, as well as knowledge about the physical environment and availability (or scarcity) of local natural resources critical to the companies' operations. Such local expertise helps ensure that the company's local stakeholders have the ability to interact with company representatives that understand the local circumstances and are therefore more likely to respond to their concerns.

Once these basics have been covered, a reasonable approach to prioritizing local stakeholders is needed. Mitchell, Agle and Wood<sup>1</sup> (1997) have put forward a structured process for determining the relative importance of stakeholders based on the notions of *power*, *legitimacy* and *urgency*. According to their theoretical framework, *power* refers to the stakeholder's ability to make the company take an action that it would otherwise not have taken. *Legitimacy* relates to the generalized perception or assumption that the actions of a stakeholder are desirable or appropriate within a certain social system. Last but not least,

<sup>1</sup> (Mitchell, R. K.; Agle, B. R.; Wood, D. J. 1997. "Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts," *Academy of Management Review*, 22(4): 853-886

*urgency* refers to the degree to which the stakeholder's claims call for immediate attention. By complementing these three concepts with appropriate tools such as stakeholder profiles and maps, companies can gain a clear understanding of who their high-priority local stakeholders are. These are then engaged using interactive engagement methods suitable to the local context, such as town hall meetings, roundtables or plant visits.

## Stakeholder engagement will be most effective if it is truly embedded in daily business operations.

Stakeholder engagement will be most effective if it is truly embedded in daily business operations. For instance, when expanding local manufacturing sites, it should be standard practice for the company to consult with the communities surrounding the site to learn about their concerns and expectations related to the new plant. Though local operations can provide employment opportunities for the community, other potential social and environmental impacts such as

## Companies should have a mechanism in place so that local subsidiaries can share lessons learned with the rest of the group and prevent the same mistakes from repeating themselves in other locations.

noise, traffic, pollution and waste must be considered and transparently discussed with local communities, authorities and NGOs. Another factor to consider is whether the company is competing with the local community for limited water, energy or natural resources. Any conflicts between the company and local

communities over access to resources can jeopardize the company's license to operate. Ultimately, a failure to engage with local stakeholders in the planning stages of a new project can lead to local opposition, delays, and cost overruns.

### Review

The third part of the criterion looks at how companies review and measure the success of their past stakeholder engagement activities. An important component of an effective review process is the use of meaningful indicators such as the "Number of Community Advisory Panels organized," for instance, to measure the success of the local stakeholder engagement activities and report the results back to company headquarters, where they are aggregated and ideally reported back to senior management. But it is equally important for companies to learn from their past experiences. Therefore, companies should have a mechanism in place so that local subsidiaries can share lessons learned with the rest of the group and prevent the same mistakes from repeating themselves in other locations.

### Media & Stakeholder Analysis

Last but not least, the Media & Stakeholder Analysis (MSA) serves as an additional check to verify whether the stakeholder engagement process works as well in practice as it does on paper. The MSA process continuously monitors media coverage and other publicly available information from consumer organizations, governments or NGOs to evaluate companies' responses to environmental, economic or social crisis situations that may have a negative impact on their core business or reputation. A range of issues such as labor disputes, workplace safety, accidents, human rights abuses or environmental disasters are particularly relevant to local stakeholders, and require the company to respond in a timely and transparent manner in order to minimize the negative impact of the crisis.

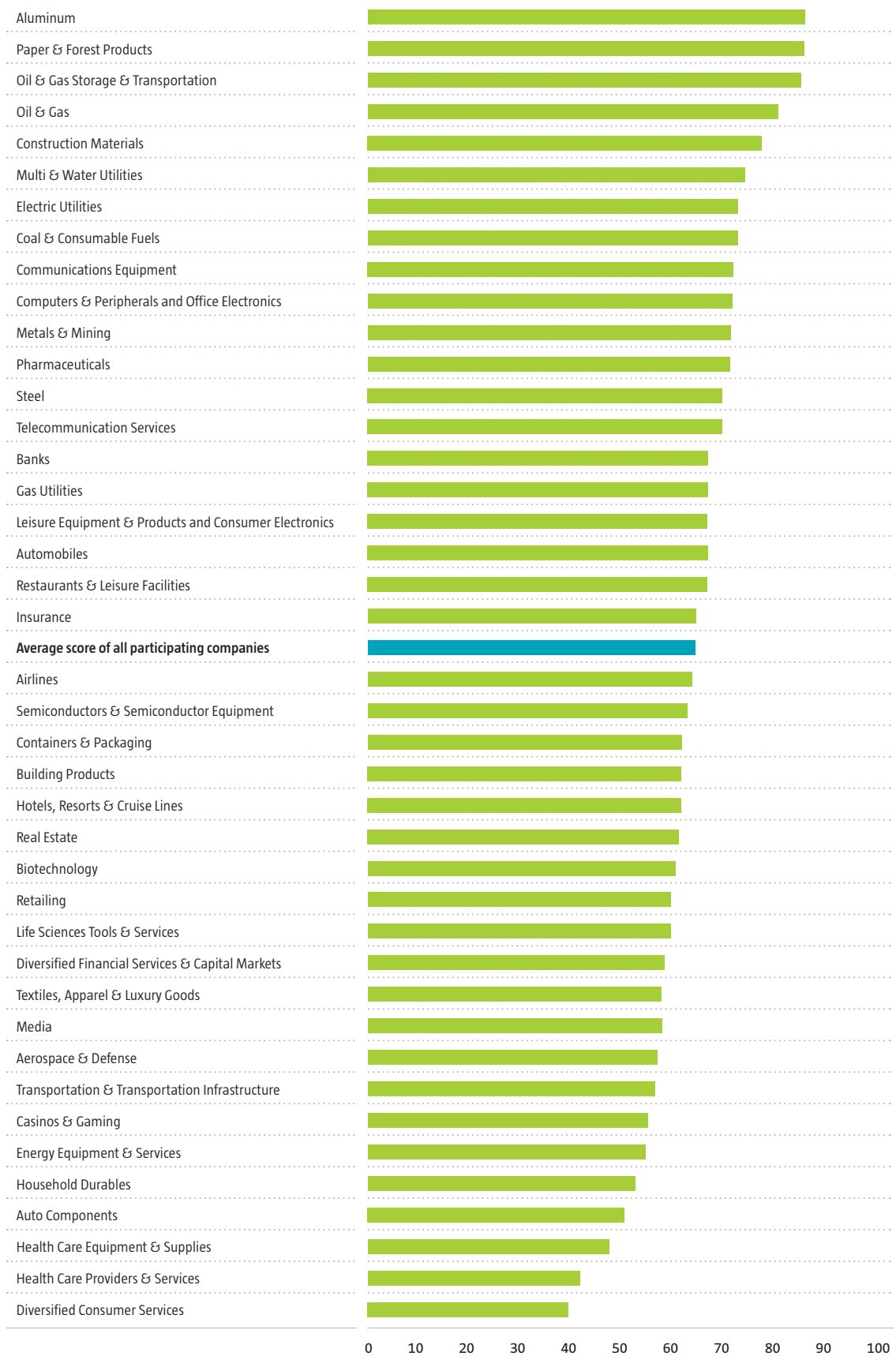
### Preliminary findings

A good starting point for the analysis of the companies' performance in the new stakeholder engagement framework is a comparison of the average total score of the different industries that were evaluated according to the criterion. The data is based on the companies that have completed the questionnaire, totaling 578 companies from 41 industries.

Although it is early to draw definitive conclusions based on one year of data, several interesting patterns emerge when comparing the average scores per industry.

1. Industries that rely heavily on natural resources such as producers of Aluminum, Paper & Forest Products, and Oil & Gas are among the best scoring companies, followed closely by companies that provide vital services to the local infrastructure, such as water and electric utilities.
2. Industries whose business models rely heavily on Research & Development such as Life Sciences Tools & Services and Health Care Equipment & Suppliers seem to score lower. This may be connected to the fact that R&D intensive operations typically have a

Figure 3: Average stakeholder engagement performance by industry



Source: RobecoSAM

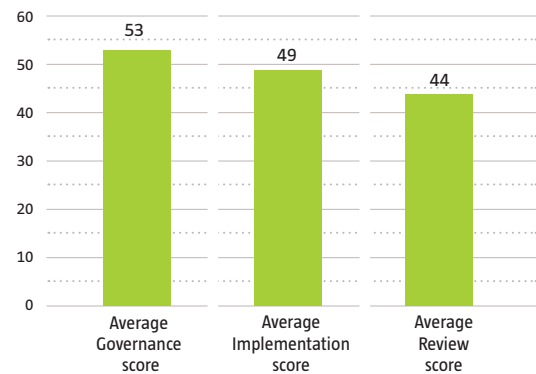
minor impact on their immediate surroundings. In addition, for these types of companies, their most important stakeholders by far, are their employees, which are more likely to be highly specialized employees working in centralized research centers, rather than workers drawn from local communities or tied to labor unions. Therefore, companies in these industries might score higher in the Human Capital Development and Talent Attraction & Retention criteria, rather than on the Stakeholder Engagement criterion, which focuses on local stakeholders.

3. Surprisingly, the Energy Equipment & Services and Transportation & Transportation Infrastructure industries, whose operations have plenty of local exposure, display relatively low scores. This may be due to their lower visibility as these companies generally operate in a business to business environment and are subject to less public scrutiny. However, this will only hold true as long as there is no major incident that draws public attention. In many cases, increased public scrutiny encourages companies to adopt better practices.
4. The Auto Components and the Textiles, Apparel & Luxury Goods industries also received relatively low scores. One possible explanation is that many companies in these industries have outsourced large parts of their local operations to external suppliers and are therefore outsourcing their local risks via their supply chain strategies. This behavior might have severe repercussions if these companies do not have an adequate supply chain management system in place. Considering that social media enables local stakeholders to link workplace incidents at a supplier's factory to the consumer brand, companies may be held directly responsible.

### Gap between top-down policy and bottom-up implementation

When examining the average scores of the companies in the three different parts of the framework, one can observe that on average, companies scored best on the top-down governance section, reflecting RobecoSAM's past experience that stakeholder engagement is still very much a top-down topic pushed by corporate functions at the company headquarters. Therefore, it is not surprising that the average score for the local implementation component is lower. The average score for the review component of the framework is even lower, showing that many companies still lack a review and feedback culture around their stakeholder engagement activities, which is standard practice for other parts of the business.

Figure 4: Average scores for each component of stakeholder engagement framework (out of 100)



Source: RobecoSAM

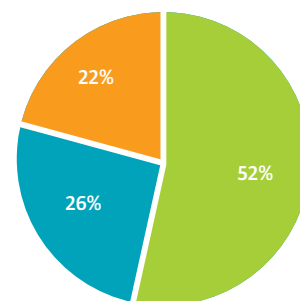
## Governance

### Policies and transparency

Because a basic set of guidelines is necessary for companies to implement a stakeholder engagement strategy, companies are asked whether they have a policy or procedure to ensure that the corporate stakeholder engagement strategy is applied consistently across all of the companies' operations.

Although over 3/4 (78%) of the participating companies have a corporate stakeholder engagement policy or procedure in place, only 52% state that it is applied consistently across all of their operations.

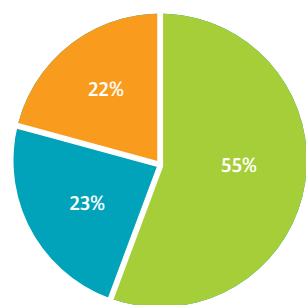
Figure 5: Percentage of companies with corporate stakeholder engagement policy



■ Policy applicable to all operations  
■ Policy applicable to some operations  
■ No policy

Source: RobecoSAM

**Figure 6: Percentage of companies with a publicly available stakeholder engagement policy**



- Policy publicly disclosed
- Policy not publicly disclosed
- No policy

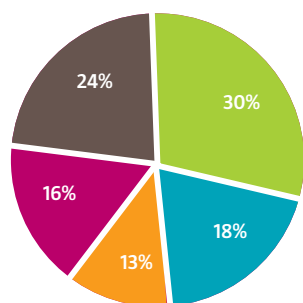
Source: RobecoSAM

Looking at the transparency of the companies' policies also reveals a mixed picture: only 55% of the companies make their stakeholder engagement policy or procedure publicly available, which is an important step towards creating accountability and signaling commitment to the company's local stakeholders.

#### Board level involvement

In order for a stakeholder engagement policy to be successful, it must fit within the company's overall corporate strategy, and should therefore be guided by the highest corporate function. Thus the CSA looks at the frequency of briefings on stakeholder engagement to the Board of Directors.

**Figure 7: Percentage of companies reporting to Board of Directors on stakeholder engagement topics**



- At least quarterly
- Annually
- Semi-annually
- Ad-hoc
- Never, not applicable

Source: RobecoSAM

For most companies, reporting to senior management on stakeholder engagement occurs rather infrequently: 24% of the companies do not brief their Board of Directors on stakeholder engagement topics. Still, 30% of the companies report to their Board of Directors on stakeholder engagement matters on a quarterly basis. This shows that leading companies are aware that stakeholder engagement is an ongoing process, should be embedded in the company's overall corporate strategy and deserves regular attention from senior management – not only in times of crisis.

## Implementation

### Identifying and prioritizing local stakeholders

In order to implement their stakeholder engagement strategy effectively, companies must be able to identify their most important local stakeholders. To do so, companies must have an understanding of what types of characteristics constitute a high-priority stakeholder.

More than half of the companies that completed the stakeholder engagement criterion have a reasonable understanding of what characterizes their high-priority stakeholders. Depending on each company's business model, the relative importance and relevance of different types of stakeholders will vary. Therefore it is crucial that companies are able to identify, select and prioritize the appropriate stakeholders for an engagement. This allows the companies to use their resources in the most effective manner and ensures that once a stakeholder is deemed important, it actually receives the attention it deserves.

Once the company has identified the high-priority stakeholders at its local operations, the next step is to get to know them. Therefore, companies were asked if they use stakeholder profiles and stakeholder mapping as tools at the local level. Stakeholder maps typically have two dimensions, for example: the willingness to engage versus the ability to engage. Stakeholder profiles are used to describe individual stakeholders and preserve knowledge about specific local stakeholders, which helps to ensure continuity in the case of employee turnover. Overall, only 17% of the participating companies use both stakeholder profiles and stakeholder maps to develop knowledge about their local high-priority stakeholders. Surprisingly, more than half of the companies that participated in the assessment do not use such tools at all to manage their local stakeholders.

Based on the information gathered about their high-priority stakeholders, we expect companies to carefully decide how to interact with them. Of course the method chosen will depend on the local circumstances, but two-way approaches such as interviews, consultation

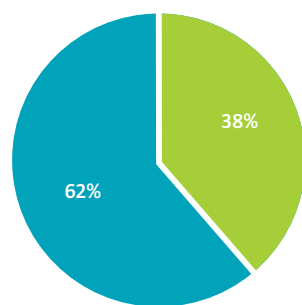
meetings, roundtables and town hall meetings are typically considered to be most effective.

### Incentive mechanisms

A successful local stakeholder engagement strategy also depends on having the appropriate mechanisms in place to ensure that the top-down strategy is actually implemented by the managers on the ground. Therefore, companies are asked whether the local implementation of the group-wide stakeholder engagement policy/procedure is part of the annual performance review of the local operations' top managers.

Only 38% of participating companies reported that they use incentive mechanisms to ensure that firm-wide engagement policies are actually implemented at local operations.

**Figure 8: Percentage of companies incorporating stakeholder engagement into local managers' performance review and incentives**



Yes  
No

Source: RobecoSAM

## Review

### Measuring benefits of stakeholder engagement and feedback loops

When companies engage with stakeholders at their local sites, they learn valuable lessons and gain insights that can benefit the rest of the organization. In order to ensure that this information is used effectively, companies need to close the feedback loop and make sure local findings and results are reported back to the headquarters so that their group-wide stakeholder engagement strategy can be refined and adjusted, and other sites can benefit from the experience. For this

reason, companies are asked what type of quantitative or qualitative performance indicators they use to measure and report the success of local Stakeholder Engagement activities. Examples of quantitative indicators can include "Number of town hall meetings held at Factory XYZ," while qualitative indicators are typically more descriptive, such as case studies of stakeholder engagement success stories, for instance.

About half of the companies that were assessed were able to provide two meaningful KPIs such as "Number of local controversies," "Community Engagement Plans in place," "Community Advisory Panels in place" or "Number of grievances reported through local grievance mechanism." Clear and straightforward KPIs allow the organization to measure the success of their local stakeholder engagement activities and report these results back to the department responsible for stakeholder engagement at the group level. This shows that companies are beginning to use regular management tools to track, manage and evaluate the success of their stakeholder engagement practices. This allows the companies to use the limited resources available in a more efficient manner. A proper mechanism for reporting these KPIs back to company headquarters also helps ensure that the relevant local stakeholders receive the attention they require from top management, because if they don't, a local incident may quickly turn into a broader issue that affects the entire company.

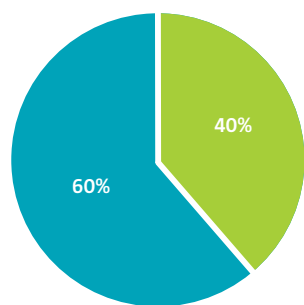
### Information sharing and learning from past experiences

Local stakeholders are usually there long before a company moves in, and are likely to remain after the company leaves. As a result, local stakeholders tend to be sensitive and are equipped with a good long-term memory. Therefore, businesses should ensure they learn from past incidents or mistakes. To determine whether companies are actually doing this, companies are asked to describe a concrete example in which a local stakeholder engagement has not been successful or has led to a negative outcome.

Surprisingly, only 40% of the companies were able to provide a concrete example of an unsuccessful stakeholder engagement such as unrealistic expectations triggered by local stakeholder programs or negative media coverage in cases where the follow up to a roundtable discussion took too long. It seems that some the companies have developed this kind of awareness and willingness to learn from past experiences.



**Figure 9: Percentage of companies providing examples of unsuccessful stakeholder engagement experiences**



■ Provided meaningful example  
■ Did not provide example

Source: RobecoSAM

Companies were also asked how any lessons learned from positive and negative stakeholder engagement experiences are systematically disseminated throughout the group. The most common methods for disseminating knowledge and sharing experiences on how to deal with local stakeholders throughout the company appear to be the use of standardized debriefing processes, internal conferences in which local plant managers share best practices, roadshows to local operating units and training modules for sharing best practices.

### Conclusion and outlook

Results from the first year of applying the enhanced stakeholder engagement framework in the CSA confirm that companies are good at establishing a top-down stakeholder engagement policy. However, for such

**Companies are good at establishing a top-down stakeholder engagement policy. However, for such a policy to be truly effective and add financial value, companies must also master the local implementation of their corporate stakeholder engagement strategies.**

a policy to be truly effective and add financial value, companies must also master the local implementation of their corporate stakeholder engagement strategies.

One important finding of the stakeholder engagement framework is that companies still lack transparency when it comes to communicating on their local stakeholder management policies. Although many of the companies have internal documents guiding their stakeholder engagement initiatives, many have not disclosed these publicly. In addition, there seems to be a consensus among companies about the strategic importance of stakeholder engagement, but this is not yet reflected in practice in terms of the frequency and level of attention the topic receives at board-level meetings.

When it comes to implementing stakeholder engagement processes, quite a few companies have a relatively good sense of who their high-priority local stakeholders are. But many companies still do not regularly use stakeholder profiles and stakeholder maps to manage their high-priority local stakeholders or incentivize their local site managers to ensure that these stakeholders receive the appropriate attention.

Regarding the need to close the feedback loop and ensure that local findings and results are reported back to the headquarters, we have seen that some companies are using KPIs to measure the success of their stakeholder engagement activities. However, there is still considerable room for improvement in terms of learning from negative stakeholder engagement outcomes and sharing those experiences with the rest of the firm.

As social media continues to increase the speed of information exchange, public scrutiny on all aspects of companies' operations – from manufacturing to sales – will continue to mount. The best way to prevent incidents from escalating is a proactive approach to stakeholder engagement that demonstrates the company's true commitment to addressing the concerns of their local stakeholders.

RobecoSAM will continue to develop and refine its stakeholder engagement framework to encourage companies to publicly disclose their stakeholder engagement policies; to properly implement them at the local level, where it matters most; to measure the success of their approach and to disseminate the results of their engagement activities throughout the rest of the company in order to continue to improve.



# 5. The company perspective: PUMA's approach to stakeholder engagement

Sustainability Investing Analyst Elsa Ben Hamou Dassonville sat with Stefan Seidel, Deputy Head at PUMA.Safe\* Global and Team Head PUMA.Safe Ecology to learn why stakeholder engagement is important to his company, and how PUMA interacts with its local stakeholders.

Stefan Seidel, PUMA.Safe

**Stefan Seidel** joined PUMA in 2001. As the leader of the PUMA.Safe\* Team in EMEA, he led sustainability projects in Europe, the Middle East and Africa and helped develop PUMA.Safe standards as well as PUMA's sustainability reports. More recently, as Deputy Head PUMA.Safe Global and as Team Head PUMA.Safe Ecology, he has been responsible for the implementation of PUMA's global environmental standards.

**Elsa Ben Hamou Dassonville: How has the rise of social media influenced the way stakeholders interact with you?**

**Stefan Seidel:** The interaction is much faster today than it was some years ago. Today, workers at our suppliers' factories can use their mobile phones and social media to raise any issues, either directly to us or to others such as NGOs and the media.

**How has this influenced your stakeholder engagement policies?**

In principle, we have not changed our stakeholder engagement policies. We are open and transparent towards any interested stakeholder, be it a financial analyst or an NGO activist. We communicate through multiple channels, from speaking regularly to workers at factories, to organizing local Round Table Meetings with our suppliers, as well as participating in global industry initiatives and expert conferences. Our aim is to engage in a constructive dialogue, even with the most outspoken or critical stakeholders.

\* "Safe" stands for:  
Social Accountability  
and Fundamental  
Environmental Standards



**Who are some of your most important local stakeholders and why? How can they impact your business?**

The most important local stakeholders are the employees and the management at our manufacturing partners' sites, as well as the communities in which they live. Their impact on our business is very substantial, as we rely on them for the manufacture of our products as well as our local license to operate.

**Can you provide an example of a stakeholder engagement activity that has been successful and led to a positive outcome?**

In China we have worked with the Institute of Public & Environmental Affairs (IPE) and our suppliers to follow

up on water pollution issues that were raised by this NGO, which runs a national pollution database. We are now going one step further and encourage selected suppliers to upload test reports from their waste water treatment effluents directly to the IPE database. This will enable local residents to obtain precise information on what enters the water stream in their neighborhood.

**At the group level, how does your company interact with stakeholders?**

We invite our main stakeholders every year for a two day event at an old monastery close to our headquarters in Germany. During these "Talks at Banz" we share our sustainability strategy with NGOs, suppliers, representatives from industry initiatives, sustainability experts, analysts and PUMA colleagues.

**How does your stakeholder engagement strategy fit into the global PUMA.Safe program and your group strategy, and how much flexibility do you have in terms of applying your stakeholder strategy at the local level?**

Interaction with our stakeholders is a key element of both the PUMA.Safe program, which forms an important element of the overall PUMA Sustainability Strategy. Honest stakeholder feedback enables us to

"Honest stakeholder feedback enables us to identify gaps and opportunities that we otherwise may have overlooked in our daily work. The regular contact with key local stakeholders is as important as the global dialogue."

identify gaps and opportunities that we otherwise may have overlooked in our daily work. The regular contact with key local stakeholders is as important as the global dialogue and the fact that we have local PUMA.Safe colleagues at the major sourcing locations helps to reinforce this communication.

**How does your local stakeholder engagement policy contribute to your business?**

Our products are mainly manufactured in Asia, where the implementation of social and environmental standards still poses significant challenges. The recent disasters with factory fires in Pakistan and the tragic building collapse in Bangladesh have, quite rightly so, captured global public attention. Regular local stakeholder engagement acts as an early warning system to identify any potential issues before they escalate or even lead to disaster. Thus, a constructive dialogue with stakeholders helps us mitigate risks and therefore reduce or prevent unexpected costs, which in turn protects our brand reputation and value.

**“A constructive dialogue with stakeholders helps us mitigate risks and reduce or prevent unexpected costs, which in turn protects our brand reputation and value.”**

But beyond mitigating risks, our stakeholder engagement helps to create a positive public image. For example, Greenpeace recently publicly named PUMA a leader in its Detox campaign, which challenges clothing brands to eliminate the release of hazardous chemicals during the production process, whereas some major competitors did not receive similar recognition.

**Have you applied any lessons learned from your interactions with local stakeholders to your global policy/practices?**

Working with critical local NGOs on labor rights has helped us to better understand the situation on the ground. This in turn has led to a strengthening of our own supplier audit program, as well as the recognition that audits at best show the status quo at a given time and need to be supported by capacity building programs.

**Based on this year’s assessment, the average score for the Textiles industry in the stakeholder engagement criterion was lower than for some other industries such as Electric Utilities, Metals & Mining, or Oil & Gas. What is your view on this? Where do you see room for improvement for your industry in the area of stakeholder engagement?**

It is clear that industries like Mining or Oil & Gas, which have a high and very visible local environmental and social impact, put a high emphasis on stakeholder dialogue in general and even more so on local stakeholder engagement.

Our industry has a long history of engaging with the supply chain. Besides this, recently formed industry initiatives such as the Sustainable Apparel Coalition and the Zero Discharge Hazardous Chemicals Group are intensifying the dialogue within the industry itself and go beyond the traditional brand-supplier relationship by incorporating lower tiers of the supply chain such as dyehouses or tanneries or even suppliers of chemicals.

## 6. Sustainability Leaders 2014

Since 1999, RobecoSAM has been assessing and documenting the sustainability performance of over 2,000 corporations on a yearly basis. In the process, RobecoSAM has compiled one of the largest global databases on corporate sustainability.

Over 3,000 of the world's largest companies, including 800 companies based in the emerging markets, are invited to participate in RobecoSAM's Corporate Sustainability Assessment (CSA) every year.

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.

Starting with this year's assessment, the industry classifications have been fully aligned with the Global Industry Classification System (GICS), the most widely accepted standard in the financial industry. As a result, the 58 RobecoSAM sectors were replaced with 59 RobecoSAM industries, and some companies were moved to a different industry.

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 59 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. In addition, the top performing company from each industry is named the RobecoSAM Industry Leader. Furthermore, in order to be included in the Yearbook, companies must achieve a score within 30% of their Industry Leader's score.

In addition to the companies' sustainability scores derived from the CSA, a qualitative screen based on RobecoSAM's Media & Stakeholder Analysis (MSA), which evaluates a company's response to critical sustainability issues that may arise during the year, is also applied to determine eligibility for inclusion in The Sustainability Yearbook. This aligns the Yearbook's methodology with any decision by the DJSI Design Committee to exclude a company from the DJSI, which is also based on the MSA.



For each industry, the company with the highest score is named the RobecoSAM Industry Leader, and is considered to be the company within its industry that is best prepared to seize the opportunities and manage the risks deriving from economic, environmental and social developments.



Companies whose score is within 1% of the Industry Leader's score receive the RobecoSAM Gold Class award.



All companies receiving a score within a range of 1% to 5% from the score of the Industry Leader receive the RobecoSAM Silver Class distinction.



Companies whose score is within a range of 5% to 10% from the score of the Industry Leader receive the RobecoSAM Bronze Class distinction.


### Industry Mover

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. However, as a result of this year's switch to GICS industry definitions, the comparability of the sustainability scores and industry universes between last year and this year was affected. Therefore it would not be appropriate to name Industry Movers for the 2014 Yearbook. The RobecoSAM Industry Mover distinction will be reinstated in the 2015 Yearbook.

### 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 Leader's score.

## Sustainability leaders 2014

	<b>RobecoSAM Gold Class</b>	
	Company *	Country
	Company	Country
	<b>RobecoSAM Silver Class</b>	
	Company	Country
	Company	Country
	<b>RobecoSAM Bronze Class</b>	
	Company	Country
	Company	Country
	<b>Sustainability Yearbook Members</b>	
	Company	Country
	Company	Country

The RobecoSAM Industry Leader appears at the top of the table. Within each of the medal categories, the remaining companies are listed in alphabetical order. Out of the 460 companies listed in The Sustainability Yearbook, the following distinctions were awarded:

- 70 RobecoSAM Gold Class**
- 65 RobecoSAM Silver Class**
- 87 RobecoSAM Bronze Class**

\* RobecoSAM Industry Leader

### 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 2013 RobecoSAM Corporate Sustainability Assessment.

### Industry statistics

This section displays the research coverage in 2013 for the respective industry. Assessed companies include those that actively participated in the CSA and companies assessed by RobecoSAM based on publicly available information.

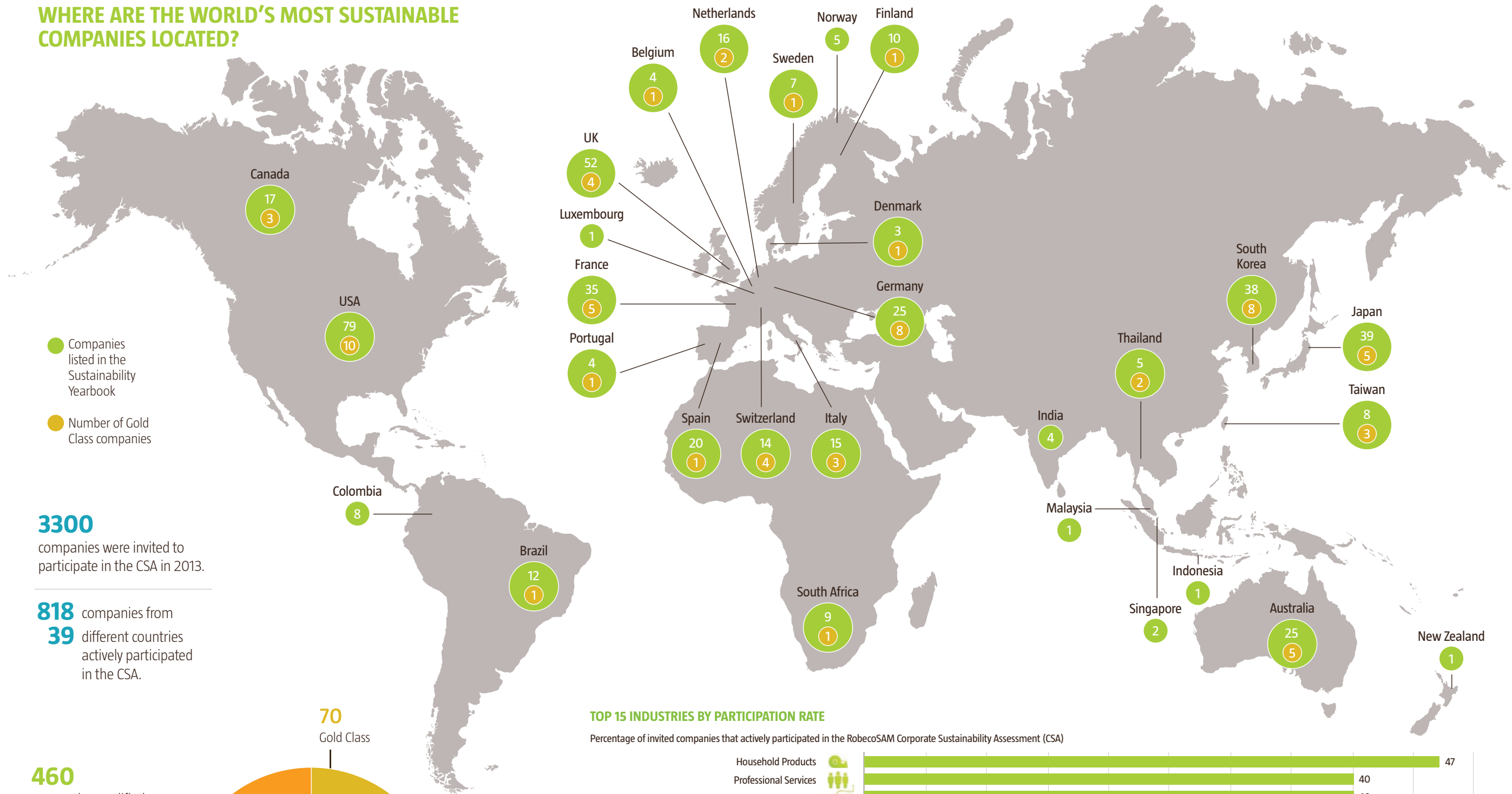
#### Results at industry level

Offers an overview of the 2013 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.

# RobecoSAM Industry Leaders 2014

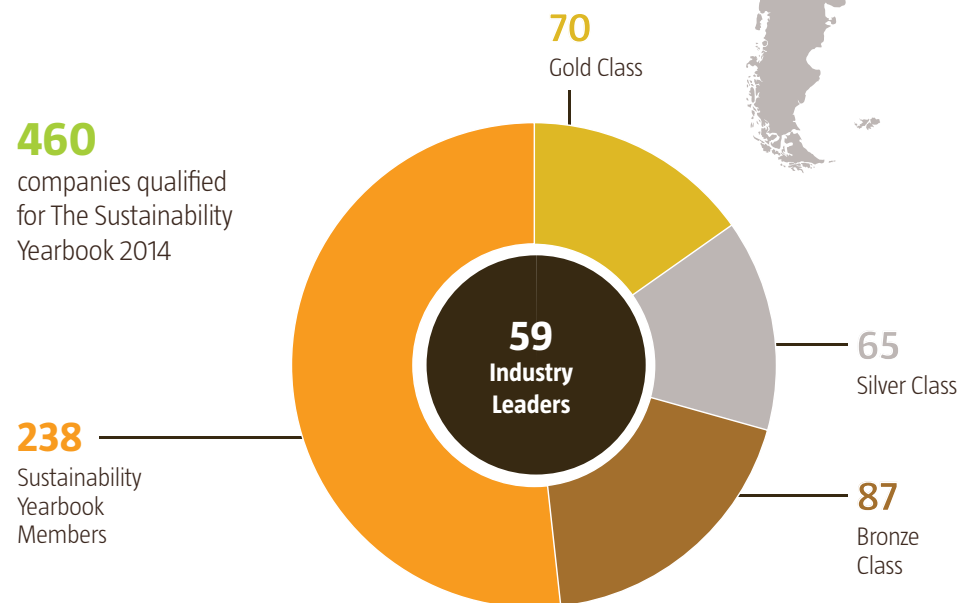


## WHERE ARE THE WORLD'S MOST SUSTAINABLE COMPANIES LOCATED?



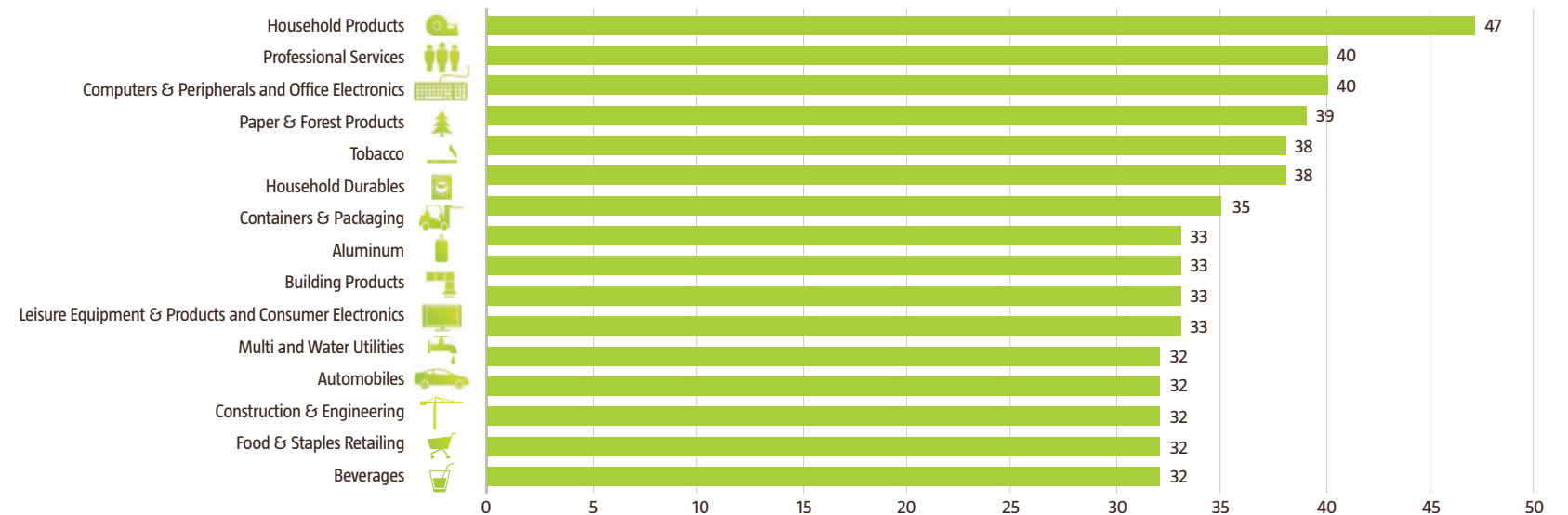
**3300** companies were invited to participate in the CSA in 2013.

**818** companies from **39** different countries actively participated in the CSA.



### TOP 15 INDUSTRIES BY PARTICIPATION RATE

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





RobecoSAM Industry Leaders 2014

Company Name	Industry	Country
Abbott Laboratories	Health Care Equipment & Supplies	United States
Adecco SA	Professional Services	Switzerland
Adidas AG	Textiles, Apparel & Luxury Goods	Germany
Air France-KLM	Airlines	France
Akzo Nobel NV	Chemicals	Netherlands
Alcatel-Lucent	Communications Equipment	France
Alcoa Inc	Aluminum	United States
Allianz SE	Insurance	Germany
Amorepacific Corp	Personal Products	South Korea
Anglo American PLC	Metals & Mining	United Kingdom
Australia & New Zealand Banking Group Ltd	Banks	Australia
Baker Hughes Inc	Energy Equipment & Services	United States
Ball Corp	Containers & Packaging	United States
Benesse Holdings Inc	Diversified Consumer Services	Japan
BG Group PLC	Oil & Gas	United Kingdom
Bombardier Inc	Aerospace & Defense	Canada
British American Tobacco PLC	Tobacco	United Kingdom
Canadian National Railway Co	Transportation and Transportation Infrastructure	Canada
China Steel Corp	Steel	Taiwan
Citigroup Inc	Diversified Financial Services and Capital Markets	United States
CNH Industrial NV	Machinery and Electrical Equipment	Italy
EDP - Energias de Portugal SA	Electric Utilities	Portugal
Electrolux AB	Household Durables	Sweden
Exxaro Resources Ltd	Coal & Consumable Fuels	South Africa
Fibria Celulose SA	Paper & Forest Products	Brazil
Gas Natural SDG SA	Gas Utilities	Spain
Henkel AG & Co KGaA	Household Products	Germany
Humana Inc	Health Care Providers & Services	United States
Hyundai Engineering & Construction Co Ltd	Construction & Engineering	South Korea
KEPCO Plant Service & Engineering Co Ltd	Commercial Services & Supplies	South Korea
KT Corp	Telecommunication Services	South Korea
Life Technologies Corp	Life Sciences Tools & Services	United States
Lite-On Technology Corp	Computers & Peripherals and Office Electronics	Taiwan

Company Name	Industry	Country
Lotte Shopping Co Ltd	Retailing	South Korea
Marubeni Corp	Trading Companies & Distributors	Japan
Molson Coors Brewing Co	Beverages	United States
Nestle SA	Food Products	Switzerland
Novozymes A/S	Biotechnology	Denmark
Owens Corning	Building Products	United States
Panasonic Corp	Leisure Equipment & Products and Consumer Electronics	Japan
Pirelli & C. SpA	Auto Components	Italy
Roche Holding AG	Pharmaceuticals	Switzerland
Samsung Electro-Mechanics Co Ltd	Electronic Equipment, Instruments & Components	South Korea
SAP AG	Software	Germany
Schneider Electric SA	Electrical Components & Equipment	France
Siam Cement PCL	Construction Materials	Thailand
Siemens AG	Industrial Conglomerates	Germany
SK C&C Co Ltd	IT Services & Internet Software and Services	South Korea
Sodexo	Restaurants & Leisure Facilities	France
Spectra Energy Corp	Oil & Gas Storage & Transportation	United States
Stockland	Real Estate	Australia
Suez Environnement Co	Multi and Water Utilities	France
Sumitomo Forestry Co Ltd	Homebuilding	Japan
Tabcorp Holdings Ltd	Casinos & Gaming	Australia
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & Semiconductor Equipment	Taiwan
Telenet Group Holding NV	Media	Belgium
TUI AG	Hotels, Resorts & Cruise Lines	Germany
Volkswagen AG	Automobiles	Germany
Woolworths Ltd	Food & Staples Retailing	Australia

# Industry profiles: 59 industries at a glance

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## Aerospace & Defense

### Driving forces

The aerospace & defense industry remains a profitable yet challenging business. Global cuts in government spending, especially in the United States, will put significant financial pressure on companies, forcing them to realign their strategies and diversify their business models. The commercial aerospace segment remains lucrative, with a strong demand for fuel-efficient next generation products. Cooperation with both customers and suppliers remains a key driver of innovation. Product stewardship, life cycle management and operational eco-efficiency have become key requirements for both commercial and military applications. The call for alternative fuels and propulsion technologies is increasingly becoming a question of not only operating costs, but one of national security and public policy. Governance, compliance and bribery issues remain a threat to companies involved in the manufacture and sale of aerospace and defense products. Numerous scandals in recent years and investigations by authorities have led to a call for increased transparency and accountability by these companies. The sensitive nature of the business and the importance of this industry to national governments increase the public scrutiny around companies operating in this space.

### Highlighted criteria

- Economic Dimension
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Risk & Crisis Management
  - Supply Chain Management
- Environmental Dimension
  - Climate Strategy
  - Environmental Reporting
  - Operational Eco-Efficiency
  - Product Stewardship
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

#### RobecoSAM Gold Class

Bombardier Inc\* Canada

#### Sustainability Yearbook Members

BAE Systems PLC United Kingdom

Embraer SA Brazil

Finmeccanica SpA Italy

Rolls-Royce Holdings PLC United Kingdom

\* RobecoSAM Industry Leader

As of October 31, 2013

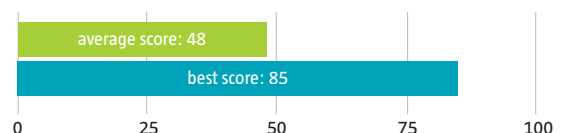
### Industry statistics

Number of companies in universe	38
Number of companies assessed by RobecoSAM in 2013	26
Assessed companies to total companies in universe (%)	68
Market capitalization of assessed companies to total market capitalization (%)	93

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	56	95	37%
Environmental	43	79	28%
Social	43	78	35%

#### Total score





## Airlines

### Driving forces

Commercial airlines continue to face a competitive and challenging environment. Rising fuel costs combined with fierce competition from low-cost and ultra-low-cost carriers are forcing airlines to rethink their business plans and adapt their long-term growth strategies. Consolidation continues throughout the industry, and new route-sharing partnerships help create economies of scale and reduce operating costs. The EU Emissions Trading Scheme, originally scheduled to be implemented in January 2013, has been put on hold, giving the UN's International Civil Airline Organization (ICAO) a year to develop a global alternative. If no solution is found, the EU has vowed to move ahead as planned, applying the legislation to all intercontinental flights to and from the European Union, providing an additional financial incentive to improve operational eco-efficiency. Although airlines have made significant strides in improving fuel efficiency and investments in the latest generation aircraft remain strong, further cooperation between the private and public sectors is needed to meet the 2020 goal of neutralizing net CO<sub>2</sub> emission growth. This includes increasing cooperation on the development of alternative fuels and the implementation of advanced route planning systems and navigation technologies.

### Highlighted criteria

#### Economic Dimension

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Fleet Management
- Risk & Crisis Management

#### Environmental Dimension

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency

#### Social Dimension

- Human Capital Development
- Labor Practice Indicators & Human Rights
- Social Reporting
- Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Air France-KLM*	France
<b>RobecoSAM Silver Class</b>	
Qantas Airways Ltd	Australia
<b>Sustainability Yearbook Members</b>	
Delta Air Lines Inc	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

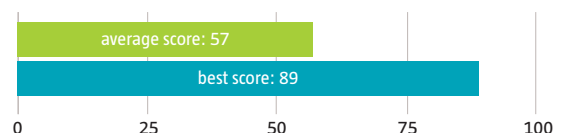
### Industry statistics

Number of companies in universe	25
Number of companies assessed by RobecoSAM in 2013	14
Assessed companies to total companies in universe (%)	56
Market capitalization of assessed companies to total market capitalization (%)	61

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	63	92	44%
Environmental	56	95	26%
Social	48	80	30%

### Total score





## Aluminum

### Driving forces

Energy consumption and climate change remain two of the most pressing issues facing the aluminum industry. Today, coal and hydropower are the primary energy sources used in aluminum production. Although power consumption (MWh/t) has been halved over the past ten years, smelting remains an energy-intensive process that uses considerably more energy than steel production. This ecological disadvantage is partly offset by the significantly lower specific weight of aluminum and the moderate energy input required for aluminum recycling. Nevertheless, further decreases in specific energy consumption and GHG emissions from anode consumption remain a key challenge. In terms of social sustainability, occupational health & safety dominate the agenda. However, as aluminum producers become vertically integrated, they are also increasingly faced with additional sustainability issues such as stakeholder engagement and mineral waste management.

### Highlighted criteria

- Economic Dimension
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Risk & Crisis Management
- Environmental Dimension
  - Climate Strategy
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension
  - Enabling Local Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Social Impacts on Communities

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Alcoa Inc*	United States
<b>RobecoSAM Silver Class</b>	
Norsk Hydro ASA	Norway

\* RobecoSAM Industry Leader

As of October 31, 2013

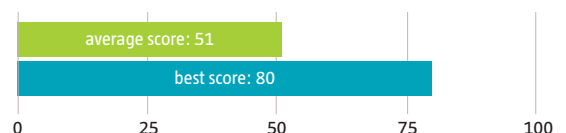
### Industry statistics

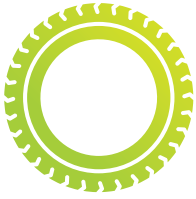
Number of companies in universe	6
Number of companies assessed by RobecoSAM in 2013	5
Assessed companies to total companies in universe (%)	83
Market capitalization of assessed companies to total market capitalization (%)	97

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	58	88	25%
Environmental	45	78	38%
Social	53	81	37%

### Total score





## Auto Components

### Driving forces

Intense competition in the automotive industry requires suppliers of auto components to consistently deliver improved products while they face constant competitive pressure to reduce prices on their existing product range. Suppliers of technologies that help reduce emissions can increase their products' market penetration. At the same time, the continued shift of the production base into emerging markets puts large leading suppliers at an advantage relative to small regional producers. Despite this boost from additional volumes, suppliers must continuously improve their production efficiency and reduce the cost of their materials to prevent eroding margins. Innovation remains a key differentiating factor, enabling companies to secure a competitive advantage. Supply chain management has grown in importance as efforts to improve efficiency have led to a consolidation of the industry, resulting in fewer global players.

### Highlighted criteria

**Economic Dimension**  
 – Codes of Conduct/Compliance/  
 Corruption & Bribery

– Corporate Governance

– Risk & Crisis Management

– Supply Chain Management

**Environmental Dimension**

– Climate Strategy

– Environmental Policy/Management  
 System

– Operational Eco-Efficiency

– Product Stewardship

**Social Dimension**

– Human Capital Development

– Labor Practice Indicators &  
 Human Rights

– Occupational Health & Safety

– Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Pirelli & C. SpA*	Italy
<b>RobecoSAM Silver Class</b>	
Cie Generale des Etablissements Michelin	France
Hyundai Mobis	South Korea
<b>RobecoSAM Bronze Class</b>	
Johnson Controls Inc	United States
<b>Sustainability Yearbook Members</b>	
Hankook Tire Co Ltd	South Korea
Valeo SA	France

\* RobecoSAM Industry Leader

As of October 31, 2013

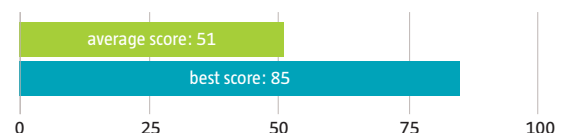
### Industry statistics

Number of companies in universe	40
Number of companies assessed by RobecoSAM in 2013	22
Assessed companies to total companies in universe (%)	55
Market capitalization of assessed companies to total market capitalization (%)	83

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	59	86	27%
Environmental	49	88	37%
Social	46	86	36%

### Total score



## Automobiles



### Driving forces

The automobile industry faces a number of key challenges including the need to define and implement a clear market positioning strategy in an environment characterized by overcapacities, cut-throat competition, and cost pressure stemming from high R&D costs. Given increasingly tight regulations on greenhouse gas emissions and air pollutants, as well as the industry's dependence on oil, carmakers need to improve fuel efficiency and lower the carbon intensity of their product portfolios by introducing alternative propulsion systems such as electric motors. In this respect, talented, skilled and motivated employees are directly responsible for developing innovative products, improving efficiency and ensuring production quality. Thus, progressive human resources policies that include talent attraction and retention, human capital development, occupational health & safety and group-wide ethical principles are indispensable to a company's success.

### Highlighted criteria

#### Economic Dimension

- Brand Management
- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Supply Chain Management

#### Environmental Dimension

- Climate Strategy
- Environmental Policy/Management System
- Operational Eco-Efficiency
- Product Stewardship

#### Social Dimension

- Human Capital Development
- Occupational Health & Safety
- Social Reporting
- Talent Attraction & Retention

### Sustainability leaders 2014

RobecoSAM Gold Class	
Volkswagen AG*	Germany
Bayerische Motoren Werke AG	Germany
Fiat SpA	Italy
RobecoSAM Bronze Class	
Nissan Motor Co Ltd	Japan
Peugeot SA	France
Toyota Motor Corp	Japan

\* RobecoSAM Industry Leader

As of October 31, 2013

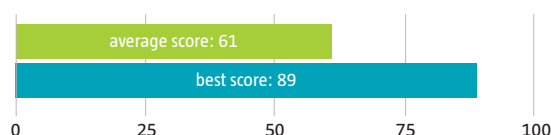
### Industry statistics

Number of companies in universe	37
Number of companies assessed by RobecoSAM in 2013	22
Assessed companies to total companies in universe (%)	59
Market capitalization of assessed companies to total market capitalization (%)	91

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	65	89	31%
Environmental	59	92	35%
Social	58	90	34%

### Total score





## Banks

### Driving forces

The banking industry remains under public scrutiny. As banks work to restore their credibility and contribute to stable financial systems following the credit crisis, leadership and accountability are key factors in building a competitive advantage. Adherence to international best practices in corporate governance, risk management and compliance standards remains a necessity. Regulation, political and stakeholder pressure, demographic shifts and climate change will continue to have an impact on the business environment. Leading banks are integrating environmental and social factors into their long-term investment strategies. Motivated, highly educated and experienced employees are critical to developing innovative financial products and services as well as in attracting and retaining clients. At the same time, climate change and resource scarcity are creating new business opportunities, for example in the area of low-carbon mortgages or funding schemes for new technologies that are paving the way for a low-carbon economy.

### Highlighted criteria

- Economic Dimension
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Customer Relationship Management
  - Risk & Crisis Management
- Environmental Dimension
  - Business Risks & Opportunities
  - Environmental Policy/Management System
  - Environmental Reporting
- Social Dimension
  - Controversial Issues, Dilemmas in Lending / Financing
  - Financial Inclusion
  - Labor Practice Indicators & Human Rights
  - Talent Attraction & Retention

### Sustainability leaders 2014

Class	Company	Country
RobecoSAM Gold Class	Australia & New Zealand Banking Group Ltd*	Australia
	Westpac Banking Corp	Australia
RobecoSAM Silver Class	National Australia Bank Ltd	Australia
	Banco Espirito Santo SA	Portugal
RobecoSAM Bronze Class	Banco Santander SA	Spain
	Itausa - Investimentos Itau SA	Brazil

### Sustainability Yearbook Members

Banco Bilbao Vizcaya Argentaria SA	Spain	Intesa Sanpaolo SpA	Italy
Banco Bradesco SA	Brazil	Itau Unibanco Holding SA	Brazil
Banco do Brasil SA	Brazil	KB Financial Group Inc	South Korea
Bancolumbia SA	Colombia	Lloyds Banking Group PLC	United Kingdom
Bank of Montreal	Canada	Nedbank Group Ltd	South Africa
Barclays PLC	United Kingdom	Royal Bank of Canada	Canada
BNP Paribas SA	France	Royal Bank of Scotland Group PLC	United Kingdom
CaixaBank	Spain	Shinhan Financial Group Co Ltd	South Korea
Canadian Imperial Bank of Commerce	Canada	Societe Generale SA	France
Commonwealth Bank of Australia	Australia	Standard Chartered PLC	United Kingdom
Credit Agricole SA	France	Toronto-Dominion Bank	Canada
DNB ASA	Norway	UniCredit SpA	Italy
HSBC Holdings PLC	United Kingdom		

\* RobecoSAM Industry Leader

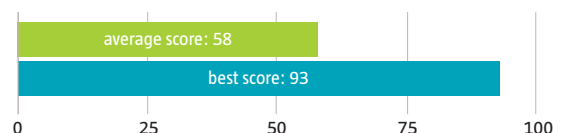
### Industry statistics

Number of companies in universe	210
Number of companies assessed by RobecoSAM in 2013	114
Assessed companies to total companies in universe (%)	54
Market capitalization of assessed companies to total market capitalization (%)	88

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	67	98	41%
Environmental	52	90	24%
Social	51	91	35%

### Total score



As of October 31, 2013





## Beverages

### Driving forces

In the mature global beverage industry, growth will continue to be driven by emerging markets, demographic trends and innovation. Carbonated soft drinks account for the majority of non-alcoholic beverages but demand in developed markets has been in decline for years as consumers shift toward healthier and/or lower calorie alternatives. Industry participants are developing and marketing higher quality and more diversified products to meet new consumption patterns. Over the last few years, such niche categories as energy drinks or single serve coffee have emerged and expanded. Innovative beverage companies can capture these new market opportunities, which offer faster growth and high margins. New opportunities can also be tapped in emerging markets where favorable demographic trends are boosting consumption. Given the large proportion of calories consumed through beverages, the industry's ingredients and advertising policies have increasingly come under scrutiny. Producers of alcoholic beverages, in particular, face the challenge of implementing effective and responsible marketing strategies.

### Highlighted criteria

#### Economic Dimension

- Brand Management
- Risk & Crisis Management
- Strategy for Emerging Markets
- Supply Chain Management

#### Environmental Dimension

- Environmental Policy/Management System
- Packaging
- Raw Material Sourcing
- Water Related Risks

#### Social Dimension

- Human Capital Development
- Responsibility for Alcoholic Products
- Social Reporting
- Talent Attraction & Retention

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Molson Coors Brewing Co*	United States
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Coca-Cola HBC AG	Switzerland
	Diageo PLC	United Kingdom
	Heineken NV	Netherlands
	PepsiCo Inc	United States

#### Sustainability Yearbook Members

	Kirin Holdings Co Ltd	Japan
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\* RobecoSAM Industry Leader

As of October 31, 2013

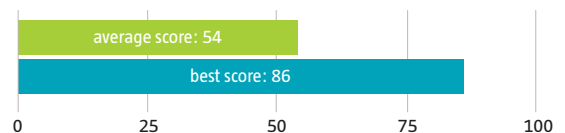
### Industry statistics

Number of companies in universe	41
Number of companies assessed by RobecoSAM in 2013	25
Assessed companies to total companies in universe (%)	61
Market capitalization of assessed companies to total market capitalization (%)	95

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	57	87	46%
Environmental	52	91	26%
Social	53	82	28%

#### Total score





## Biotechnology

### Driving forces

Biotechnology companies apply technologies based on biological systems to develop products or processes used for medical, industrial and agricultural applications. The industry is characterized by extensive R&D efforts and a high risk of failure in product development. Innovation and intellectual property are key drivers that make highly qualified employees and effective human capital management important success factors. Medical biotechnology companies, similar to pharma companies, face challenges related to pricing and reimbursement of their products, global patent protection and public concerns over drug safety. The use of biotechnology products in agriculture is widely criticized among certain stakeholder groups. Public controversies focus on the use and release of genetically modified organisms, seeds and plants. The use of genetically modified organisms in industrial production processes is far less controversial. Nevertheless, building and maintaining stakeholders' trust in their core technologies is a general sustainability challenge faced by the biotechnology industry.

### Highlighted criteria

#### Economic Dimension

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

#### Environmental Dimension

- Environmental Reporting
- Operational Eco-Efficiency

#### Social Dimension

- Addressing Cost Burden
- Health Outcome Contribution
- Labor Practice Indicators & Human Rights
- Talent Attraction & Retention

### Sustainability leaders 2014

<span style="color: #00A651;">●</span>	<b>RobecoSAM Gold Class</b>	
	Novozymes A/S*	Denmark
<span style="color: #8B4513;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Biogen Idec Inc	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

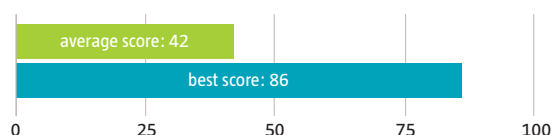
### Industry statistics

Number of companies in universe	31
Number of companies assessed by RobecoSAM in 2013	11
Assessed companies to total companies in universe (%)	35
Market capitalization of assessed companies to total market capitalization (%)	78

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	53	86	44%
Environmental	33	87	10%
Social	35	87	46%

### Total score





## Building Products

### Driving forces

The building products industry consists of a diverse set of companies that manufacture materials and products – including bathroom and kitchen fixtures, air-conditioning and heating equipment – used to build and refurbish buildings and structures. Rapid urbanization in emerging markets, rising awareness of environmental issues and new construction methods have made it a highly dynamic industry. Since buildings are responsible for over 1/3 of global emissions, there is a clear focus on improving energy-efficiency in all aspects of building products and operations. As a result, reducing greenhouse gas emissions and environmental life cycle analyses will be the industry's top priorities. Throughout the building products industry, increasingly stringent energy and water efficiency regulation requires innovation. As a result, the industry will become even more knowledge-driven than in the past, making talent attraction, retention and human capital development key sources of competitive advantage.

### Highlighted criteria

- Economic Dimension**
- Antitrust Policy
  - Corporate Governance
  - Risk & Crisis Management
  - Supply Chain Management

### Environmental Dimension

- Biodiversity
- Climate Strategy
- Operational Eco-Efficiency
- Environmental Reporting

### Social Dimension

- Human Capital Development
- Occupational Health & Safety
- Social Reporting
- Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Owens Corning*	United States
TOTO Ltd	Japan
<b>RobecoSAM Silver Class</b>	
Asahi Glass Co Ltd	Japan

\* RobecoSAM Industry Leader

As of October 31, 2013

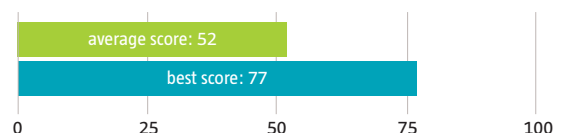
### Industry statistics

Number of companies in universe	18
Number of companies assessed by RobecoSAM in 2013	13
Assessed companies to total companies in universe (%)	72
Market capitalization of assessed companies to total market capitalization (%)	87

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	60	87	32%
Environmental	46	74	33%
Social	52	80	35%

### Total score





## Casinos & Gaming

### Driving forces

The casinos & gaming industry remains subject to intense public 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 must also be tackled. Online gambling has further increased 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 space. 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
- Corporate Governance
- Risk & Crisis Management

### Environmental Dimension

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency

### Social Dimension

- Promoting Responsible Gaming
- Social Reporting
- Stakeholder Engagement
- Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Tabcorp Holdings Ltd*	Australia
<b>RobecoSAM Bronze Class</b>	
Kangwon Land Inc	South Korea
<b>Sustainability Yearbook Members</b>	
Echo Entertainment Group Ltd	Australia
Ladbrokes PLC	United Kingdom

\* RobecoSAM Industry Leader

As of October 31, 2013

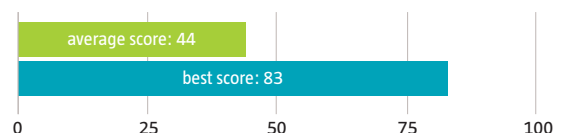
### Industry statistics

Number of companies in universe	29
Number of companies assessed by RobecoSAM in 2013	22
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	52	94	43%
Environmental	29	72	16%
Social	42	79	41%

### Total score





## Chemicals

### Driving forces

The chemical industry comprises companies that develop, manufacture and distribute specialty and commodity chemicals, plastics, industrial gases and agrochemicals as well as additives for the health care and wellness industries. Innovative process and product developments remain key industry drivers. However, growing awareness of the environmental impact of chemical operations has resulted in legislative and consumer pressure, driving chemical companies to embrace more sustainable approaches. This has led the chemical industry to increasingly adopt green chemistry practices, including the implementation of strict emission controls, the use of (bio)catalysis, more efficient waste management, atom economy and the replacement of traditional solvents and hazardous reagents with renewable materials. Further, new product applications require the implementation of comprehensive product stewardship management systems that include product databases and client training.

### Highlighted criteria

**Economic Dimension**

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

**Environmental Dimension**

- Climate Strategy
- Environmental Reporting
- Operational Eco-Efficiency
- Product Stewardship

**Social Dimension**

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

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Akzo Nobel NV*	Netherlands
Koninklijke DSM NV	Netherlands
<b>RobecoSAM Bronze Class</b>	
BASF SE	Germany
Dow Chemical Co	United States
Praxair Inc	United States
<b>Sustainability Yearbook Members</b>	
Air Liquide SA	France
Air Products & Chemicals Inc	United States
Braskem SA	Brazil
Clariant AG	Switzerland
El du Pont de Nemours & Co	United States
Hitachi Chemical Co Ltd	Japan
LANXESS AG	Germany
Linde AG	Germany
Mitsubishi Chemical Holdings Corp	Japan
Potash Corp of Saskatchewan Inc	Canada
PTT Global Chemical PCL	Thailand
Solvay SA	Belgium
Syngenta AG	Switzerland
Teijin Ltd	Japan
Umicore SA	Belgium

\* RobecoSAM Industry Leader

As of October 31, 2013

### Industry statistics

Number of companies in universe	136
Number of companies assessed by RobecoSAM in 2013	103
Assessed companies to total companies in universe (%)	76
Market capitalization of assessed companies to total market capitalization (%)	92

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	56	89	35%
Environmental	49	95	32%
Social	51	91	33%

### Total score





## Coal & Consumable Fuels

### Driving forces

A major sustainability issue facing the coal industry is the global pressure to reduce CO<sub>2</sub> emissions, which will have a significant impact on coal as it loses market share to alternative and unconventional energy sources. Both coal and uranium mining operations face environmental challenges similar to those faced by standard mining operations, including wastewater and waste management. Conducting biodiversity and general environmental impact assessments in new projects is now an important minimum requirement, even in remote areas. The same holds true for the early involvement of all stakeholders. Engaging with local communities, particularly on questions related to land rights and potential relocation is a prerequisite for the operators to obtain and keep their social license to operate. Social issues within the operations are centered on occupational health & safety as well as general labor conditions. Moreover, private security forces to protect assets, especially in the case of uranium mining, can be controversial. Finally, and similar to other extractive industries, the mining space is particularly susceptible to corruption, bribery, and other breaches of codes of conduct.

### Highlighted criteria

- Economic Dimension
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Risk & Crisis Management
  - Transparency
- Environmental Dimension
  - Climate Strategy
  - Environmental Reporting
  - Mineral Waste Management
  - Operational Eco-Efficiency
- Social Dimension
  - Enabling Local Development
  - Human Capital Development
  - Occupational Health & Safety
  - Social Impacts on Communities

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Exxaro Resources Ltd*	South Africa
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Adaro Energy Tbk PT	Indonesia
	<b>Sustainability Yearbook Members</b>	
	Cameco Corp	Canada

\* RobecoSAM Industry Leader

As of October 31, 2013

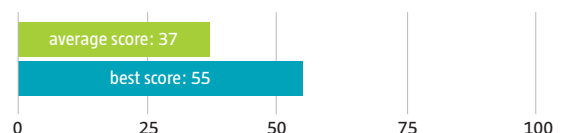
### Industry statistics

Number of companies in universe	20
Number of companies assessed by RobecoSAM in 2013	10
Assessed companies to total companies in universe (%)	50
Market capitalization of assessed companies to total market capitalization (%)	69

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	50	60	25%
Environmental	26	57	36%
Social	38	65	39%

### Total score





## Commercial Services & Supplies

### Driving forces

As players in a knowledge-intensive industry, providers of commercial services & supplies rely on the quality of their workforce. Therefore, talent attraction & retention is a key contributor to their business success. Clear employee policies combined with training programs, knowledge management and incentive schemes are important for creating a successful, safe and healthy working environment and maintaining a high employee retention rate. On the demand side, customer relationship management plays a crucial role as lasting client-provider relationships are beneficial for both parties. Industry leaders maintain diversified business models that leverage internal synergies and 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 Conduct/Compliance/Corruption & Bribery
  - Customer Relationship Management
  - Risk & Crisis Management
  - Supply Chain Management
- Environmental Dimension
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

RobecoSAM Gold Class	
KEPCO Plant Service & Engineering Co Ltd*	South Korea
RobecoSAM Bronze Class	
Herman Miller Inc	United States
Sustainability Yearbook Members	
Brambles Ltd	Australia
Covanta Holding Corp	United States
Dai Nippon Printing Co Ltd	Japan
Rentokil Initial PLC	United Kingdom
Waste Management Inc	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

### Industry statistics

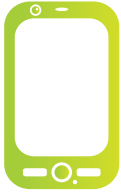
Number of companies in universe	47
Number of companies assessed by RobecoSAM in 2013	41
Assessed companies to total companies in universe (%)	87
Market capitalization of assessed companies to total market capitalization (%)	91

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	49	78	37%
Environmental	31	78	26%
Social	35	72	37%

### Total score





## Communications Equipment

### Driving forces

Constant innovation and a strong intellectual property portfolio are crucial for companies in the communications equipment industry. The quick adoption of new “smart” mobile devices with short product life cycles has heightened competition among manufacturers and providers of communication equipment. In addition, mass production of such devices and the increased total energy consumption during their use have sharpened the focus on the environmental performance of devices and equipment over the product’s life cycle. Product design must consider the production inputs, energy efficiency during use, and disposal options. Take-back programs, greater modularity, and extended producer responsibility are becoming increasingly relevant. Electromagnetic radiation must also be considered in mobile communication devices and equipment. Environmental and social standards for suppliers are key factors as a large share of production is outsourced to emerging economies. 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, the industry must demonstrate clear standards reflecting its commitment to human rights.

### Highlighted criteria

**Economic Dimension**  
 – Codes of Conduct/Compliance/Corruption & Bribery  
 – Corporate Governance  
 – Privacy Protection  
 – Risk & Crisis Management

**Environmental Dimension**  
 – Climate Strategy  
 – Environmental Policy/Management System  
 – Hazardous Substances  
 – Product Stewardship

**Social Dimension**  
 – Digital Inclusion  
 – Human Capital Development  
 – Labor Practice Indicators & Human Rights  
 – Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Alcatel-Lucent SA*	France
<b>RobecoSAM Bronze Class</b>	
Nokia OYJ	Finland

\* RobecoSAM Industry Leader

As of October 31, 2013

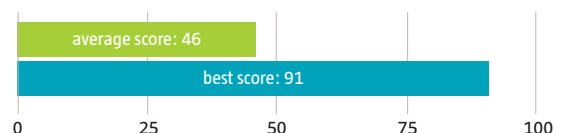
### Industry statistics

Number of companies in universe	19
Number of companies assessed by RobecoSAM in 2013	13
Assessed companies to total companies in universe (%)	68
Market capitalization of assessed companies to total market capitalization (%)	96

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	57	92	40%
Environmental	41	95	31%
Social	37	85	29%

### Total score







## Computers & Peripherals and Office Electronics

### Driving forces

The computers & peripherals and office electronics industry is characterized by disruptive innovations, vertical integration of the supply chain and mass production of electronic hardware. Shorter product life cycles and the ubiquity of electronic devices around the world have resulted in high disposal volumes. To address the issue of electronic waste, product design and sales must consider energy and material conservation, modularity, take-back programs and extended producer responsibility. Revenue streams can be diversified through a gradual migration from sale to leasing, and from products to the provision of services. For example, by outsourcing data storage to huge datacenters, companies can create new business opportunities while offering customers energy-efficient and cost-effective storage. Effective 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 for the industry. Finally, information technology may increasingly enable carbon emissions reductions.

### Highlighted criteria

- Economic Dimension**
  - Corporate Governance
  - Innovation Management
  - Risk & Crisis Management
  - Supply Chain Management
- Environmental Dimension**
  - Climate Strategy
  - Environmental Reporting
  - Hazardous Substances
  - Operational Eco-Efficiency
- Social Dimension**
  - Digital Inclusion
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Stakeholder Engagement

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Lite-On Technology Corp*	Taiwan
<span style="color: gray;">●</span>	<b>RobecoSAM Silver Class</b>	
	Konica Minolta Inc	Japan
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Fujitsu Ltd	Japan
	Hewlett-Packard Co	United States
	Ricoh Co Ltd	Japan

\* RobecoSAM Industry Leader

As of October 31, 2013

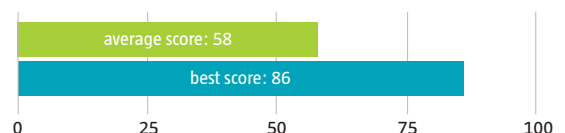
### Industry statistics

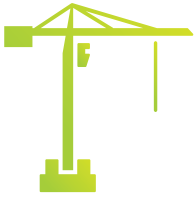
Number of companies in universe	35
Number of companies assessed by RobecoSAM in 2013	24
Assessed companies to total companies in universe (%)	69
Market capitalization of assessed companies to total market capitalization (%)	96

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	64	86	41%
Environmental	59	93	30%
Social	49	79	29%

### Total score





## Construction & Engineering

### Driving forces

The construction & engineering industry includes companies engaged in the construction of infrastructure, commercial and residential buildings. The construction industry consumes resources on a massive scale to create the infrastructure and built environment. Companies are increasingly challenged by issues in areas such as operational health & safety, energy efficiency and the responsible use of resources. Resource efficiency is not limited only to compliance with legal requirements, but also includes the active promotion of measures to reduce resource depletion. In a resource-constrained world, establishing a reputation as a resource-conscious company represents a competitive advantage. Given increasing infrastructure spending in emerging markets, a company's ability to establish itself as a preferred contractor also depends on its ability to handle and avoid reputational risks associated with antitrust and bribery cases. This means that the establishment and implementation of rigorous codes of conduct will be a key success factor, particularly in emerging markets.

### Highlighted criteria

**Economic Dimension**

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management
- Supply Chain Management

### Environmental Dimension

- Building Materials
- Environmental Reporting
- Operational Eco-Efficiency
- Resource Conservation & Resource Efficiency

### Social Dimension

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

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Hyundai Engineering & Construction Co Ltd*	South Korea
<span style="color: gray;">●</span>	<b>RobecoSAM Silver Class</b>	
	GS Engineering & Construction Corp	South Korea
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Ferrovial SA	Spain
	<b>Sustainability Yearbook Members</b>	
	ACS Actividades de Construccion y Servicios SA	Spain
	Daelim Industrial Co Ltd	South Korea
	Fomento de Construcciones y Contratas SA	Spain
	Hochtief AG	Germany
	Outotec OYJ	Finland
	Samsung Engineering Co Ltd	South Korea
	Vinci SA	France

\* RobecoSAM Industry Leader

As of October 31, 2013

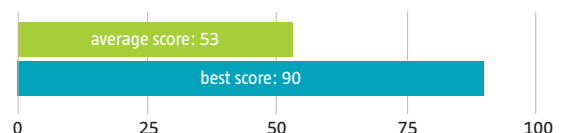
### Industry statistics

Number of companies in universe	67
Number of companies assessed by RobecoSAM in 2013	48
Assessed companies to total companies in universe (%)	72
Market capitalization of assessed companies to total market capitalization (%)	78

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	60	84	30%
Environmental	48	96	38%
Social	51	88	32%

### Total score





## Construction Materials

### Driving forces

The construction materials industry is essentially a collection of local markets, as it is rarely cost efficient to ship cement more than several hundred kilometers. Therefore, local issues and factors usually determine market dynamics. From a sustainability perspective, emission management remains at a top priority, as cement production is extremely energy and emissions intensive and accounts for roughly 5% of global man-made greenhouse gases emissions. Occupational health & safety is another important sustainability factor, as the industry must grapple with a number of fatalities each year. Furthermore, growing demand for more sustainable construction materials has prompted the introduction of innovative cement grades, such as those made with a higher proportion of recycled materials, which are expected to account for an increasing share of sales volumes. Finally, because of their involvement with local communities and governments, cement companies must maintain their social license to operate by adopting of the highest corporate governance, codes of conduct, and biodiversity management standards.

### Highlighted criteria

**Economic Dimension**

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

### Environmental Dimension

- Biodiversity
- Climate Strategy
- Operational Eco-Efficiency
- Environmental Reporting

### Social Dimension

- Human Capital Development
- Occupational Health & Safety
- Social Reporting
- Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Siam Cement PCL*	Thailand
<b>RobecoSAM Silver Class</b>	
Cementos Argos SA	Colombia
Grupo Argos SA	Colombia
Holcim Ltd	Switzerland
<b>RobecoSAM Bronze Class</b>	
Lafarge SA	France

\* RobecoSAM Industry Leader

As of October 31, 2013

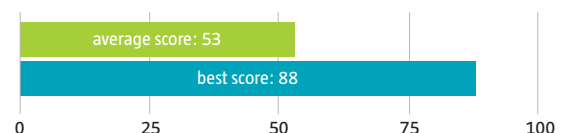
### Industry statistics

Number of companies in universe	35
Number of companies assessed by RobecoSAM in 2013	19
Assessed companies to total companies in universe (%)	54
Market capitalization of assessed companies to total market capitalization (%)	81

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	62	87	32%
Environmental	44	94	33%
Social	53	87	35%

### Total score





## Containers & Packaging

### Driving forces

Amid the continuing global downturn, the containers & packaging industry faces various challenges, including stagnating or declining demand in developed markets, higher material, energy and capital costs, and shifts in client and consumer demand. The markets in which these companies operate remain highly competitive, with substantial downward pressure on both prices and operating margins. Some players seek to set themselves apart through innovative products and solutions while moving into emerging markets that offer superior growth potential. At the same time, stakeholders are placing increasing importance on environmental and social performance, as reflected in converging public communication strategies. Leading companies integrate these factors into their growth strategies, continually make improvements and effectively communicate them to their stakeholders. Overall, the industry continues to be characterized by a trend towards improved energy and resource efficiency, innovative solutions and the strengthening of companies' reputation through greater transparency and involvement.

### Highlighted criteria

**Economic Dimension**

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management
- Supply Chain Management

**Environmental Dimension**

- Climate Strategy
- Environmental Policy/Management System
- Operational Eco-Efficiency
- Product Stewardship

**Social Dimension**

- Human Capital Development
- Labor Practice Indicators & Human Rights
- Social Reporting
- Talent Attraction & Retention

### Sustainability leaders 2014

RobecoSAM Gold Class	
Ball Corp*	United States
RobecoSAM Silver Class	
Amcor Ltd	Australia
MeadWestvaco Corp	United States
Sonoco Products Co	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

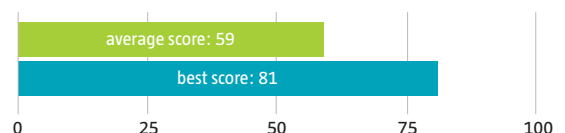
### Industry statistics

Number of companies in universe	20
Number of companies assessed by RobecoSAM in 2013	15
Assessed companies to total companies in universe (%)	75
Market capitalization of assessed companies to total market capitalization (%)	83

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	67	87	38%
Environmental	59	85	31%
Social	48	71	31%

### Total score





## Diversified Consumer Services

### Driving forces

The diversified consumer services industry comprises service providers with a wide range of business models and activities. Common to all companies in the industry, however, is their direct relationship with customers. Industry-specific challenges include the need to both retain and increase the customer base while expanding into new markets, develop and train employees, and improve customer satisfaction. For this purpose, companies seek to strengthen their brand and reputation and minimize negative social and environmental impacts. Technological advances – particularly those related to the Internet, electronic billing, privacy protection, real-time service and customer information – offer opportunities for growth and differentiation. On the other hand, companies face the challenge of adequately protecting customer-sensitive data and maintaining trust and loyalty. Regarding environmental impacts, companies in this space need to focus on sourcing and usage of materials as well as energy intensity in order to improve operational eco-efficiency.

### Highlighted criteria

- Economic Dimension
  - Brand Management
  - Corporate Governance
  - Privacy Protection
  - Risk & Crisis Management
- Environmental Dimension
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Stakeholder Engagement
  - Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Benesse Holdings Inc*	Japan
* RobecoSAM Industry Leader	
As of October 31, 2013	

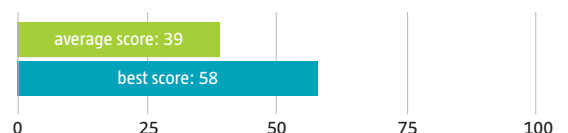
### Industry statistics

Number of companies in universe	13
Number of companies assessed by RobecoSAM in 2013	9
Assessed companies to total companies in universe (%)	69
Market capitalization of assessed companies to total market capitalization (%)	67

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	54	69	48%
Environmental	21	51	19%
Social	29	47	33%

### 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 and investment banking & brokerage companies. Accountability and leadership are crucial for building a competitive advantage. Adherence to international best-practice standards in corporate governance, risk management and compliance is essential. Globalization, regulation, demographic shifts and climate change will continue to influence the business environment. Leading companies integrate environmental and social factors into their long-term strategies and performance reviews. A multi-stakeholder-driven approach to developing innovative and prudent financial services and products is essential. Motivated, highly educated and experienced employees are crucial to developing such financial services and products as well as in attracting and retaining clients. Examples include venture capital investments focusing on new technologies that promote the transition to a low-carbon economy or improve resource efficiency, as well as the integration of environmental and social considerations into companies' service portfolios.

### Highlighted criteria

- Economic Dimension**
  - Anti-crime Policy/Measures
  - Corporate Governance
  - Customer Relationship Management
  - Risk & Crisis Management
- Environmental Dimension**
  - Business Risks & Opportunities
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension**
  - Controversial Issues, Dilemmas in Lending / Financing
  - Financial Inclusion
  - Labor Practice Indicators & Human Rights
  - Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Citigroup Inc*	United States
<b>RobecoSAM Bronze Class</b>	
ING Groep NV	Netherlands
UBS AG	Switzerland
<b>Sustainability Yearbook Members</b>	
African Bank Investments Ltd	South Africa
Bank of America Corp	United States
Bank of New York Mellon Corp	United States
Credit Suisse Group AG	Switzerland
Daewoo Securities Co Ltd	South Korea
Daiwa Securities Group Inc	Japan
Deutsche Bank AG	Germany
Deutsche Boerse AG	Germany
Grupo de Inversiones Suramericana SA	Colombia
JPMorgan Chase & Co	United States
McGraw Hill Financial Inc	United States
Morgan Stanley	United States
Northern Trust Corp	United States
Provident Financial PLC	United Kingdom
Samsung Securities Co Ltd	South Korea

\* RobecoSAM Industry Leader

As of October 31, 2013

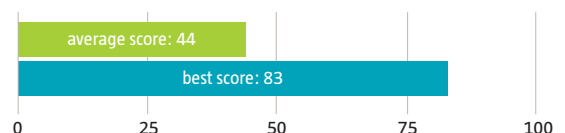
### Industry statistics

Number of companies in universe	140
Number of companies assessed by RobecoSAM in 2013	84
Assessed companies to total companies in universe (%)	60
Market capitalization of assessed companies to total market capitalization (%)	91

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	56	89	41%
Environmental	35	78	24%
Social	36	85	35%

### Total score





## Electric Utilities

### Driving forces

The rapid development of renewables in Western markets within the last few years is beginning to have a considerable impact on energy markets. Companies must deal with the integration of these new sources into the energy mix, their subsequent impact on electricity prices and the increasingly intermittent use of the thermal plants within the context of weak electricity demand. Enormous efforts are also required to develop and replace an aging grid. Moreover, infrastructure developments must factor in stakeholders' concerns, which can delay the progress of a project. The austerity measures brought about by the financial crisis will also make it more important for companies to offer their clients efficiency enhancements and opportunities to cut their energy consumption while generating additional revenues. In emerging markets, industrialization and urbanization imply a huge need for additional generation capacity.

### Highlighted criteria

- Economic Dimension
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Market Opportunities
  - Risk & Crisis Management
- Environmental Dimension
  - Climate Strategy
  - Electricity Generation
  - Environmental Reporting
  - Transmission & Distribution
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health and Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	EDP - Energias de Portugal SA*	Portugal
<span style="color: grey;">●</span>	<b>RobecoSAM Silver Class</b>	
	Iberdrola SA	Spain
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Cia Energetica de Minas Gerais	Brazil
	Endesa SA	Spain
	Enel SpA	Italy
	Terna Rete Elettrica Nazionale SpA	Italy
	<b>Sustainability Yearbook Members</b>	
	Acciona SA	Spain
	Centrais Eletricas Brasileiras SA	Brazil
	CPFL Energia SA	Brazil
	Duke Energy Corp	United States
	Entergy Corp	United States
	Exelon Corp	United States
	Fortum OYJ	Finland
	Red Electrica Corp SA	Spain
	TransAlta Corp	Canada

\* RobecoSAM Industry Leader

As of October 31, 2013

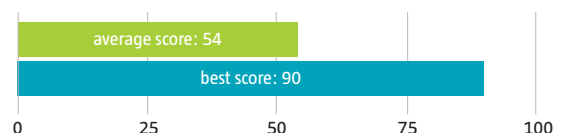
### Industry statistics

Number of companies in universe	101
Number of companies assessed by RobecoSAM in 2013	56
Assessed companies to total companies in universe (%)	55
Market capitalization of assessed companies to total market capitalization (%)	83

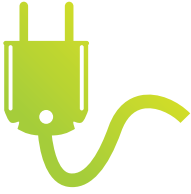
### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	61	92	37%
Environmental	45	89	33%
Social	53	90	30%

### Total score







## Electrical Components & Equipment

### Driving forces

As providers of high-tech products, companies in the electrical components & equipment industry rely heavily on their employees' skills, qualifications and training. For this reason, talent attraction & retention and workplace health & safety measures are key contributors to sustained performance. Companies whose technologies and products are used in the defense industry should take preventive measures as they are more exposed to reputational risks. In the medium term, companies serving the communications and information technology industries are expected to benefit from balanced growth in these markets, after the significant overcapacity built up over the past years has been absorbed. Advanced industrial equipment providers will also play a key role in developing and providing new products and technologies that improve carbon and energy efficiency.

### Highlighted criteria

**Economic Dimension**

- Corporate Governance
- Customer Relationship Management
- Strategy for Emerging Markets
- Supply Chain Management

### Environmental Dimension

- Climate Strategy
- Environmental Policy/Management System
- Operational Eco-Efficiency
- Product Stewardship

### Social Dimension

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

### Sustainability leaders 2014

#### RobecoSAM Gold Class

Schneider Electric SA\* France

#### Sustainability Yearbook Members

Fuji Electric Co Ltd Japan

Legrand SA France

Prysmian SpA Italy

\* RobecoSAM Industry Leader

As of October 31, 2013

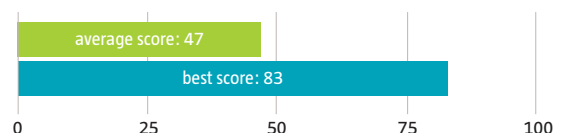
### Industry statistics

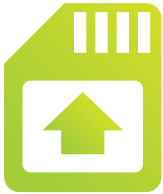
Number of companies in universe	28
Number of companies assessed by RobecoSAM in 2013	21
Assessed companies to total companies in universe (%)	75
Market capitalization of assessed companies to total market capitalization (%)	88

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	50	86	38%
Environmental	45	83	31%
Social	46	79	31%

### Total score





## Electronic Equipment, Instruments & Components

### Driving forces

Providers of electronic equipment, instruments & components can enhance their position by enabling their customers to improve operating efficiency. A number of products from the electronic equipment industry have specific sustainability applications. 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. Due to the resource-intensive production process and the relatively high energy consumption during the use of the equipment, environmental management of the companies' own operations as well as product stewardship over the life-cycle of their products are also important issues for the industry. Given the mostly oligopolistic market structures, compliance with antitrust regulations is 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 Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Risk & Crisis Management
  - Supply Chain Management
- Environmental Dimension**
  - Climate Strategy
  - Environmental Reporting
  - Operational Eco-Efficiency
  - Product Stewardship
- Social Dimension**
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

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

\* RobecoSAM Industry Leader

As of October 31, 2013

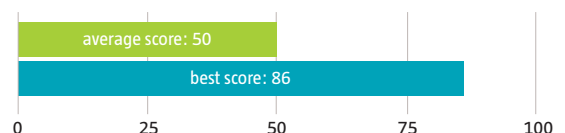
### Industry statistics

Number of companies in universe	73
Number of companies assessed by RobecoSAM in 2013	54
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	52	85	39%
Environmental	48	95	31%
Social	50	83	30%

### Total score





## Energy Equipment & Services

### Driving forces

As subcontractors to the oil and gas majors and independent exploration and production (E&P) groups, equipment and service companies must adhere to the strictest environmental, health & safety (EHS) standards in order to win contracts. Given concerns over reputational risk in the exploration and production industry, these companies are by default safeguarding the brand of the majors. As a result, EHS excellence and the responsible management of social and political issues in highly sensitive areas represent critical success factors. Technological innovation drives the profitability of drilling companies as advanced seismic and deep-water technologies become the new frontiers against a backdrop of increasingly smaller and less accessible oil fields. The industry continues to be challenged on the human resources front, with an aging workforce and an insufficient number of newly trained and qualified petroleum-related graduates. The boom-and-bust patterns that have characterized the industry in the past have prompted many trained engineers to leave the industry. As a result, with order books at record highs, a shortage of engineers remains a real challenge.

### Highlighted criteria

**Economic Dimension**

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management
- Supply Chain Management

**Environmental Dimension**

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency
- Releases to the Environment

**Social Dimension**

- Human Capital Development
- Labor Practice Indicators & Human Rights
- Occupational Health & Safety
- Stakeholder Engagement

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Baker Hughes Inc*	United States
<b>RobecoSAM Silver Class</b>	
AMEC PLC	United Kingdom
Schlumberger Ltd	United States
Technip SA	France
<b>RobecoSAM Bronze Class</b>	
Halliburton Co	United States
<b>Sustainability Yearbook Members</b>	
Bumi Armada Bhd	Malaysia
SBM Offshore NV	Netherlands

\* RobecoSAM Industry Leader

As of October 31, 2013

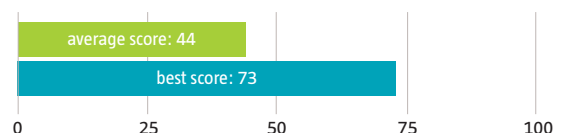
### Industry statistics

Number of companies in universe	48
Number of companies assessed by RobecoSAM in 2013	27
Assessed companies to total companies in universe (%)	56
Market capitalization of assessed companies to total market capitalization (%)	78

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	63	82	35%
Environmental	25	85	26%
Social	40	78	39%

### Total score





## Food & Staples Retailing

### Driving forces

The food & staples retail space has always been characterized by intense competition for market share. As a result, the industry has consolidated over the past few years, with interest in M&A remaining high. The shift toward eating at home should continue to favor those companies that have capitalized on this trend with expanded offerings of private label or store brands, which carry higher margins than branded products. The health and wellness trend is also clearly evident as traditional food retailers increase their offering of natural and organic products and healthier formulations. International sourcing has increased and food retailers need to improve the efficiency and transparency of their supply chains. The industry also includes drug retailers, which should become more relevant in managing rising health care costs: with the expiration of key drug patents, the market is set for a wave of generic drugs that will result in significant cost savings, both for retailers and consumers. The convenience of retail outlets and in-store clinics provides an ideal solution for affordable basic health care.

### Highlighted criteria

#### Economic Dimension

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Health & Nutrition
- Supply Chain Management

#### Environmental Dimension

- Environmental Policy/Management System
- Operational Eco-Efficiency
- Packaging
- Raw Material Sourcing

#### Social Dimension

- Human Capital Development
- Labor Practice Indicators & Human Rights
- Occupational Health & Safety

### Sustainability leaders 2014

#### RobecoSAM Gold Class

Woolworths Ltd*	Australia
J Sainsbury PLC	United Kingdom

#### RobecoSAM Silver Class

Kesko OYJ	Finland
Koninklijke Ahold NV	Netherlands

#### Sustainability Yearbook Members

Carrefour SA	France
Casino Guichard Perrachon SA	France
Delhaize Group SA	Belgium
Seven & I Holdings Co Ltd	Japan
Tesco PLC	United Kingdom

\* RobecoSAM Industry Leader

As of October 31, 2013

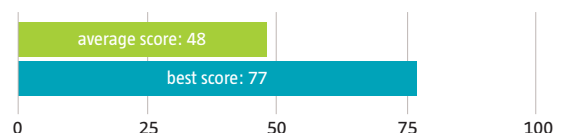
### Industry statistics

Number of companies in universe	66
Number of companies assessed by RobecoSAM in 2013	39
Assessed companies to total companies in universe (%)	59
Market capitalization of assessed companies to total market capitalization (%)	92

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	59	83	37%
Environmental	39	83	32%
Social	44	73	31%

### Total score





## Food Products

### Driving forces

Growth in the food products industry will be driven by emerging market consumption, product innovation focusing on health and wellness and rising demand for convenience food in the developed world. 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 becomes aware of the relationship between diet and health. The industry's main challenges include rising raw material prices, which have put pressure on volumes and margins. Effective packaging and supply chain management can help reduce costs and ensure food safety, a key concern that highlights the need for quality control and transparency along the supply chain.

### Highlighted criteria

- Economic Dimension
  - Corporate Governance
  - Health & Nutrition
  - Strategy for Emerging Markets
  - Supply Chain Management
- Environmental Dimension
  - Environmental Reporting
  - Operational Eco-Efficiency
  - Raw Material Sourcing
  - Water Related Risks
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Nestle SA*	Switzerland
<span style="color: grey;">●</span>	<b>RobecoSAM Silver Class</b>	
	Danone	France
	Unilever NV	Netherlands
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Campbell Soup Co	United States
	Grupo Nutresa SA	Colombia
	Hershey Co	United States
	<b>Sustainability Yearbook Members</b>	
	Colombina SA**	Colombia
	Ajinomoto Co Inc	Japan
	BRF SA	Brazil
	ConAgra Foods Inc	United States
	General Mills Inc	United States
	Hormel Foods Corp	United States
	Mondelez International Inc	United States

\* RobecoSAM Industry Leader

\*\* This company has been evaluated outside of the regular Dow Jones Sustainability Indices assessment process

As of October 31, 2013

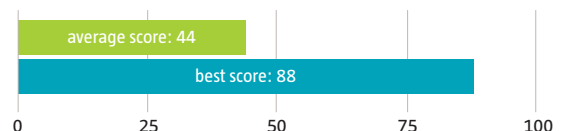
### Industry statistics

Number of companies in universe	102
Number of companies assessed by RobecoSAM in 2013	62
Assessed companies to total companies in universe (%)	61
Market capitalization of assessed companies to total market capitalization (%)	90

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	49	91	40%
Environmental	37	97	29%
Social	43	84	31%

### Total score





## Gas Utilities

### Driving forces

Natural gas is the least carbon-intensive fossil fuel and is therefore considered to be an effective alternative to coal as a base- and mid-load fuel, which can help reduce CO<sub>2</sub> emissions, depending on fuel and carbon dioxide prices. The spectacular development of unconventional resources coupled with weak energy demand is already reshaping the gas markets. Supply is increasingly available, leading to infrastructure development, adding flexibility to the system and encouraging increased competition. Gas-fired power generation is therefore expected to increase dramatically. However, gas utilities remain exposed to price volatility, potential opposition to large infrastructure projects and the failure of distribution networks. Changes in gas markets, combined with the effects of the Kyoto Protocol, are also encouraging gas companies to enhance both supply-side and demand-side energy efficiency.

### Highlighted criteria

- Economic Dimension
  - Corporate Governance
  - Customer Relationship Management
  - Market Opportunities
  - Risk & Crisis Management
- Environmental Dimension
  - Biodiversity
  - Climate Strategy
  - Environmental Reporting
  - Transmission & Distribution
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Gas Natural SDG SA*	Spain
<span style="color: grey;">●</span>	<b>RobecoSAM Silver Class</b>	
	Enagas SA	Spain
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Snam SpA	Italy
	<b>Sustainability Yearbook Members</b>	
	Korea Gas Corp	South Korea

\* RobecoSAM Industry Leader

As of October 31, 2013

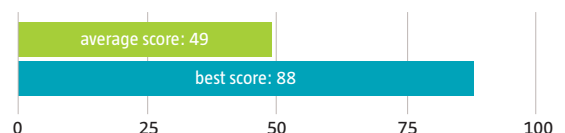
### Industry statistics

Number of companies in universe	27
Number of companies assessed by RobecoSAM in 2013	17
Assessed companies to total companies in universe (%)	63
Market capitalization of assessed companies to total market capitalization (%)	78

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	59	90	37%
Environmental	39	87	30%
Social	48	89	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. By facilitating the detection and effective treatment of chronic conditions, the industry plays a critical role in improving the quality of life for patients with chronic diseases. Product and service quality, safety management and collaboration with different stakeholders such as physicians, payers and patients, are key to ensuring successful product commercialization and maintaining a social license to operate. Similar to other health care segments, the industry has also been affected by health care reforms that affect pricing, reimbursement and utilization. On the other hand, efforts to broaden health care coverage in emerging markets coupled with rising income levels create new growth opportunities for the industry. Sustainable companies focus on developing highly differentiated products and 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 a transparent reporting framework.

### Highlighted criteria

- Economic Dimension
  - Corporate Governance
  - Innovation Management
  - Marketing Practices
  - Risk & Crisis Management
- Environmental Dimension
  - Climate Strategy
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension
  - Health Outcome Contribution
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Stakeholder Engagement

### Sustainability leaders 2014

#### RobecoSAM Gold Class

Abbott Laboratories\* United States

#### Sustainability Yearbook Members

Baxter International Inc United States

Medtronic Inc United States

Smith & Nephew PLC United Kingdom

\* RobecoSAM Industry Leader

As of October 31, 2013

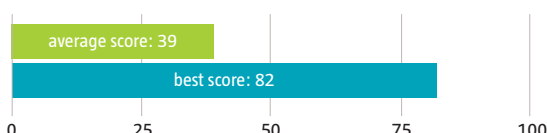
### Industry statistics

Number of companies in universe	43
Number of companies assessed by RobecoSAM in 2013	28
Assessed companies to total companies in universe (%)	65
Market capitalization of assessed companies to total market capitalization (%)	89

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	49	85	44%
Environmental	33	80	10%
Social	30	79	46%

#### Total score





## Health Care Providers & Services

### Driving forces

The health care providers & services industry includes health insurers as well as 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 trends 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 effective, sustainable health care systems by engaging with all relevant stakeholder groups. Companies in this industry should focus on health outcomes and quality of care, prevention and disease management, and continuous improvement in customer-oriented services and strategic alliances across traditional business boundaries. Those that can efficiently deliver high quality care will be able to benefit from current industry trends.

### Highlighted criteria

- Economic Dimension
  - Corporate Governance
  - Customer Relationship Management
  - Risk & Crisis Management
  - Supply Chain Management
- Environmental Dimension
  - Climate Strategy
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Service to Patients
  - Talent Attraction & Retention

### Sustainability leaders 2014

RobecoSAM Gold Class	
Humana Inc*	United States
RobecoSAM Bronze Class	
Quest Diagnostics Inc	United States
UnitedHealth Group Inc	United States
Sustainability Yearbook Members	
Cardinal Health Inc	United States
Fresenius Medical Care AG & Co KGaA	Germany
Mediclinic International Ltd	South Africa
Netcare Ltd	South Africa

\* RobecoSAM Industry Leader

As of October 31, 2013

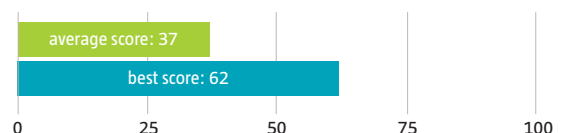
### Industry statistics

Number of companies in universe	49
Number of companies assessed by RobecoSAM in 2013	28
Assessed companies to total companies in universe (%)	57
Market capitalization of assessed companies to total market capitalization (%)	84

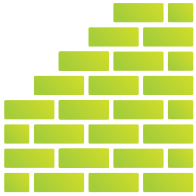
### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	51	72	38%
Environmental	24	67	14%
Social	29	59	48%

### Total score







## Homebuilding

### Driving forces

Growth in the homebuilding industry is largely driven by external factors such as interest rates and general economic conditions. In addition, price pressures and tighter regulations remain constant challenges. Companies must ensure that construction processes are run efficiently and in an environmentally friendly manner. This includes avoiding the use of harmful substances and increased recycling of generated waste. As the green building market is expected to increase twofold in the coming years following increasing legislative pressure in the energy efficiency area, companies responding well to new technology developments such as low-energy, passive and plus-energy buildings are likely to remain at the forefront of the industry. Commuting time, local amenities, green space, and energy and resource conservation are all subjects that need to be addressed in the early planning processes of property development. Occupational health & safety risks are high, requiring strict management practices to reduce the injury rate among employees and external contractors.

### Highlighted criteria

**Economic Dimension**

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management
- Supply Chain Management

**Environmental Dimension**

- Building Materials
- Environmental Policy/Management System
- Operational Eco-Efficiency
- Resource Conservation and Resource Efficiency

**Social Dimension**

- Human Capital Development
- Labor Practice Indicators & Human Rights
- Occupational Health & Safety
- Social Reporting

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Sumitomo Forestry Co Ltd*	Japan
<span style="color: gray;">●</span>	<b>RobecoSAM Silver Class</b>	
	Sekisui Chemical Co Ltd	Japan
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Taylor Wimpey PLC	United Kingdom

\* RobecoSAM Industry Leader

As of October 31, 2013

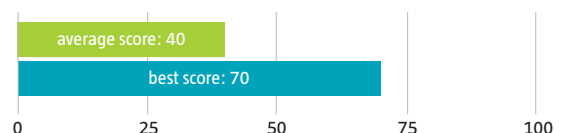
### Industry statistics

Number of companies in universe	19
Number of companies assessed by RobecoSAM in 2013	13
Assessed companies to total companies in universe (%)	68
Market capitalization of assessed companies to total market capitalization (%)	77

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	55	73	29%
Environmental	37	87	37%
Social	30	67	34%

### Total score



## Hotels, Resorts & Cruise Lines



### Driving forces

The travel & tourism industry continues to push its sustainability agenda, enhancing product offerings and engaging more actively with stakeholders. Within the travel & tourism space, environmental preservation and an increased interest in both eco-tourism and volunteer tourism has led to new business opportunities. Hotels, resorts and cruise operators are increasing their efforts to limit their environmental impact while attracting more environmentally conscious customers. 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. 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 Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management
- Supply Chain Management

#### Environmental Dimension

- Climate Strategy
- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency

#### Social Dimension

- Human Capital Development
- Stakeholder Engagement
- Labor Practice Indicators & Human Rights
- Occupational Health & Safety

### Sustainability leaders 2014

RobecoSAM Gold Class	
TUI AG*	Germany
RobecoSAM Silver Class	
Wyndham Worldwide Corp	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

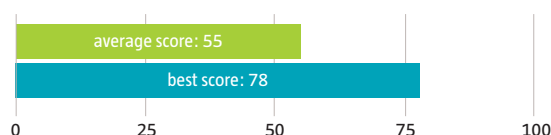
### Industry statistics

Number of companies in universe	16
Number of companies assessed by RobecoSAM in 2013	10
Assessed companies to total companies in universe (%)	63
Market capitalization of assessed companies to total market capitalization (%)	86

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	66	83	26%
Environmental	57	83	23%
Social	49	76	51%

### Total score





## Household Durables

### Driving forces

Innovation, quality, and branding are key differentiating factors for companies in this industry. In addition, leading companies actively manage safety and environmental issues throughout the product life cycle. Take-back guarantees for used products and customer-oriented services offer interesting opportunities from a business and environmental perspective. Further, consumers increasingly demand products tailored to their specific needs, including a high level of comfort and adaptability, as well as transparent product information and labeling. Brands that successfully manage to integrate the shift toward sustainable consumption and offer attractive solutions in that respect may also emerge as leaders in terms of business model innovation.

### Highlighted criteria

#### Economic Dimension

- Brand Management
- Codes of Conduct/Compliance/Corruption & Bribery
- Innovation Management
- Supply Chain Management

#### Environmental Dimension

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency
- Product Stewardship

#### Social Dimension

- Human Capital Development
- Labor Practice Indicators & Human Rights
- Social Reporting
- Talent Attraction & Retention

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Electrolux AB*	Sweden
<span style="color: gray;">●</span>	<b>RobecoSAM Silver Class</b>	
	Coway Co Ltd	South Korea
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Rinnai Corp	Japan

\* RobecoSAM Industry Leader

As of October 31, 2013

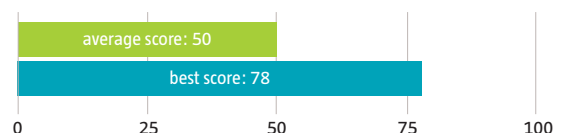
### Industry statistics

Number of companies in universe	16
Number of companies assessed by RobecoSAM in 2013	10
Assessed companies to total companies in universe (%)	63
Market capitalization of assessed companies to total market capitalization (%)	73

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	56	83	46%
Environmental	48	83	26%
Social	45	70	28%

### Total score





## Household Products

### Driving forces

Producers of nondurable household products operate in a highly competitive, multi-brand environment. Brand recognition and high innovation capabilities are at the heart of companies' strategies, shaping their market position and ability to gain market share. Household products come into direct or indirect contact with the human body and end up in the natural environment, leading to concerns over product safety and demand for product improvements and reformulations. A changing regulatory environment mandating the use of ingredients & chemicals also drives innovation, ultimately setting higher quality and safety standards. Such factors, combined with restrictions on emissions, energy consumption and water use have an impact on production and operating costs. A sound strategy for engagement in emerging markets continues to be a key success factor for companies in this industry. In order to remain successful, companies must adapt their product development and marketing strategies to the specific demands of these markets while providing value-adding products on a sufficiently small scale and at affordable prices.

### Highlighted criteria

#### Economic Dimension

- Corporate Governance
- Innovation Management
- Strategy for Emerging Markets
- Supply Chain Management

#### Environmental Dimension

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency
- Product Stewardship

#### Social Dimension

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

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Henkel AG & Co KGaA*	Germany
<span style="color: grey;">●</span>	<b>RobecoSAM Silver Class</b>	
	Colgate-Palmolive Co	United States
	LG Household & Health Care Ltd	South Korea
	Reckitt Benckiser Group PLC	United Kingdom
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Svenska Cellulosa AB SCA	Sweden

\* RobecoSAM Industry Leader

As of October 31, 2013

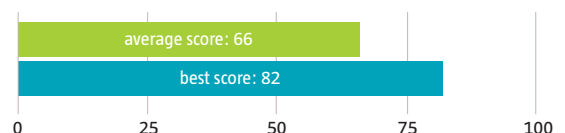
### Industry statistics

Number of companies in universe	15
Number of companies assessed by RobecoSAM in 2013	11
Assessed companies to total companies in universe (%)	73
Market capitalization of assessed companies to total market capitalization (%)	96

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	69	87	48%
Environmental	67	88	20%
Social	61	77	32%

### Total score





## Industrial Conglomerates

### Driving forces

Industrial conglomerates are highly decentralized businesses that rely on attracting talented managers to run business operations and deliver the expected performance. Adopting best practices in manufacturing processes is also an important aspect of industrial conglomerates' business strategies. Although sound operational management that considers environmental factors is a key concern for industrial conglomerates, the industry's main challenges and opportunities are product-related. Important issues include resource efficiency, safety, hazardous content and disposal and recycling options for products that have reached the end of their lifespan. Innovation and the integration of environmental considerations into product development are key criteria, as outlined by the Eco-Design Framework. In equipment markets, addressing customers' carbon constraints is an important factor in product development. Industrial conglomerates typically have a global presence that includes emerging markets. To manage the diverse cultural background of their workforce, companies must focus on promoting common corporate values, including policies and compliance systems to prevent corruption and illegal market practices. Health & safety standards must be met at all operational levels. Supply chains extending to emerging markets expose companies to potential to human rights abuses.

### Highlighted criteria

- Economic Dimension
  - Corporate Governance
  - Innovation Management
  - Strategy for Emerging Markets
  - Supply Chain Management
- Environmental Dimension
  - Climate Strategy
  - Environmental Reporting
  - Operational Eco-Efficiency
  - Water Related Risks
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Siemens AG*	Germany
<b>RobecoSAM Silver Class</b>	
Koninklijke Philips NV	Netherlands
<b>Sustainability Yearbook Members</b>	
3M Co	United States
General Electric Co	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

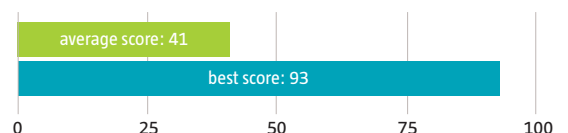
### Industry statistics

Number of companies in universe	44
Number of companies assessed by RobecoSAM in 2013	27
Assessed companies to total companies in universe (%)	61
Market capitalization of assessed companies to total market capitalization (%)	94

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	45	96	38%
Environmental	34	96	31%
Social	42	88	31%

### Total score





## Insurance

### Driving forces

Insurance is all about managing risk. Products and services offered by the insurance industry include liability, life and health insurance, as well as reinsurance and financial services. Because insurers rely on motivated, highly qualified and experienced employees to develop innovative products and attract and retain clients, they must invest in employee relations, remuneration systems and knowledge management. Climate change and resource scarcity have become important issues as natural disasters and relatively small events resulting from extreme weather conditions have well-known consequences for the insurance industry. Other important issues include changing demographics, obesity, and other new health risks. Consequently, the incorporation of sustainability factors into the investment, product and risk management strategy is an essential factor differentiating the leading insurers that are well-positioned to succeed.

### Highlighted criteria

- Economic Dimension
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Customer Relationship Management
  - Risk & Crisis Management
- Environmental Dimension
  - Business Risks & Opportunities
  - Environmental Reporting
  - Operational Eco-Efficiency
  - Risk Detection
- Social Dimension
  - Financial Inclusion
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Talent Attraction & Retention

### Sustainability leaders 2014

RobecoSAM Gold Class	
Allianz SE*	Germany
Swiss Re AG	Switzerland
RobecoSAM Silver Class	
Aegon NV	Netherlands
Muenchener Rueckversicherungs AG	Germany
RobecoSAM Bronze Class	
Aviva PLC	United Kingdom
AXA SA	France
Dongbu Insurance Co Ltd	South Korea
NKSJ Holdings Inc	Japan
Samsung Life Insurance Co Ltd	South Korea
Standard Life PLC	United Kingdom
Storebrand ASA	Norway
Sustainability Yearbook Members	
Assicurazioni Generali SpA	Italy
Delta Lloyd NV	Netherlands
Insurance Australia Group Ltd	Australia
Legal & General Group PLC	United Kingdom
Mapfre SA	Spain
Samsung Fire & Marine Insurance Co Ltd	South Korea
Tokio Marine Holdings Inc	Japan
Zurich Insurance Group AG	Switzerland

\* RobecoSAM Industry Leader

As of October 31, 2013

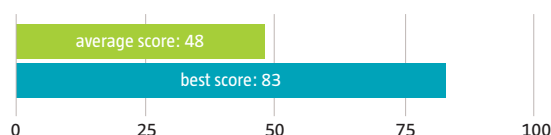
### Industry statistics

Number of companies in universe	129
Number of companies assessed by RobecoSAM in 2013	70
Assessed companies to total companies in universe (%)	54
Market capitalization of assessed companies to total market capitalization (%)	86

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	60	84	31%
Environmental	45	90	30%
Social	40	81	39%

### Total score





## IT Services & Internet Software and Services

### Driving forces

The IT services industry helps companies run their businesses efficiently by enabling the outsourcing of business processes or developing and integrating software applications. The rapid growth of internet use for media consumption, shopping, social interaction and cloud computing is driving demand for internet services. To protect client privacy, the use of secure information technology and a rigorously enforced code of conduct covering access to confidential data are required. Effective innovation and knowledge management are key contributors to business success. Therefore, attracting and retaining qualified staff is crucial. In addition, due to increased outsourcing of IT services to lower cost countries, exceptional quality management is essential. The industry's main environmental impacts stem from its office operations, data center operations, and travel. These can be addressed by substituting travel with conference calls and other collaboration tools and investments in more efficient data centers, which ideally are operated with renewable energy. In addition, IT and internet service providers can use information technology applications to help their customers reduce their environmental impact.

### Highlighted criteria

- Economic Dimension**
  - Corporate Governance
  - Customer Relationship Management
  - IT Security
  - Privacy Protection
- Environmental Dimension**
  - Climate Strategy
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension**
  - Digital Inclusion
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
SK C&C Co Ltd*	South Korea
<b>RobecoSAM Bronze Class</b>	
Amadeus IT Holding SA	Spain
Wipro Ltd	India
<b>Sustainability Yearbook Members</b>	
AtoS	France
Indra Sistemas SA	Spain
Infosys Ltd	India
International Business Machines Corp	United States
NTT Data Corp	Japan
Rackspace Hosting Inc	United States
Tata Consultancy Services Ltd	India
Teradata Corp	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

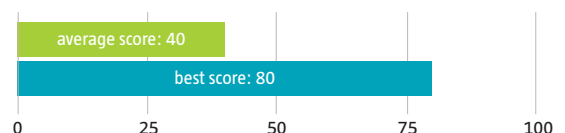
### Industry statistics

Number of companies in universe	77
Number of companies assessed by RobecoSAM in 2013	54
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	48	80	51%
Environmental	34	86	21%
Social	29	77	28%

### Total score





## Leisure Equipment & Products and Consumer Electronics

### Driving forces

Producers of leisure equipment and consumer electronics operate in a highly competitive and rapidly changing market. The industry's key drivers include product quality, differentiation, time-to-market, and brand management. Hence, companies must focus on innovation, particularly R&D, to maintain competitiveness as new products become commoditized within increasingly shorter time frames. Leading companies are able to address the challenges of developing new technologies and providing ever-changing and more integrated product ranges by entering into strategic alliances and outsourcing operations. Supply chain management that integrates environmental and social considerations is increasingly important for minimizing economic, social and reputational risks. Faced with growing stakeholder scrutiny, companies must pay close attention to working conditions, particularly with regard to suppliers and subcontractors in developing countries. Environmental challenges arise throughout the product life span, requiring life cycle analysis, which includes product modularity, avoiding the use of toxic substances in manufacturing processes and products, energy efficient products and effective take-back programs for the disposal of obsolete products.

### Highlighted criteria

- Economic Dimension**
  - Brand Management
  - Corporate Governance
  - Customer Relationship Management
  - Supply Chain Management
- Environmental Dimension**
  - Climate Strategy
  - Environmental Reporting
  - Hazardous Substances
  - Product Stewardship
- Social Dimension**
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Stakeholder Engagement
  - Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Panasonic Corp*	Japan
<b>RobecoSAM Silver Class</b>	
LG Electronics Inc	South Korea
<b>Sustainability Yearbook Members</b>	
Sony Corp	Japan

\* RobecoSAM Industry Leader

As of October 31, 2013

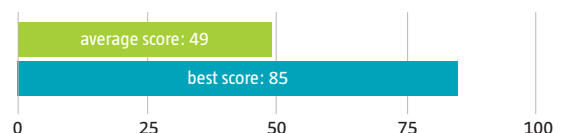
### Industry statistics

Number of companies in universe	21
Number of companies assessed by RobecoSAM in 2013	19
Assessed companies to total companies in universe (%)	90
Market capitalization of assessed companies to total market capitalization (%)	92

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	52	88	41%
Environmental	47	93	31%
Social	47	87	28%

### 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, and testing and analysis. Companies in this industry 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 an innovation-driven, knowledge-intensive industry, providers of life science tools & services depend on a skilled workforce to ensure the environmentally conscious management of its operations and product lifecycles. Therefore, human capital management and innovation are important success drivers. Effective client relationship management strategies are also crucial to ensuring customer loyalty for established products and technologies, and facilitating their 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

- Corporate Governance
- Innovation Management
- Marketing Practices
- Supply Chain Management

#### Environmental Dimension

- Environmental Reporting
- Operational Eco-Efficiency

#### Social Dimension

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

### Sustainability leaders 2014

#### RobecoSAM Gold Class

Life Technologies Corp\* United States

#### Sustainability Yearbook Members

Agilent Technologies Inc United States

\* RobecoSAM Industry Leader

As of October 31, 2013

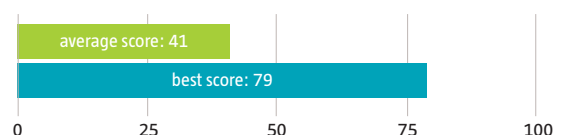
### Industry statistics

Number of companies in universe	14
Number of companies assessed by RobecoSAM in 2013	8
Assessed companies to total companies in universe (%)	57
Market capitalization of assessed companies to total market capitalization (%)	75

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	49	80	44%
Environmental	35	65	10%
Social	34	80	46%

#### Total score





## Machinery and Electrical Equipment

### Driving forces

Population growth and urbanization are creating sustained demand for fixed investment, particularly in emerging markets. The main sustainability challenges and opportunities in the machinery and electrical equipment industry are associated with the use of the equipment. Increasing resource scarcity is spurring the need for improved resource efficiency, and more specifically, energy and water efficiency, particularly in water-intensive industries such as agriculture or mining. Leading companies are increasingly focusing on product innovations and use life cycle analysis to capitalize on customers' potential savings throughout the life cycle of the equipment. Wage increases, safety concerns and quality issues are also driving the progressive mechanization and automation of manufacturing processes. Supply chains extending to emerging markets increase companies' potential exposure to human rights abuses and occupational health & safety issues. Industry leaders actively manage these risks as an integral component of their supply chain management.

### Highlighted criteria

- Economic Dimension
  - Corporate Governance
  - Innovation Management
  - Strategy for Emerging Markets
  - Supply Chain Management
- Environmental Dimension
  - Climate Strategy
  - Environmental Reporting
  - Operational Eco-Efficiency
  - Water Related Risks
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	CNH Industrial NV*	Italy
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	MAN SE	Germany
	<b>Sustainability Yearbook Members</b>	
	ABB Ltd	Switzerland
	Alstom SA	France
	Atlas Copco AB	Sweden
	Caterpillar Inc	United States
	Cummins Inc	United States
	Doosan Infracore Co Ltd	South Korea
	IMI PLC	United Kingdom
	Ingersoll-Rand PLC	United States
	Invensys PLC	United Kingdom
	Komatsu Ltd	Japan
	Metso OYJ	Finland
	Samsung Heavy Industries Co Ltd	South Korea
	Sandvik AB	Sweden
	SKF AB	Sweden
	Stanley Black & Decker Inc	United States
	Vestas Wind Systems A/S	Denmark
	Volvo AB	Sweden
	Xylem Inc	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

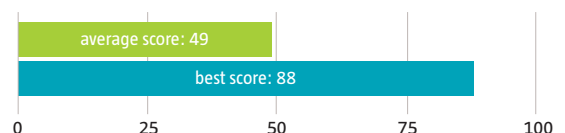
### Industry statistics

Number of companies in universe	129
Number of companies assessed by RobecoSAM in 2013	102
Assessed companies to total companies in universe (%)	79
Market capitalization of assessed companies to total market capitalization (%)	89

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	53	90	38%
Environmental	46	88	31%
Social	47	88	31%

### Total score





## Media

### Driving forces

The heterogeneous and competitive media industry is experiencing a major shift towards the digitization and electronic presentation of content. Publishing companies that embrace this shift and increase their revenue streams from online market segments will emerge as industry leaders. The use of new technologies, coupled with innovative thinking, content and channel management are important to tapping new markets and creating new business opportunities. Companies that consistently invest in retaining a talented, creative and motivated workforce while producing and continuously replenishing unique, valuable publishing content have led the industry. Rising literacy rates in developing countries offer the media industry a huge market with strong growth potential over the coming years. Social factors such as anti-discrimination policies for the workforce and cultural sensitivity toward clients and communities remain at the center of public attention and scrutiny. Given media companies' power to shape public opinion, accountability and transparency are also important factors.

### Highlighted criteria

#### Economic Dimension

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Independence of Content
- Online Risks and Opportunities

#### Environmental Dimension

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency

#### Social Dimension

- Labor Practice Indicators & Human Rights
- Responsibility of Content
- Social Reporting
- Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Telenet Group Holding NV*	Belgium
<b>RobecoSAM Silver Class</b>	
British Sky Broadcasting Group PLC	United Kingdom
Pearson PLC	United Kingdom
<b>RobecoSAM Bronze Class</b>	
Wolters Kluwer NV	Netherlands
<b>Sustainability Yearbook Members</b>	
ITV PLC	United Kingdom
JCDecaux SA	France
Modern Times Group AB	Sweden
Reed Elsevier PLC	United Kingdom
Societe Television Francaise 1	France
Walt Disney Co	United States
WPP PLC	United Kingdom

\* RobecoSAM Industry Leader

As of October 31, 2013

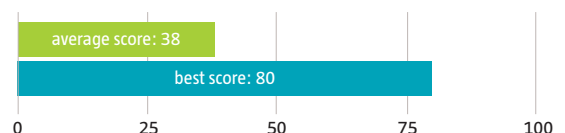
### Industry statistics

Number of companies in universe	77
Number of companies assessed by RobecoSAM in 2013	43
Assessed companies to total companies in universe (%)	56
Market capitalization of assessed companies to total market capitalization (%)	87

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	46	86	44%
Environmental	30	91	16%
Social	33	79	40%

#### Total score





## Metals & Mining

### Driving forces

The main sustainability challenge facing the metals & mining industry is that of declining ore grades, which implies that over time, more mineral ore will need to be extracted and processed in order to produce the same amount of metal. This is likely to exacerbate many of the environmental and social issues facing the mining & metals industry going forward. Prominent environmental issues include mineral waste management as well as the management of key inputs such as energy and water. Social issues mainly center on occupational health & safety as well as general labor conditions. Issues such as land rights, population relocations, the use of private security forces to protect mining assets, and mine closures also remain controversial. Finally, and similarly to other extractive industries, the mining space is particularly susceptible to corruption, bribery, and other breaches of codes of conduct.

### Highlighted criteria

- Economic Dimension**
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Risk & Crisis Management
  - Transparency
- Environmental Dimension**
  - Climate Strategy
  - Environmental Reporting
  - Mineral Waste Management
  - Operational Eco-Efficiency
- Social Dimension**
  - Enabling Local Development
  - Human Capital Development
  - Occupational Health & Safety
  - Social Impacts on Communities

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Anglo American PLC*	United Kingdom
<span style="color: grey;">●</span>	<b>RobecoSAM Silver Class</b>	
	Newmont Mining Corp	United States
	Teck Resources Ltd	Canada
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Barrick Gold Corp	Canada
	Gold Fields Ltd	South Africa
	<b>Sustainability Yearbook Members</b>	
	AngloGold Ashanti Ltd	South Africa
	BHP Billiton Ltd	Australia
	Glencore Xstrata PLC	United Kingdom
	Goldcorp Inc	Canada
	Kinross Gold Corp	Canada
	Mitsubishi Materials Corp	Japan
	Rio Tinto PLC	United Kingdom

\* RobecoSAM Industry Leader

As of October 31, 2013

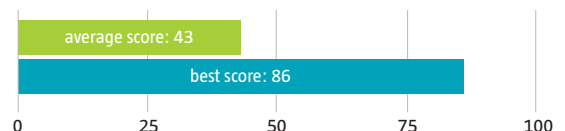
### Industry statistics

Number of companies in universe	99
Number of companies assessed by RobecoSAM in 2013	58
Assessed companies to total companies in universe (%)	59
Market capitalization of assessed companies to total market capitalization (%)	86

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	55	89	25%
Environmental	34	86	36%
Social	44	87	39%

### Total score





## Multi and Water Utilities

### Driving forces

For the electrical utility business, the rapid development of renewables in Western markets is beginning to have a considerable impact on energy markets. Companies must deal with the integration of these new sources into the energy mix. Enormous efforts are also required to develop and replace an aging grid. As the least carbon-intensive fossil fuel, natural gas is considered to be an effective alternative to coal as a base- and mid-load fuel that can contribute to reducing CO<sub>2</sub> emissions. The spectacular development of unconventional resources coupled with weak energy demand is already reshaping the gas markets. However, the gas utility business remains exposed to price volatility, potential opposition to large infrastructure projects and distribution network failures.

Some of the key challenges facing the water utility business include water scarcity, deteriorating water quality, aging distribution and collection networks in developed markets, as well as increased consumption and rapid infrastructure expansion in emerging markets. Leading companies perform active resource management, reduce water losses during distribution, and foster demand-side efficiency. The recognition of access to water and sanitation as a basic human right underscores the importance of stakeholder engagement. As pricing strategies come under increased scrutiny, companies opt for increasingly innovative tariff structures.

### Highlighted criteria

#### Economic Dimension

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Customer Relationship Management
- Risk & Crisis Management

#### Environmental Dimension

- Climate Strategy
- Operational Eco-Efficiency
- Environmental Reporting
- Biodiversity

#### Social Dimension

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

### Sustainability leaders 2014

RobecoSAM Gold Class	
Suez Environnement Co*	France
RobecoSAM Silver Class	
Aguas de Barcelona SA**	Spain
EPM**	Colombia
AGL Energy Ltd	Australia
RWE AG	Germany
Sempra Energy	United States
United Utilities Group PLC	United Kingdom
RobecoSAM Bronze Class	
American Water Works Co Inc	United States
E.ON SE	Germany
GDF Suez	France
National Grid PLC	United Kingdom
PG&E Corp	United States
Veolia Environnement SA	France

\* RobecoSAM Industry Leader

\*\* This company has been evaluated outside of the regular Dow Jones Sustainability Indices assessment process

As of October 31, 2013

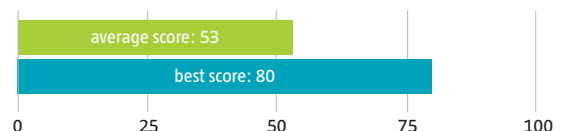
### Industry statistics

Number of companies in universe	39
Number of companies assessed by RobecoSAM in 2013	31
Assessed companies to total companies in universe (%)	79
Market capitalization of assessed companies to total market capitalization (%)	91

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	63	87	37%
Environmental	44	76	33%
Social	51	85	30%

#### Total score





## Oil & Gas

### Driving forces

Oil & gas companies' ability to sustain long-term value creation will depend on access to next-generation assets. Companies are struggling with increasing exploration and development costs stemming from smaller reserves with complex geology in deeper waters, rising taxes, increasing dependence on countries with high political risks, and mounting costs of oil services and manpower. As a result, keeping the cost base down will be crucial for the industry. As exploration moves to remote and environmentally sensitive locations, environmental, health & safety excellence, coupled with progressive management of social issues will remain important aspects of oil & gas companies' long-term profitability. As for environmental issues, the carbon challenge continues to top the agenda. Active corporate strategies that seek out related business opportunities and mitigate carbon risks will be critical to securing companies' future competitiveness. As poorer countries with weaker governance increasingly dominate new reserve discoveries, engagement with local communities should gain importance as an important component of sustainable risk management.

### Highlighted criteria

- Economic Dimension**
  - Corporate Governance
  - Exploration & Production
  - Gas Portfolio
  - Risk & Crisis Management
- Environmental Dimension**
  - Biodiversity
  - Climate Strategy
  - Environmental Reporting
  - Releases to the Environment
- Social Dimension**
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Social Impacts on Communities
  - Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
BG Group PLC*	United Kingdom
S-Oil Corp	South Korea
Thai Oil PCL	Thailand
<b>RobecoSAM Silver Class</b>	
Eni SpA	Italy
Repsol SA	Spain
<b>RobecoSAM Bronze Class</b>	
Cenovus Energy Inc	Canada
Ecopetrol SA	Colombia
Galp Energia SGPS SA	Portugal
Petroleo Brasileiro SA	Brazil
<b>Sustainability Yearbook Members</b>	
Inpex Corp	Japan
IRPC PCL	Thailand
Neste Oil OYJ	Finland
Pacific Rubiales Energy Corp	Canada
PTT PCL	Thailand
Royal Dutch Shell PLC	United Kingdom
Santos Ltd	Australia
Sasol Ltd	South Africa
Statoil ASA	Norway
Total SA	France
Woodside Petroleum Ltd	Australia

\* RobecoSAM Industry Leader

As of October 31, 2013

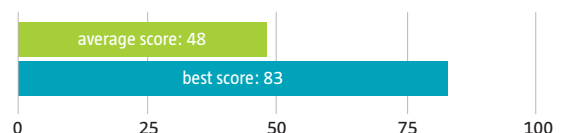
### Industry statistics

Number of companies in universe	134
Number of companies assessed by RobecoSAM in 2013	89
Assessed companies to total companies in universe (%)	66
Market capitalization of assessed companies to total market capitalization (%)	91

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	59	91	41%
Environmental	32	84	28%
Social	49	87	31%

### Total score





## Oil & Gas Storage & Transportation

### Driving forces

The need to transport energy – both fossil fuels and renewables – from politically and environmentally sensitive areas to storage in demand-intensive geographic regions is driving value creation in the oil & gas storage & transportation industry. To minimize future environmental costs, companies need to adopt state-of-the-art management systems to prevent leakages and emissions along their pipelines, supported by modern risk and crisis management systems. Moreover, the security of transport and storage systems is vital to ensuring a constant energy supply from politically sensitive regions. As a result, human rights issues and stakeholder communication are becoming increasingly important in planning and operating pipelines in emerging economies. By adopting a progressive community relations management system, companies can reduce their exposure to human rights risks and cut their operating costs, thereby gaining a sustainable competitive advantage.

### Highlighted criteria

- Economic Dimension
  - Corporate Governance
  - Customer Relationship Management
  - Diversification
  - Risk & Crisis Management
- Environmental Dimension
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
  - Releases to the Environment
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Social Impacts on Communities
  - Talent Attraction & Retention

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	Spectra Energy Corp*	United States
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Enbridge Inc	Canada

\* RobecoSAM Industry Leader

As of October 31, 2013

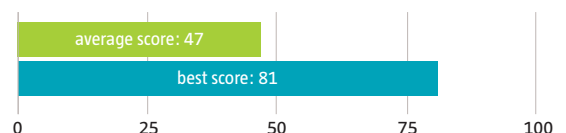
### Industry statistics

Number of companies in universe	14
Number of companies assessed by RobecoSAM in 2013	9
Assessed companies to total companies in universe (%)	64
Market capitalization of assessed companies to total market capitalization (%)	86

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	61	87	34%
Environmental	34	81	28%
Social	45	75	38%

### Total score





## Paper & Forest Products

### Driving forces

The paper & forest products industry comprises owners and operators of timber tracts, forest tree nurseries and sawmills as well as producers, converters, merchants and distributors of all grades of paper. The main challenge consists of ensuring responsible management of forests and plantations and the responsible sourcing of wood fibers. Certification and chain of custody systems play an important role in gaining customers' trust and loyalty. The use of genetically modified organisms is increasing and poses new challenges that must be addressed to minimize the risk of future liabilities. As paper becomes an increasingly customized product fulfilling client-specific needs, product innovation and customer focus will move up the corporate agenda. As a result, talent attraction and retention as well as human capital development remain a key source of competitive advantage. Technology-wise, room for considerable improvements in resource efficiency remains, and companies that can introduce new technologies such as enzyme-based processes will secure a competitive advantage.

### Highlighted criteria

- Economic Dimension
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Risk & Crisis Management
  - Supply Chain Management
- Environmental Dimension
  - Biodiversity
  - Environmental Reporting
  - Operational Eco-Efficiency
  - Sustainable Management of Forests
- Social Dimension
  - Enabling Local Development
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety

### Sustainability leaders 2014

RobecoSAM Gold Class	
Fibria Celulose SA*	Brazil
UPM-Kymmene OYJ	Finland
RobecoSAM Bronze Class	
Stora Enso OYJ	Finland

\* RobecoSAM Industry Leader

As of October 31, 2013

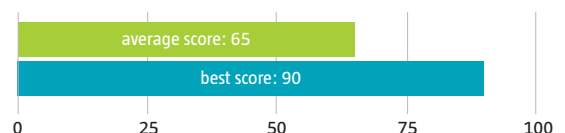
### Industry statistics

Number of companies in universe	18
Number of companies assessed by RobecoSAM in 2013	10
Assessed companies to total companies in universe (%)	56
Market capitalization of assessed companies to total market capitalization (%)	80

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	67	94	27%
Environmental	67	95	34%
Social	61	86	39%

### Total score







## Personal Products

### Driving forces

Personal products companies operate in a highly competitive, multi-brand environment. Brand recognition and high innovation capabilities are at the heart of companies' strategies, shaping their ability to gain market share and overall market position. Concerns over product safety and demand for product improvements and reformulations combined with a changing regulatory environment mandating the use of ingredients & chemicals drive innovation, ultimately setting higher quality and safety standards. Such factors, as well as restrictions on emissions, energy consumption and water use have an impact on production and operating costs. Emerging markets continue to offer key opportunities for further growth, and companies must be able to adapt their products to local needs and tastes. As a result, companies are beginning to set up R&D centers in those markets to develop a better understanding of their local consumers. Finally, companies need to establish a flexible pricing strategy to adapt quickly to consumers' income and needs.

### Highlighted criteria

- Economic Dimension**
  - Corporate Governance
  - Innovation Management
  - Strategy for Emerging Markets
  - Supply Chain Management
- Environmental Dimension**
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
  - Product Stewardship
- Social Dimension**
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Amorepacific Corp*	South Korea
<b>RobecoSAM Silver Class</b>	
Kao Corp	Japan
<b>Sustainability Yearbook Members</b>	
Shiseido Co Ltd	Japan

\* RobecoSAM Industry Leader

As of October 31, 2013

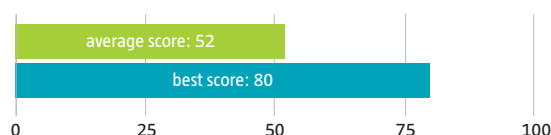
### Industry statistics

Number of companies in universe	20
Number of companies assessed by RobecoSAM in 2013	13
Assessed companies to total companies in universe (%)	65
Market capitalization of assessed companies to total market capitalization (%)	95

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	54	83	48%
Environmental	51	88	20%
Social	50	77	32%

### Total score



## Pharmaceuticals



### Driving forces

The pharmaceutical industry relies on innovation and the development of novel drugs. Despite large investments in R&D, the industry has experienced declining R&D productivity, resulting in limited product pipelines. Further, following patent expirations for many blockbuster drugs, many companies have been losing revenues to competition from generics. However, the industry has recently shown signs of improvement in R&D productivity, as several pharmaceutical companies have brought innovative products to the market. Exploding health care costs are driving resource-constrained governments to cut health care budgets, putting pressure on drug pricing. In addition, payers are increasingly evaluating not only the clinical efficacy but also the cost-effectiveness and cost-benefits of pharmaceutical products to determine pricing and reimbursement. To return to growth, preserve profitability and generate higher returns, pharmaceutical companies must attract and retain the best talent, and employ effective innovation management to develop innovative drugs that address unmet medical needs. Other challenges include patient access to and compliance with therapeutic treatments, as well as changing distribution models and global patent protection. In addition, pharmaceutical companies face ethical discussions related to marketing practices and drug quality and safety.

### Highlighted criteria

**Economic Dimension**  
 – Corporate Governance  
 – Innovation Management  
 – Marketing Practices  
 – Supply Chain Management

**Environmental Dimension**  
 – Environmental Reporting  
 – Operational Eco-Efficiency

**Social Dimension**  
 – Addressing Cost Burden  
 – Health Outcome Contribution  
 – Strategy to Improve Access to Drugs or Products  
 – Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Roche Holding AG*	Switzerland
<b>RobecoSAM Silver Class</b>	
AstraZeneca PLC	United Kingdom
Novartis AG	Switzerland
Novo Nordisk A/S	Denmark
Sanofi	France
<b>RobecoSAM Bronze Class</b>	
AbbVie Inc	United States
Bayer AG	Germany
GlaxoSmithKline PLC	United Kingdom
<b>Sustainability Yearbook Members</b>	
Allergan Inc	United States
Johnson & Johnson	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

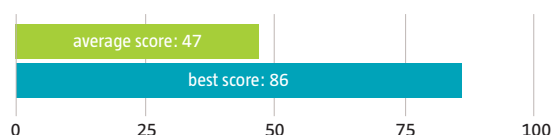
### Industry statistics

Number of companies in universe	71
Number of companies assessed by RobecoSAM in 2013	42
Assessed companies to total companies in universe (%)	59
Market capitalization of assessed companies to total market capitalization (%)	97

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	55	89	44%
Environmental	44	89	10%
Social	40	87	46%

### Total score





## Professional Services

### Driving forces

Professional services companies provide other companies with a range of business support services in the areas of staffing, as well as the testing, inspection and certification of manufacturing or other business processes. As provider of specialized services, these are knowledge-intensive companies whose success depends on the on the quality of their workforce. Therefore, talent attraction & retention are particularly important to professional services companies. A reputation for integrity is also critical to retaining customers and winning new business. Therefore, companies must ensure that employees comply with their Codes of Conduct and that their services are delivered according to high ethical standards. In an environment characterized by increased labor flexibility and a greater focus on product quality, both staffing and testing companies are poised to see the growth of their industry accelerate.

### Highlighted criteria

- Economic Dimension
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Customer Relationship Management
  - Risk & Crisis Management
  - Supply Chain Management
- Environmental Dimension
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Adecco SA*	Switzerland
<b>RobecoSAM Bronze Class</b>	
Experian PLC	United Kingdom
<b>Sustainability Yearbook Members</b>	
Capita PLC	United Kingdom

\* RobecoSAM Industry Leader

As of October 31, 2013

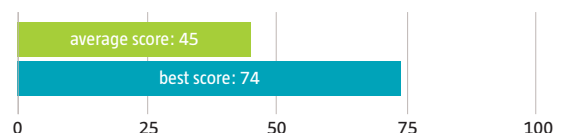
### Industry statistics

Number of companies in universe	25
Number of companies assessed by RobecoSAM in 2013	22
Assessed companies to total companies in universe (%)	88
Market capitalization of assessed companies to total market capitalization (%)	93

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	58	80	38%
Environmental	31	70	23%
Social	40	73	39%

### 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. Climate change and energy efficiency is of great importance for this industry as buildings are responsible for about one third of global greenhouse gas emissions. Additionally, low-energy buildings that use innovative materials reduce the impact of volatile energy prices on the cost of management and ownership of a property. This results in high demand for residential, commercial and industrial green buildings. Besides environmental issues, social responsibility and social integration are gaining importance in this industry as well. In the current volatile economic environment, community engagement and investment around properties is receiving increased attention to keep asset values high and to remain the preferred proprietor for tenants.

### Highlighted criteria

**Economic Dimension**

- Antitrust Policy
- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management

### Environmental Dimension

- Building Materials
- Climate Strategy
- Environmental Reporting
- Resource Conservation & Resource Efficiency

### Social Dimension

- Human Capital Development
- Labor Practice Indicators & Human Rights
- Social Integration
- Talent Attraction & Retention

## Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Stockland*	Australia
<b>RobecoSAM Silver Class</b>	
GPT Group	Australia
<b>Sustainability Yearbook Members</b>	
British Land Co PLC	United Kingdom
CapitaLand Ltd	Singapore
CFS Retail Property Trust Group	Australia
Commonwealth Property Office Fund	Australia
Corio NV	Netherlands
Dexus Property Group	Australia
Fonciere Des Regions	France
Gecina SA	France
Hammerson PLC	United Kingdom
Intu Properties PLC	United Kingdom
Keppel Land Ltd	Singapore
Klepierre	France
Land Securities Group PLC	United Kingdom
Lend Lease Group	Australia
Mirvac Group	Australia
Shaftesbury PLC	United Kingdom
Unibail-Rodamco SE	France
Weyerhaeuser Co	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

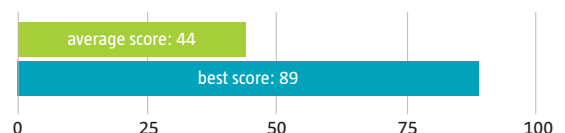
## Industry statistics

Number of companies in universe	201
Number of companies assessed by RobecoSAM in 2013	110
Assessed companies to total companies in universe (%)	55
Market capitalization of assessed companies to total market capitalization (%)	79

## Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	59	89	26%
Environmental	40	93	40%
Social	36	86	34%

### Total score





## Restaurants & Leisure Facilities

### Driving forces

The restaurant and leisure space has been plagued by supply chain issues over the past year. Problems with food safety in China, false labeling in Europe and other procurement issues have raised questions about accountability and transparency in the supply chain. Issues surrounding animal welfare and sourcing are increasingly gaining public attention as global supply chains expand. Growing health-consciousness among consumers has forced companies to rethink their product strategies and provide healthier options, progressing beyond disclosure of nutritional values. Environmental challenges such as energy and water consumption need to be tackled globally, and consolidation of data across both company-owned and franchised locations must be improved so that companies can effectively implement their global sustainability programs.

### Highlighted criteria

- Economic Dimension
  - Brand Management
  - Corporate Governance
  - Customer Relationship Management
  - Supply Chain Management
- Environmental Dimension
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension
  - Healthy Living
  - Labor Practice Indicators & Human Rights
  - Local Impact of Business Operations
  - Talent Attraction & Retention

### Sustainability leaders 2014

RobecoSAM Gold Class	
Sodexo*	France
RobecoSAM Silver Class	
Compass Group PLC	United Kingdom

\* RobecoSAM Industry Leader

As of October 31, 2013

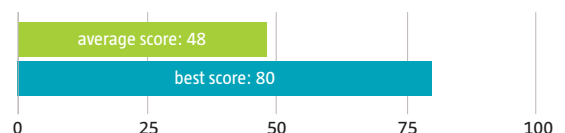
### Industry statistics

Number of companies in universe	19
Number of companies assessed by RobecoSAM in 2013	12
Assessed companies to total companies in universe (%)	63
Market capitalization of assessed companies to total market capitalization (%)	92

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	59	85	36%
Environmental	35	88	19%
Social	45	78	45%

### Total score





## Retailing

### Driving forces

The retailing industry continues its shift toward multinational conglomerates with global supply and distribution networks, contributing to improved inventory management and marketing plans. To increase their market share, successful retailers will need to continue to develop new strategies and technologies to retain and analyze customers and their purchasing habits, as well as implement more responsive and tailored customer relationship management systems. Distribution channels such as e-commerce, home delivery services and pick-up systems are gaining importance. Faced with intense stakeholder scrutiny, companies need to address the efficiency and safety of their supply chain management, distribution systems and the use and disposal of packaging. Responsible sourcing has also gained significance among various stakeholders, and consumers have shown a willingness to pay a premium for companies that adopt healthy environmental practices. Within this context, retailers must establish long-term relationships with suppliers and provide for enhanced transparency on their supply chain management systems in order to minimize reputational risks.

### Highlighted criteria

**Economic Dimension**

- Brand Management
- Corporate Governance
- Customer Relationship Management
- Supply Chain Management

### Environmental Dimension

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency
- Packaging

### Social Dimension

- Human Capital Development
- Labor Practice Indicators & Human Rights
- Stakeholder Engagement
- Talent Attraction & Retention

## Sustainability leaders 2014

### RobecoSAM Gold Class

Lotte Shopping Co Ltd\* South Korea

### Sustainability Yearbook Members

Home Retail Group PLC United Kingdom

Inditex SA Spain

Kering France

Kingfisher PLC United Kingdom

Marks & Spencer Group PLC United Kingdom

Woolworths Holdings Ltd South Africa

\* RobecoSAM Industry Leader

As of October 31, 2013

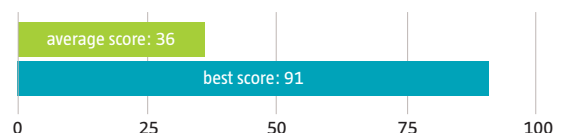
## Industry statistics

Number of companies in universe	125
Number of companies assessed by RobecoSAM in 2013	88
Assessed companies to total companies in universe (%)	70
Market capitalization of assessed companies to total market capitalization (%)	91

## Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	42	88	47%
Environmental	29	96	24%
Social	33	90	29%

### Total score





## Semiconductors & Semiconductor Equipment

### Driving forces

Located at the beginning of the value chain, the semiconductor industry plays a critical role in the electronic sector. In order to keep pace with Moore's Law, which assumes that the number of integrated circuits doubles approximately every two years, continuous innovation is necessary. To ensure their long-term capacity to innovate, companies have to properly manage innovation processes and attract and retain a skilled workforce. High-quality research and development are important success factors as shrinkage, 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, by enhancing the energy efficiency of ultra-clean spaces, and by 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
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Product Quality and Recall Management
  - Supply Chain Management
- Environmental Dimension
  - Climate Strategy
  - Operational Eco-Efficiency
  - Product Stewardship
  - Water Related Risks
- Social Dimension
  - Human Capital Development
  - Labor Practice Indicators & Human Rights
  - Social Reporting

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
Taiwan Semiconductor Manufacturing Co Ltd*	Taiwan
<b>RobecoSAM Silver Class</b>	
United Microelectronics Corp	Taiwan
<b>RobecoSAM Bronze Class</b>	
Intel Corp	United States
SK Hynix Inc	South Korea
<b>Sustainability Yearbook Members</b>	
Advanced Micro Devices Inc	United States
Advanced Semiconductor Engineering Inc	Taiwan
ASML Holding NV	Netherlands
Infineon Technologies AG	Germany
Samsung Electronics Co Ltd	South Korea
STMicroelectronics NV	Italy

\* RobecoSAM Industry Leader

As of October 31, 2013

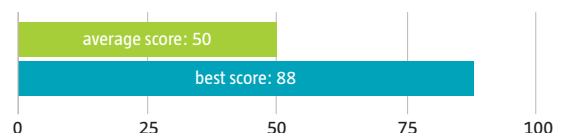
### Industry statistics

Number of companies in universe	70
Number of companies assessed by RobecoSAM in 2013	57
Assessed companies to total companies in universe (%)	81
Market capitalization of assessed companies to total market capitalization (%)	96

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	59	86	40%
Environmental	47	95	35%
Social	42	85	25%

### Total score





## Software

### Driving forces

The software industry is characterized by a fast-paced market environment in which the speed of innovation represents a key success factor. Because innovation is closely linked to human capital, effective human resource management is vital to attracting and retaining qualified staff. Open innovation structures that include external developers and acquisition strategies are also important. Because software can help create more efficient business processes and optimizes hardware utilization, enabling clients to improve their own eco-efficiency presents a long-term competitive advantage for software companies. In addition, companies must ensure data security, as a growing amount of confidential data is processed and stored in remote data centers. Given the ubiquity of software in daily life, innovative and differentiated distribution models are gaining importance. Widespread Internet access, for example, creates new opportunities in the area of “software as a service.”

### Highlighted criteria

#### Economic Dimension

- Corporate Governance
- IT Security
- Privacy Protection
- Risk & Crisis Management

#### Environmental Dimension

- Climate Strategy
- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency

#### Social Dimension

- Digital Inclusion
- Human Capital Development
- Labor Practice Indicators & Human Rights
- Talent Attraction & Retention

## Sustainability leaders 2014

### RobecoSAM Gold Class

SAP AG\* Germany

### Sustainability Yearbook Members

Autodesk Inc	United States
CA Inc	United States
Microsoft Corp	United States
Symantec Corp	United States

\* RobecoSAM Industry Leader

As of October 31, 2013

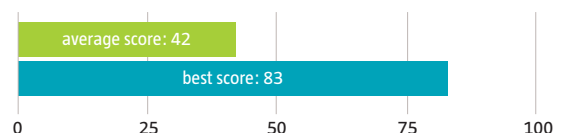
## Industry statistics

Number of companies in universe	48
Number of companies assessed by RobecoSAM in 2013	32
Assessed companies to total companies in universe (%)	67
Market capitalization of assessed companies to total market capitalization (%)	94

## Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	51	85	51%
Environmental	35	83	21%
Social	31	78	28%

### Total score







## Steel

### Driving forces

One of the challenges faced by the iron and steel producing industry is the effective handling of CO<sub>2</sub> constraints and climate change risks. Numerous steel companies are developing technologies to reduce the CO<sub>2</sub> intensity of the steel making process. Any breakthrough would represent a considerable competitive advantage, not only within the industry itself, but also in competition with the aluminum industry. In addition to reducing greenhouse gas emissions, the reduction of airborne emissions of heavy metals, dioxins and furans, as well as waste recycling and reuse will feature prominently on companies' future agendas. Consolidation seen in the steel industry over the last few years is likely to continue in the future. Intensified competition from emerging markets such as Russia and China will continue to put steel producers in developed markets under economic strain. Within this context, effective supply chain management will become an even more important way to counteract this competitive pressure.

### Highlighted criteria

- Economic Dimension
  - Codes of Conduct/Compliance/Corruption & Bribery
  - Corporate Governance
  - Customer Relationship Management
  - Risk & Crisis Management
- Environmental Dimension
  - Climate Strategy
  - Environmental Policy/Management System
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension
  - Enabling Local Development
  - Labor Practice Indicators & Human Rights
  - Occupational Health & Safety
  - Social Impacts on Communities

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>	
China Steel Corp*	Taiwan
<b>RobecoSAM Silver Class</b>	
ArcelorMittal	Luxembourg
Outokumpu OYJ	Finland
POSCO	South Korea
<b>RobecoSAM Bronze Class</b>	
Rautaruukki OYJ	Finland
<b>Sustainability Yearbook Members</b>	
Hyundai Steel Co	South Korea
Sims Metal Management Ltd	Australia
Tata Steel Ltd	India

\* RobecoSAM Industry Leader

As of October 31, 2013

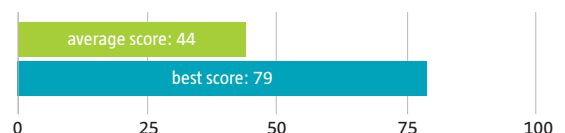
### Industry statistics

Number of companies in universe	54
Number of companies assessed by RobecoSAM in 2013	32
Assessed companies to total companies in universe (%)	59
Market capitalization of assessed companies to total market capitalization (%)	83

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	53	82	25%
Environmental	38	90	38%
Social	44	81	37%

### Total score





## Telecommunication Services

### Driving forces

The telecommunications services industry operates in a highly competitive environment characterized by continuously accelerated demand for premium services in fixed-line and mobile communications. The industry has a large and indirect impact on the productivity and competitiveness of entire economies, and can significantly improve work habits and lifestyles. Further, telecommunications firms can leverage their technological expertise to produce innovative solutions that address social and environmental sustainability issues faced by consumers on both local and global scales. Consumers, businesses and governments increasingly require uninterrupted high-quality, high-speed connections, and higher traffic allowances. In order to remain competitive in a market subject to rapid technological change, companies will need to adopt flexible business models that enable them to integrate new-generation technologies and services. The careful handling of data is essential, as insufficient database and network protection could expose companies to reputational and liability risks. Energy efficiency and state-of-the-art infrastructure remain the industry's key environmental challenges.

### Highlighted criteria

- Economic Dimension**
  - Corporate Governance
  - Customer Relationship Management
  - Privacy Protection
  - Risk & Crisis Management
- Environmental Dimension**
  - Climate Strategy
  - Electro Magnetic Fields
  - Environmental Reporting
  - Operational Eco-Efficiency
- Social Dimension**
  - Digital Inclusion
  - Impact of Telecommunication Services
  - Labor Practice Indicators & Human Rights
  - Talent Attraction & Retention

### Sustainability leaders 2014

<span style="color: yellow;">●</span>	<b>RobecoSAM Gold Class</b>	
	KT Corp*	South Korea
<span style="color: grey;">●</span>	<b>RobecoSAM Silver Class</b>	
	SK Telecom Co Ltd	South Korea
	Telecom Italia SpA	Italy
	Telenor ASA	Norway
<span style="color: brown;">●</span>	<b>RobecoSAM Bronze Class</b>	
	Chunghwa Telecom Co Ltd	Taiwan
	Koninklijke KPN NV	Netherlands
	Portugal Telecom SGPS SA	Portugal
	Swisscom AG	Switzerland
	Telefonica SA	Spain
	<b>Sustainability Yearbook Members</b>	
	BT Group PLC	United Kingdom
	Deutsche Telekom AG	Germany
	Orange SA	France
	Sprint Corp	United States
	Telstra Corp Ltd	Australia

\* RobecoSAM Industry Leader

As of October 31, 2013

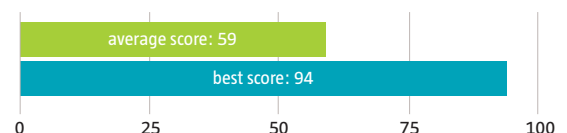
### Industry statistics

Number of companies in universe	99
Number of companies assessed by RobecoSAM in 2013	44
Assessed companies to total companies in universe (%)	44
Market capitalization of assessed companies to total market capitalization (%)	84

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	67	97	44%
Environmental	48	97	20%
Social	56	93	36%

### Total score





## Textiles, Apparel & Luxury Goods

### Driving forces

Textiles, apparel & luxury goods companies are facing a two speed consumer market. They must leverage their strong brand recognition and high level of innovation to expand into new markets and categories. With fast fashion and shorter product cycles, not only do companies require innovative marketing strategies, but also responsible sourcing models. Faced with intense stakeholder scrutiny, particularly within the last year, companies must increase transparency on the efficiency, safety, working conditions and management of their supply chains. Companies are also under pressure to integrate environmental considerations into product design and development and must therefore engage contractors and suppliers on sustainability issues, actively monitor labor practices, and disclose the results of these activities to ensure fair working conditions and protect their reputation and ultimately, their brand and enterprise value.

### Highlighted criteria

**Economic Dimension**

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management
- Supply Chain Management

**Environmental Dimension**

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency
- Product Stewardship

**Social Dimension**

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

### Sustainability leaders 2014

#### RobecoSAM Gold Class

Adidas AG*	Germany
Gildan Activewear Inc	Canada

#### RobecoSAM Silver Class

Puma SE	Germany
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#### Sustainability Yearbook Members

LVMH Moet Hennessy Louis Vuitton SA	France
NIKE Inc	United States
Woongjin Chemical Co Ltd	South Korea

\* RobecoSAM Industry Leader

As of October 31, 2013

### Industry statistics

Number of companies in universe	41
Number of companies assessed by RobecoSAM in 2013	24
Assessed companies to total companies in universe (%)	59
Market capitalization of assessed companies to total market capitalization (%)	83

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	53	81	38%
Environmental	34	78	21%
Social	42	75	41%

### Total score



## Tobacco

### Driving forces

The tobacco industry is mature and global cigarette sales volumes are stable. However, tobacco companies enjoy a unique position among consumer companies in that they have strong pricing power. The industry's relationship with the public sector is of fundamental importance with regard to tax policies and efforts to combat cigarette smuggling. Companies have to prove that they have a robust system in place to track their product distribution. The industry is constantly scrutinized by legislators, the media and NGOs, which requires well-managed companies and supply chains as well as a high degree of transparency. Following new legislation regulating smoking, it will also be increasingly important for tobacco companies to partly move away from traditional tobacco products and explore options in the area of non-combustible tobacco, such as snus, and non-tobacco nicotine products, both of which claim to have a lower health impact.

### Highlighted criteria

#### Economic Dimension

- Brand Management
- Combatting Smuggling
- Corporate Governance
- Supply Chain Management

#### Environmental Dimension

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency
- Raw Material Sourcing

#### Social Dimension

- Human Capital Development
- Labor Practice Indicators & Human Rights
- Occupational Health & Safety
- Responsible Marketing Policies

### Sustainability leaders 2014

#### RobecoSAM Gold Class

British American Tobacco PLC\* United Kingdom

#### RobecoSAM Bronze Class

Altria Group Inc United States

Imperial Tobacco Group PLC United Kingdom

KT&G Corp South Korea

\* RobecoSAM Industry Leader

As of October 31, 2013

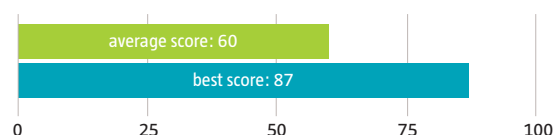
### Industry statistics

Number of companies in universe	13
Number of companies assessed by RobecoSAM in 2013	11
Assessed companies to total companies in universe (%)	85
Market capitalization of assessed companies to total market capitalization (%)	99

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	66	90	41%
Environmental	58	91	23%
Social	54	81	36%

#### Total score





## Trading Companies & Distributors

### Driving forces

As players in a diversified and knowledge-intensive industry, trading companies & distributors rely on the quality of their workforce. Therefore, talent attraction & retention is a key contributor to their business success. Clear employee policies combined with training programs, knowledge management and incentive schemes are important for creating a successful, safe and healthy working environment and maintaining a high employee retention rate.

Trading companies that acquire stakes in or operate large-scale projects such as exploration activities have a higher exposure to environmental and human rights issues stemming from both their operations and their suppliers. Some subsidiaries can be more exposed to reputational risks, which can subsequently have an impact on the parent company. Companies in this industry should control these risks by integrating environmental and social impact assessments into their investment and supply chain decisions and by providing transparent reporting about such engagements.

### Highlighted criteria

#### Economic Dimension

- Codes of Conduct/Compliance/Corruption & Bribery
- Customer Relationship Management
- Risk & Crisis Management
- Supply Chain Management

#### Environmental Dimension

- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency
- Climate Strategy

#### Social Dimension

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

### Sustainability leaders 2014

RobecoSAM Gold Class	
Marubeni Corp*	Japan
RobecoSAM Bronze Class	
ITOCHU Corp	Japan
Mitsui & Co Ltd	Japan
Samsung C&T Corp	South Korea
Sumitomo Corp	Japan

\* RobecoSAM Industry Leader

As of October 31, 2013

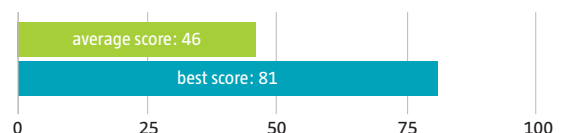
### Industry statistics

Number of companies in universe	35
Number of companies assessed by RobecoSAM in 2013	23
Assessed companies to total companies in universe (%)	66
Market capitalization of assessed companies to total market capitalization (%)	81

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	49	86	38%
Environmental	45	96	25%
Social	42	79	37%

### Total score





## Transportation and Transportation Infrastructure

### Driving forces

The transportation infrastructure industry facilitates trade and promotes economic development and efficiency gains. Trade routes constantly change in response to shifting global supply/demand dynamics. Therefore, flexibility is a key success factor for companies involved in long-distance transportation. Efficiency – both from a cost and time perspective – is a critical contributor to companies' competitive advantage, which is increasingly achieved through standardization (e.g. containerization), inter-modal transport and IT-supported logistics. Fuel efficiency is becoming equally important, particularly for companies that own their vehicle fleets. Additionally, as customers become increasingly mindful of the environmental impact of their supply chain, companies seek to minimize the carbon footprint associated with transportation. For companies operating local transportation hubs such as airports and seaports, stakeholder engagement and good relationships with local communities are pre-requisites for maintaining their license to operate.

### Highlighted criteria

**Economic Dimension**

- Codes of Conduct/Compliance/Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management
- Supply Chain Management

**Environmental Dimension**

- Climate Strategy
- Environmental Policy/Management System
- Environmental Reporting
- Operational Eco-Efficiency

**Social Dimension**

- Labor Practice Indicators & Human Rights
- Occupational Health & Safety
- Stakeholder Engagement
- Talent Attraction & Retention

### Sustainability leaders 2014

<b>RobecoSAM Gold Class</b>		
Canadian National Railway Co*		Canada
<b>RobecoSAM Silver Class</b>		
Royal Mail Group		United Kingdom
PostNL NV		Netherlands
United Parcel Service Inc		United States
<b>RobecoSAM Bronze Class</b>		
Abertis Infraestructuras SA		Spain
Atlantia SpA		Italy
Nippon Yusen KK		Japan
<b>Sustainability Yearbook Members</b>		
Auckland International Airport Ltd		New Zealand
CSX Corp		United States
Deutsche Post AG		Germany
Firstgroup PLC		United Kingdom
Fraport AG Frankfurt Airport Services Worldwide		Germany
TNT Express NV		Netherlands
Transurban Group		Australia

\* RobecoSAM Industry Leader

As of October 31, 2013

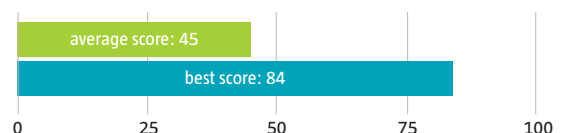
### Industry statistics

Number of companies in universe	98
Number of companies assessed by RobecoSAM in 2013	64
Assessed companies to total companies in universe (%)	65
Market capitalization of assessed companies to total market capitalization (%)	89

### Results at industry level

Dimension	Average score	Best score	Dimension weight
Economic	53	88	29%
Environmental	39	86	28%
Social	44	81	43%

### Total score



# Company overview

Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
3M Co	Industrial Conglomerates	United States			83
ABB Ltd	Machinery and Electrical Equipment	Switzerland			88
Abbott Laboratories	Health Care Equipment & Supplies	United States	●	●	77
AbbVie Inc	Pharmaceuticals	United States	●		96
Abertis Infraestructuras SA	Transportation and Transportation Infrastructure	Spain	●		108
Acciona SA	Electric Utilities	Spain			70
ACS Actividades de Construccion y Servicios SA	Construction & Engineering	Spain			65
Adaro Energy Tbk PT	Coal & Consumable Fuels	Indonesia	●		61
Adecco SA	Professional Services	Switzerland	●	●	97
Adidas AG	Textiles, Apparel & Luxury Goods	Germany	●	●	105
Advanced Micro Devices Inc	Semiconductors & Semiconductor Equipment	United States			101
Advanced Semiconductor Engineering Inc	Semiconductors & Semiconductor Equipment	Taiwan			101
Aegon NV	Insurance	Netherlands	●		84
African Bank Investments Ltd	Diversified Financial Services and Capital Markets	South Africa			69
Agilent Technologies Inc	Life Sciences Tools & Services	United States			87
AGL Energy Ltd	Multi and Water Utilities	Australia	●		91
Aguas de Barcelona SA	Multi and Water Utilities	Spain	●		91
Air France-KLM	Airlines	France	●	●	51
Air Liquide SA	Chemicals	France			60
Air Products & Chemicals Inc	Chemicals	United States			60
Ajinomoto Co Inc	Food Products	Japan			75
Akzo Nobel NV	Chemicals	Netherlands	●	●	60
Alcatel-Lucent	Communications Equipment	France	●	●	63
Alcoa Inc	Aluminum	United States	●	●	52
Allergan Inc	Pharmaceuticals	United States			96
Allianz SE	Insurance	Germany	●	●	84
Alstom SA	Machinery and Electrical Equipment	France			88
Altria Group Inc	Tobacco	United States	●		106
Amadeus IT Holding SA	IT Services & Internet Software and Services	Spain	●		85
Amcor Ltd	Containers & Packaging	Australia	●		67
AMEC PLC	Energy Equipment & Services	United Kingdom	●		73
American Water Works Co Inc	Multi and Water Utilities	United States	●		91
Amorepacific Corp	Personal Products	South Korea	●	●	95
Anglo American PLC	Metals & Mining	United Kingdom	●	●	90
AngloGold Ashanti Ltd	Metals & Mining	South Africa			90
ArcelorMittal	Steel	Luxembourg	●		103
Asahi Glass Co Ltd	Building Products	Japan	●		58
ASML Holding NV	Semiconductors & Semiconductor Equipment	Netherlands			101
Assicurazioni Generali SpA	Insurance	Italy			84
AstraZeneca PLC	Pharmaceuticals	United Kingdom	●		96

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



Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
Atlantia SpA	Transportation and Transportation Infrastructure	Italy	●		108
Atlas Copco AB	Machinery and Electrical Equipment	Sweden			88
AtoS	IT Services & Internet Software and Services	France			85
AU Optronics Corp	Electronic Equipment, Instruments & Components	Taiwan			72
Auckland International Airport Ltd	Transportation and Transportation Infrastructure	New Zealand			108
Australia & New Zealand Banking Group Ltd	Banks	Australia	●	●	55
Autodesk Inc	Software	United States			102
Aviva PLC	Insurance	United Kingdom	●		84
AXA SA	Insurance	France	●		84
BAE Systems PLC	Aerospace & Defense	United Kingdom			50
Baker Hughes Inc	Energy Equipment & Services	United States	●	●	73
Ball Corp	Containers & Packaging	United States	●	●	67
Banco Bilbao Vizcaya Argentaria SA	Banks	Spain			55
Banco Bradesco SA	Banks	Brazil			55
Banco do Brasil SA	Banks	Brazil			55
Banco Espirito Santo SA	Banks	Portugal	●		55
Banco Santander SA	Banks	Spain	●		55
Bancolombia SA	Banks	Colombia			55
Bank of America Corp	Diversified Financial Services and Capital Markets	United States			69
Bank of Montreal	Banks	Canada			55
Bank of New York Mellon Corp	Diversified Financial Services and Capital Markets	United States			69
Barclays PLC	Banks	United Kingdom			55
Barrick Gold Corp	Metals & Mining	Canada	●		90
BASF SE	Chemicals	Germany	●		60
Baxter International Inc	Health Care Equipment & Supplies	United States			77
Bayer AG	Pharmaceuticals	Germany	●		96
Bayerische Motoren Werke AG	Automobiles	Germany	●		54
Benesse Holdings Inc	Diversified Consumer Services	Japan	●	●	68
BG Group PLC	Oil & Gas	United Kingdom	●	●	92
BHP Billiton Ltd	Metals & Mining	Australia			90
Biogen Idec Inc	Biotechnology	United States	●		57
BNP Paribas SA	Banks	France			55
Bombardier Inc	Aerospace & Defense	Canada	●	●	50
Brambles Ltd	Commercial Services & Supplies	Australia			62
Braskem SA	Chemicals	Brazil			60
BRF SA	Food Products	Brazil			75
British American Tobacco PLC	Tobacco	United Kingdom	●	●	106
British Land Co PLC	Real Estate	United Kingdom			98
British Sky Broadcasting Group PLC	Media	United Kingdom	●		89
BT Group PLC	Telecommunication Services	United Kingdom			104

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

Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
Bumi Armada Bhd	Energy Equipment & Services	Malaysia			73
CA Inc	Software	United States			102
CaixaBank	Banks	Spain			55
Cameco Corp	Coal & Consumable Fuels	Canada			61
Campbell Soup Co	Food Products	United States	●		75
Canadian Imperial Bank of Commerce	Banks	Canada			55
Canadian National Railway Co	Transportation and Transportation Infrastructure	Canada	●	●	108
Capita PLC	Professional Services	United Kingdom			97
Capitaland Ltd	Real Estate	Singapore			98
Cardinal Health Inc	Health Care Providers & Services	United States			78
Carrefour SA	Food & Staples Retailing	France			74
Casino Guichard Perrachon SA	Food & Staples Retailing	France			74
Caterpillar Inc	Machinery and Electrical Equipment	United States			88
Cementos Argos SA	Construction Materials	Colombia	●		66
Cenovus Energy Inc	Oil & Gas	Canada	●		92
Centrais Eletricas Brasileiras SA	Electric Utilities	Brazil			70
CFS Retail Property Trust Group	Real Estate	Australia			98
China Steel Corp	Steel	Taiwan	●	●	103
Chunghwa Telecom Co Ltd	Telecommunication Services	Taiwan	●		104
Cia Energetica de Minas Gerais	Electric Utilities	Brazil	●		70
Cie Generale des Etablissements Michelin	Auto Components	France	●		53
Citigroup Inc	Diversified Financial Services and Capital Markets	United States	●	●	69
Clariant AG	Chemicals	Switzerland			60
CNH Industrial NV	Machinery and Electrical Equipment	Italy	●	●	88
Coca-Cola HBC AG	Beverages	Switzerland	●		56
Colgate-Palmolive Co	Household Products	United States	●		82
Colombina SA	Food Products	Colombia			75
Commonwealth Bank of Australia	Banks	Australia			55
Commonwealth Property Office Fund	Real Estate	Australia			98
Compass Group PLC	Restaurants & Leisure Facilities	United Kingdom	●		99
ConAgra Foods Inc	Food Products	United States			75
Corio NV	Real Estate	Netherlands			98
Covanta Holding Corp	Commercial Services & Supplies	United States			62
Coway Co Ltd	Household Durables	South Korea	●		81
CPFL Energia SA	Electric Utilities	Brazil			70
Credit Agricole SA	Banks	France			55
Credit Suisse Group AG	Diversified Financial Services and Capital Markets	Switzerland			69
CSX Corp	Transportation and Transportation Infrastructure	United States			108
Cummins Inc	Machinery and Electrical Equipment	United States			88

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
Daelim Industrial Co Ltd	Construction & Engineering	South Korea			65
Daewoo Securities Co Ltd	Diversified Financial Services and Capital Markets	South Korea			69
Dai Nippon Printing Co Ltd	Commercial Services & Supplies	Japan			62
Daiwa Securities Group Inc	Diversified Financial Services and Capital Markets	Japan			69
Danone	Food Products	France	●		75
Delhaize Group SA	Food & Staples Retailing	Belgium			74
Delta Air Lines Inc	Airlines	United States			51
Delta Electronics Inc	Electronic Equipment, Instruments & Components	Taiwan	●		72
Delta Lloyd NV	Insurance	Netherlands			84
Deutsche Bank AG	Diversified Financial Services and Capital Markets	Germany			69
Deutsche Boerse AG	Diversified Financial Services and Capital Markets	Germany			69
Deutsche Post AG	Transportation and Transportation Infrastructure	Germany			108
Deutsche Telekom AG	Telecommunication Services	Germany			104
Dexus Property Group	Real Estate	Australia			98
Diageo PLC	Beverages	United Kingdom	●		56
DNB ASA	Banks	Norway			55
Dongbu Insurance Co Ltd	Insurance	South Korea	●		84
Doosan Infracore Co Ltd	Machinery and Electrical Equipment	South Korea			88
Dow Chemical Co	Chemicals	United States	●		60
Duke Energy Corp	Electric Utilities	United States			70
E.ON SE	Multi and Water Utilities	Germany	●		91
Echo Entertainment Group Ltd	Casinos & Gaming	Australia			59
Ecopetrol SA	Oil & Gas	Colombia	●		92
EDP - Energias de Portugal SA	Electric Utilities	Portugal	●	●	70
El du Pont de Nemours & Co	Chemicals	United States			60
Electrolux AB	Household Durables	Sweden	●	●	81
Embraer SA	Aerospace & Defense	Brazil			50
Enagas SA	Gas Utilities	Spain	●		76
Enbridge Inc	Oil & Gas Storage & Transportation	Canada	●		93
Endesa SA	Electric Utilities	Spain	●		70
Enel SpA	Electric Utilities	Italy	●		70
Eni SpA	Oil & Gas	Italy	●		92
Entergy Corp	Electric Utilities	United States			70
EPM	Multi and Water Utilities	Colombia	●		91
Exelon Corp	Electric Utilities	United States			70
Experian PLC	Professional Services	United Kingdom	●		97
Exxaro Resources Ltd	Coal & Consumable Fuels	South Africa	●	●	61
Ferrovial SA	Construction & Engineering	Spain	●		65
Fiat SpA	Automobiles	Italy	●		54
Fibria Celulose SA	Paper & Forest Products	Brazil	●	●	94

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
Finmeccanica SpA	Aerospace & Defense	Italy			50
Firstgroup PLC	Transportation and Transportation Infrastructure	United Kingdom			108
Fomento de Construcciones y Contratas SA	Construction & Engineering	Spain			65
Fonciere Des Regions	Real Estate	France			98
Fortum OYJ	Electric Utilities	Finland			70
Fraport AG Frankfurt Airport Services Worldwide	Transportation and Transportation Infrastructure	Germany			108
Fresenius Medical Care AG & Co KGaA	Health Care Providers & Services	Germany			78
Fuji Electric Co Ltd	Electrical Components & Equipment	Japan			71
FUJIFILM Holdings Corp	Electronic Equipment, Instruments & Components	Japan			72
Fujitsu Ltd	Computers & Peripherals and Office Electronics	Japan	●		64
Galp Energia SGPS SA	Oil & Gas	Portugal	●		92
Gas Natural SDG SA	Gas Utilities	Spain	●	●	76
GDF Suez	Multi and Water Utilities	France	●		91
Gecina SA	Real Estate	France			98
General Electric Co	Industrial Conglomerates	United States			83
General Mills Inc	Food Products	United States			75
Gildan Activewear Inc	Textiles, Apparel & Luxury Goods	Canada	●		105
GlaxoSmithKline PLC	Pharmaceuticals	United Kingdom	●		96
Glencore Xstrata PLC	Metals & Mining	United Kingdom			90
Gold Fields Ltd	Metals & Mining	South Africa	●		90
Goldcorp Inc	Metals & Mining	Canada			90
GPT Group	Real Estate	Australia	●		98
Grupo Argos SA	Construction Materials	Colombia	●		66
Grupo de Inversiones Suramericana SA	Diversified Financial Services and Capital Markets	Colombia			69
Grupo Nutresa SA	Food Products	Colombia	●		75
GS Engineering & Construction Corp	Construction & Engineering	South Korea	●		65
Halliburton Co	Energy Equipment & Services	United States	●		73
Hammerson PLC	Real Estate	United Kingdom			98
Hankook Tire Co Ltd	Auto Components	South Korea			53
Heineken NV	Beverages	Netherlands	●		56
Henkel AG & Co KGaA	Household Products	Germany	●	●	82
Herman Miller Inc	Commercial Services & Supplies	United States	●		62
Hershey Co	Food Products	United States	●		75
Hewlett-Packard Co	Computers & Peripherals and Office Electronics	United States	●		64
Hitachi Chemical Co Ltd	Chemicals	Japan			60
Hitachi Ltd	Electronic Equipment, Instruments & Components	Japan			72
Hochtief AG	Construction & Engineering	Germany			65

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
Holcim Ltd	Construction Materials	Switzerland	●		66
Home Retail Group PLC	Retailing	United Kingdom			100
Hormel Foods Corp	Food Products	United States			75
HSBC Holdings PLC	Banks	United Kingdom			55
Humana Inc	Health Care Providers & Services	United States	●	●	78
Hyundai Engineering & Construction Co Ltd	Construction & Engineering	South Korea	●	●	65
Hyundai Mobis	Auto Components	South Korea	●		53
Hyundai Steel Co	Steel	South Korea			103
Iberdrola SA	Electric Utilities	Spain	●		70
IMI PLC	Machinery and Electrical Equipment	United Kingdom			88
Imperial Tobacco Group PLC	Tobacco	United Kingdom	●		106
Inditex SA	Retailing	Spain			100
Indra Sistemas SA	IT Services & Internet Software and Services	Spain			85
Infineon Technologies AG	Semiconductors & Semiconductor Equipment	Germany			101
Infosys Ltd	IT Services & Internet Software and Services	India			85
ING Groep NV	Diversified Financial Services and Capital Markets	Netherlands	●		69
Ingersoll-Rand PLC	Machinery and Electrical Equipment	United States			88
Inpex Corp	Oil & Gas	Japan			92
Insurance Australia Group Ltd	Insurance	Australia			84
Intel Corp	Semiconductors & Semiconductor Equipment	United States	●		101
International Business Machines Corp	IT Services & Internet Software and Services	United States			85
Intesa Sanpaolo SpA	Banks	Italy			55
Intu Properties PLC	Real Estate	United Kingdom			98
Invensys PLC	Machinery and Electrical Equipment	United Kingdom			88
IRPC PCL	Oil & Gas	Thailand			92
Itau Unibanco Holding SA	Banks	Brazil			55
Itausa - Investimentos Itau SA	Banks	Brazil	●		55
ITOCHU Corp	Trading Companies & Distributors	Japan	●		107
ITV PLC	Media	United Kingdom			89
J Sainsbury PLC	Food & Staples Retailing	United Kingdom	●		74
JCDecaux SA	Media	France			89
Johnson & Johnson	Pharmaceuticals	United States			96
Johnson Controls Inc	Auto Components	United States	●		53
JPMorgan Chase & Co	Diversified Financial Services and Capital Markets	United States			69
Kangwon Land Inc	Casinos & Gaming	South Korea	●		59
Kao Corp	Personal Products	Japan	●		95
KB Financial Group Inc	Banks	South Korea			55
KEPCO Plant Service & Engineering Co Ltd	Commercial Services & Supplies	South Korea	●	●	62
Keppel Land Ltd	Real Estate	Singapore			98

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
Kering	Retailing	France			100
Kesko OYJ	Food & Staples Retailing	Finland	●		74
Kingfisher PLC	Retailing	United Kingdom			100
Kinross Gold Corp	Metals & Mining	Canada			90
Kirin Holdings Co Ltd	Beverages	Japan			56
Klepierre	Real Estate	France			98
Komatsu Ltd	Machinery and Electrical Equipment	Japan			88
Konica Minolta Inc	Computers & Peripherals and Office Electronics	Japan	●		64
Koninklijke Ahold NV	Food & Staples Retailing	Netherlands	●		74
Koninklijke DSM NV	Chemicals	Netherlands	●		60
Koninklijke KPN NV	Telecommunication Services	Netherlands	●		104
Koninklijke Philips NV	Industrial Conglomerates	Netherlands	●		83
Korea Gas Corp	Gas Utilities	South Korea			76
KT Corp	Telecommunication Services	South Korea	●	●	104
KT&G Corp	Tobacco	South Korea	●		106
Ladbrokes PLC	Casinos & Gaming	United Kingdom			59
Lafarge SA	Construction Materials	France	●		66
Land Securities Group PLC	Real Estate	United Kingdom			98
LANXESS AG	Chemicals	Germany			60
Legal & General Group PLC	Insurance	United Kingdom			84
Legrand SA	Electrical Components & Equipment	France			71
Lend Lease Group	Real Estate	Australia			98
LG Display Co Ltd	Electronic Equipment, Instruments & Components	South Korea			72
LG Electronics Inc	Leisure Equipment & Products and Consumer Electronics	South Korea	●		86
LG Household & Health Care Ltd	Household Products	South Korea	●		82
LG Innotek Co Ltd	Electronic Equipment, Instruments & Components	South Korea			72
Life Technologies Corp	Life Sciences Tools & Services	United States	●	●	87
Linde AG	Chemicals	Germany			60
Lite-On Technology Corp	Computers & Peripherals and Office Electronics	Taiwan	●	●	64
Lloyds Banking Group PLC	Banks	United Kingdom			55
Lotte Shopping Co Ltd	Retailing	South Korea	●	●	100
LVMH Moët Hennessy Louis Vuitton SA	Textiles, Apparel & Luxury Goods	France			105
MAN SE	Machinery and Electrical Equipment	Germany	●		88
Mapfre SA	Insurance	Spain			84
Marks & Spencer Group PLC	Retailing	United Kingdom			100
Marubeni Corp	Trading Companies & Distributors	Japan	●	●	107
McGraw Hill Financial Inc	Diversified Financial Services and Capital Markets	United States			69
MeadWestvaco Corp	Containers & Packaging	United States	●		67
Mediclinic International Ltd	Health Care Providers & Services	South Africa			78

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
Medtronic Inc	Health Care Equipment & Supplies	United States			77
Metso OYJ	Machinery and Electrical Equipment	Finland			88
Microsoft Corp	Software	United States			102
Mirvac Group	Real Estate	Australia			98
Mitsubishi Chemical Holdings Corp	Chemicals	Japan			60
Mitsubishi Materials Corp	Metals & Mining	Japan			90
Mitsui & Co Ltd	Trading Companies & Distributors	Japan	●		107
Modern Times Group AB	Media	Sweden			89
Molson Coors Brewing Co	Beverages	United States	●	●	56
Mondelez International Inc	Food Products	United States			75
Morgan Stanley	Diversified Financial Services and Capital Markets	United States			69
Muenchener Rueckversicherungs AG	Insurance	Germany	●		84
National Australia Bank Ltd	Banks	Australia	●		55
National Grid PLC	Multi and Water Utilities	United Kingdom	●		91
Nedbank Group Ltd	Banks	South Africa			55
Neste Oil OYJ	Oil & Gas	Finland			92
Nestle SA	Food Products	Switzerland	●	●	75
Netcare Ltd	Health Care Providers & Services	South Africa			78
Newmont Mining Corp	Metals & Mining	United States	●		90
NIKE Inc	Textiles, Apparel & Luxury Goods	United States			105
Nippon Yusen KK	Transportation and Transportation Infrastructure	Japan	●		108
Nissan Motor Co Ltd	Automobiles	Japan	●		54
NKSJ Holdings Inc	Insurance	Japan	●		84
Nokia OYJ	Communications Equipment	Finland	●		63
Norsk Hydro ASA	Aluminum	Norway	●		52
Northern Trust Corp	Diversified Financial Services and Capital Markets	United States			69
Novartis AG	Pharmaceuticals	Switzerland	●		96
Novo Nordisk A/S	Pharmaceuticals	Denmark	●		96
Novozymes A/S	Biotechnology	Denmark	●	●	57
NTT Data Corp	IT Services & Internet Software and Services	Japan			85
Omron Corp	Electronic Equipment, Instruments & Components	Japan			72
Orange SA	Telecommunication Services	France			104
Outokumpu OYJ	Steel	Finland	●		103
Outotec OYJ	Construction & Engineering	Finland			65
Owens Corning	Building Products	United States	●	●	58
Pacific Rubiales Energy Corp	Oil & Gas	Canada			92
Panasonic Corp	Leisure Equipment & Products and Consumer Electronics	Japan	●	●	86
Pearson PLC	Media	United Kingdom	●		89
PepsiCo Inc	Beverages	United States	●		56
Petroleo Brasileiro SA	Oil & Gas	Brazil	●		92
Peugeot SA	Automobiles	France	●		54

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
PG&E Corp	Multi and Water Utilities	United States	●		91
Pirelli & C. SpA	Auto Components	Italy	●	●	53
Portugal Telecom SGPS SA	Telecommunication Services	Portugal	●		104
POSCO	Steel	South Korea	●		103
PostNL NV	Transportation and Transportation Infrastructure	Netherlands	●		108
Potash Corp of Saskatchewan Inc	Chemicals	Canada			60
Praxair Inc	Chemicals	United States	●		60
Provident Financial PLC	Diversified Financial Services and Capital Markets	United Kingdom			69
Prysman SpA	Electrical Components & Equipment	Italy			71
PTT Global Chemical PCL	Chemicals	Thailand			60
PTT PCL	Oil & Gas	Thailand			92
Puma SE	Textiles, Apparel & Luxury Goods	Germany	●		105
Qantas Airways Ltd	Airlines	Australia	●		51
Quest Diagnostics Inc	Health Care Providers & Services	United States	●		78
Rackspace Hosting Inc	IT Services & Internet Software and Services	United States			85
Rautaruukki OYJ	Steel	Finland	●		103
Reckitt Benckiser Group PLC	Household Products	United Kingdom	●		82
Red Electrica Corp SA	Electric Utilities	Spain			70
Reed Elsevier PLC	Media	United Kingdom			89
Rentokil Initial PLC	Commercial Services & Supplies	United Kingdom			62
Repsol SA	Oil & Gas	Spain	●		92
Ricoh Co Ltd	Computers & Peripherals and Office Electronics	Japan	●		64
Rinnai Corp	Household Durables	Japan	●		81
Rio Tinto PLC	Metals & Mining	United Kingdom			90
Roche Holding AG	Pharmaceuticals	Switzerland	●	●	96
Rolls-Royce Holdings PLC	Aerospace & Defense	United Kingdom			50
Royal Bank of Canada	Banks	Canada			55
Royal Bank of Scotland Group PLC	Banks	United Kingdom			55
Royal Dutch Shell PLC	Oil & Gas	United Kingdom			92
Royal Mail Group	Transportation and Transportation Infrastructure	United Kingdom	●		108
RWE AG	Multi and Water Utilities	Germany	●		91
Samsung C&T Corp	Trading Companies & Distributors	South Korea	●		107
Samsung Electro-Mechanics Co Ltd	Electronic Equipment, Instruments & Components	South Korea	●	●	72
Samsung Electronics Co Ltd	Semiconductors & Semiconductor Equipment	South Korea			101
Samsung Engineering Co Ltd	Construction & Engineering	South Korea			65
Samsung Fire & Marine Insurance Co Ltd	Insurance	South Korea			84
Samsung Heavy Industries Co Ltd	Machinery and Electrical Equipment	South Korea			88
Samsung Life Insurance Co Ltd	Insurance	South Korea	●		84

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
Samsung SDI Co Ltd	Electronic Equipment, Instruments & Components	South Korea	●		72
Samsung Securities Co Ltd	Diversified Financial Services and Capital Markets	South Korea			69
Sandvik AB	Machinery and Electrical Equipment	Sweden			88
Sanofi	Pharmaceuticals	France	●		96
Santos Ltd	Oil & Gas	Australia			92
SAP AG	Software	Germany	●	●	102
Sasol Ltd	Oil & Gas	South Africa			92
SBM Offshore NV	Energy Equipment & Services	Netherlands			73
Schlumberger Ltd	Energy Equipment & Services	United States	●		73
Schneider Electric SA	Electrical Components & Equipment	France	●	●	71
Sekisui Chemical Co Ltd	Homebuilding	Japan	●		79
Sempra Energy	Multi and Water Utilities	United States	●		91
Seven & I Holdings Co Ltd	Food & Staples Retailing	Japan			74
Shaftesbury PLC	Real Estate	United Kingdom			98
Shinhan Financial Group Co Ltd	Banks	South Korea			55
Shiseido Co Ltd	Personal Products	Japan			95
Siam Cement PCL	Construction Materials	Thailand	●	●	66
Siemens AG	Industrial Conglomerates	Germany	●	●	83
Sims Metal Management Ltd	Steel	Australia			103
SK C&C Co Ltd	IT services & Internet Software and Services	South Korea	●	●	85
SK Hynix Inc	Semiconductors & Semiconductor Equipment	South Korea	●		101
SK Telecom Co Ltd	Telecommunication Services	South Korea	●		104
SKF AB	Machinery and Electrical Equipment	Sweden			88
Smith & Nephew PLC	Health Care Equipment & Supplies	United Kingdom			77
Snam SpA	Gas Utilities	Italy	●		76
Societe Generale SA	Banks	France			55
Societe Television Francaise 1	Media	France			89
Sodexo	Restaurants & Leisure Facilities	France	●	●	99
S-Oil Corp	Oil & Gas	South Korea	●		92
Solvay SA	Chemicals	Belgium			60
Sonoco Products Co	Containers & Packaging	United States	●		67
Sony Corp	Leisure Equipment & Products and Consumer Electronics	Japan			86
Spectra Energy Corp	Oil & Gas Storage & Transportation	United States	●	●	93
Sprint Corp	Telecommunication Services	United States			104
Standard Chartered PLC	Banks	United Kingdom			55
Standard Life PLC	Insurance	United Kingdom	●		84
Stanley Black & Decker Inc	Machinery and Electrical Equipment	United States			88
Statoil ASA	Oil & Gas	Norway			92
STMicroelectronics NV	Semiconductors & Semiconductor Equipment	Italy			101
Stockland	Real Estate	Australia	●	●	98
Stora Enso OYJ	Paper & Forest Products	Finland	●		94

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
Storebrand ASA	Insurance	Norway	●		84
Suez Environnement Co	Multi and Water Utilities	France	●	●	91
Sumitomo Corp	Trading Companies & Distributors	Japan	●		107
Sumitomo Forestry Co Ltd	Homebuilding	Japan	●	●	79
Svenska Cellulosa AB SCA	Household Products	Sweden	●		82
Swiss Re AG	Insurance	Switzerland	●		84
Swisscom AG	Telecommunication Services	Switzerland	●		104
Symantec Corp	Software	United States			102
Syngenta AG	Chemicals	Switzerland			60
Tabcorp Holdings Ltd	Casinos & Gaming	Australia	●	●	59
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors & Semiconductor Equipment	Taiwan	●	●	101
Tata Consultancy Services Ltd	IT Services & Internet Software and Services	India			85
Tata Steel Ltd	Steel	India			103
Taylor Wimpey PLC	Homebuilding	United Kingdom	●		79
Technip SA	Energy Equipment & Services	France	●		73
Teck Resources Ltd	Metals & Mining	Canada	●		90
Teijin Ltd	Chemicals	Japan			60
Telecom Italia SpA	Telecommunication Services	Italy	●		104
Telefonica SA	Telecommunication Services	Spain	●		104
Telenet Group Holding NV	Media	Belgium	●	●	89
Telenor ASA	Telecommunication Services	Norway	●		104
Telstra Corp Ltd	Telecommunication Services	Australia			104
Teradata Corp	IT Services & Internet Software and Services	United States			85
Terna Rete Elettrica Nazionale SpA	Electric Utilities	Italy	●		70
Tesco PLC	Food & Staples Retailing	United Kingdom			74
Thai Oil PCL	Oil & Gas	Thailand	●		92
TNT Express NV	Transportation and Transportation Infrastructure	Netherlands			108
Tokio Marine Holdings Inc	Insurance	Japan			84
Toronto-Dominion Bank	Banks	Canada			55
Total SA	Oil & Gas	France			92
TOTO Ltd	Building Products	Japan	●		58
Toyota Motor Corp	Automobiles	Japan	●		54
TransAlta Corp	Electric Utilities	Canada			70
Transurban Group	Transportation and Transportation Infrastructure	Australia			108
TUI AG	Hotels, Resorts & Cruise Lines	Germany	●	●	80
UBS AG	Diversified Financial Services and Capital Markets	Switzerland	●		69
Umicore SA	Chemicals	Belgium			60
Unibail-Rodamco SE	Real Estate	France			98
UniCredit SpA	Banks	Italy			55
Unilever NV	Food Products	Netherlands	●		75

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Company name	Industry	Country	RobecoSAM Distinction	RobecoSAM Industry Leader	Page
United Microelectronics Corp	Semiconductors & Semiconductor Equipment	Taiwan	●		101
United Parcel Service Inc	Transportation and Transportation Infrastructure	United States	●		108
United Utilities Group PLC	Multi and Water Utilities	United Kingdom	●		91
UnitedHealth Group Inc	Health Care Providers & Services	United States	●		78
UPM-Kymmene OYJ	Paper & Forest Products	Finland	●		94
Valeo SA	Auto Components	France			53
Veolia Environnement SA	Multi and Water Utilities	France	●		91
Vestas Wind Systems A/S	Machinery and Electrical Equipment	Denmark			88
Vinci SA	Construction & Engineering	France			65
Volkswagen AG	Automobiles	Germany	●	●	54
Volvo AB	Machinery and Electrical Equipment	Sweden			88
Walt Disney Co	Media	United States			89
Waste Management Inc	Commercial Services & Supplies	United States			62
Westpac Banking Corp	Banks	Australia	●		55
Weyerhaeuser Co	Real Estate	United States			98
Wipro Ltd	IT Services & Internet Software and Services	India	●		85
Wolters Kluwer NV	Media	Netherlands	●		89
Woodside Petroleum Ltd	Oil & Gas	Australia			92
Woolworths Holdings Ltd	Retailing	South Africa			100
Woolworths Ltd	Food & Staples Retailing	Australia	●	●	74
Woongjin Chemical Co Ltd	Textiles, Apparel & Luxury Goods	South Korea			105
WPP PLC	Media	United Kingdom			89
Wyndham Worldwide Corp	Hotels, Resorts & Cruise Lines	United States	●		80
Xylem Inc	Machinery and Electrical Equipment	United States			88
Yokogawa Electric Corp	Electronic Equipment, Instruments & Components	Japan			72
Zurich Insurance Group AG	Insurance	Switzerland			84

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

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## About RobecoSAM

RobecoSAM is an investment specialist focused exclusively on Sustainability Investing. Its offerings comprise asset management, indices, private equity, engagement, impact analysis and sustainability assessments as well as benchmarking services. Asset management capabilities include a range of ESG-integrated investment and theme strategies (in listed and private equity) catering to institutional asset owners and financial intermediaries across the globe. Together with S&P Dow Jones Indices, RobecoSAM publishes the globally recognized Dow Jones Sustainability Indices (DJSI). Based on its Corporate Sustainability Assessment, an annual ESG analysis of more than 2,000 listed companies, RobecoSAM has compiled one of the world's most comprehensive sustainability databases. RobecoSAM's proprietary research and sustainability insight, gained through its direct contact with companies, are fully integrated into its investment solutions.

RobecoSAM is a member of the global pure-play asset manager Robeco, which was established in 1929 and offers a broad range of investment products and services. Robeco also has a long tradition of practicing and advocating Sustainability Investing principles. RobecoSAM was founded in 1995 out of the conviction that a commitment to corporate sustainability enhances a company's capacity to prosper, ultimately creating competitive advantages and stakeholder value. As a reflection of its own commitment to advocating sustainable investment practices, RobecoSAM is a signatory of the UNPRI and a member of Eurosif, ASrIA and Ceres. Headquartered in Zurich, RobecoSAM employs over 100 professionals.

## RobecoSAM Academic Activities

RobecoSAM has implemented a proactive approach to developing its research partnerships with academia. The purpose of its research collaborations is to confirm RobecoSAM's research leadership position in 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. In all research initiatives, RobecoSAM assumes an active role in designing, leading and actively supervising the projects.

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

- Harvard Business School, Organizational Behavior (Massachusetts, USA)
- University of Queensland (Queensland, Australia)
- University of Strathclyde (Scotland, UK)
- NYU Stern School of Business (New York, USA)



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