



Sustainable Momentum

2018
Sustainability
Report



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About Sustainalytics



Our Vision

Sustainalytics believes that it is imperative for the global economy to become more just and sustainable.

Our Mission

Sustainalytics' mission is to provide the insights required for investors and companies to make more informed decisions that lead to a more just and sustainable global economy.

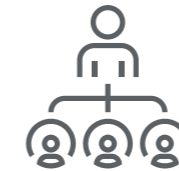


Our Values

- We have a positive **impact** on our world.
- We embrace **diverse** perspectives.
- We foster **excellence** through **continuous collaboration**.
- We are **adaptable** and **entrepreneurial**.
- We **treat others** as we like to be treated.

Who We Are

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. For 26 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors and corporate issuers. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes as well as corporate issuers and their sustainable finance intermediaries.



Company Structure

Sustainalytics is a global company consisting of twelve legal entities that are directly or indirectly owned by Sustainalytics Holding B.V. Sustainalytics Holdings B.V. is incorporated under the laws of the Netherlands as a private, limited liability company. The company has its statutory seat in Amsterdam.



Board of Directors

As of December 31, 2018, there were five board directors, including the Chief Executive Officer. There is an Independent Chair governance structure in place with two subcommittees of the Board – the Audit and Risk Committee and the Remuneration and Employment Committee.



Employees

As at December 31, 2018, Sustainalytics had 447 employees¹, including over 200 analysts with multidisciplinary expertise across more than 40 sectors.



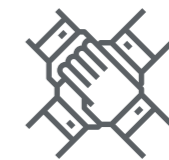
Shareholders

As of December 31, 2018, shareholders consisted of ABN AMRO MeesPierson Private & Trust Holding B.V., Melissa Brown, Mooncrest Holdings Limited, Morningstar, PGGM Vermogensbeheer, Silver Box Holdings Limited and senior staff.



Offices

As at December 31, 2018, Sustainalytics had offices in Amsterdam (Headquarters), Boston, Bucharest, Frankfurt, London, New York, Paris, Timișoara, Toronto, Tokyo and Sydney, as well as representative offices in Brussels and Washington D.C..



Clients

Sustainalytics works with the world's leading institutional investors including asset managers and asset owners, large and small, as well as banks, foundations, family offices, wealth managers, corporate issuers and other types of market participants. Sustainalytics also works closely with strategic partners such as Morningstar and Glass Lewis and has distribution agreements with Bloomberg, FactSet and Yahoo Finance to bring ESG ratings and insights to millions of investors globally.



About This Report

About This Report

Sustainability Reporting Group

- Rachel Birenbaum
- Marion Oliver
- Vihra Toneva
- Megan Wallingford

This annual sustainability report outlines Sustainalytics' 2018 sustainability performance². It has been prepared in accordance with the *GRI Standards: Core option* and focuses on the company's key material issues³. To help you navigate the GRI disclosures, we provide a GRI Content Index at the back of this report and we have kept reporting periods consistent with previous years.

As signatories to the UN Global Compact, the report also serves as our sixth Communication on Progress (COP).

This is the sixth edition of *Sustainable Momentum* and the fifth edition to be circulated externally⁴. As in previous years, it was written primarily for our employees, Board of Directors and shareholders. All photographs used in the report were taken by employees in the countries where we operate. Follow us on our journey to achieve a more just and sustainable economy with *Sustainable Momentum* as your guide⁵.

The Year In Review: A Message From Michael Jantzi, CEO



The mainstreaming of ESG continued to take hold in 2018, amidst a backdrop of political and economic uncertainty. Global trade disputes, including the escalation of the China-U.S. trade war, signaled challenges for long-standing principles and treaties that have underpinned global relationships during the post-war era. Restless citizens, many of whom were grappling with the changing economic landscape, voiced their dissatisfaction by taking to the streets and through the ballot box, including the election of Jair Bolsonaro in Brazil — an ominous sign for the Amazon and for those in Brazil who seek to protect it.

We were also reminded in October why the rising interest in ESG could not be coming at a more opportune time, as The Intergovernmental Panel on Climate Change issued a special report on the impacts of global warming, finding that limiting global warming to 1.5°C would require rapid, far-reaching and unprecedented changes in all aspects of society. The report highlighted that global net human-caused emissions of carbon dioxide would need to fall by about 45% from 2010 levels by 2030, reaching ‘net zero’ around 2050.

Given these unprecedented times, Sustainalytics’ work throughout 2018 was more important than ever, as we supported our clients’ decisions in allocating capital. Sustainalytics had our most successful year commercially, driven by the launch of our next generation ESG Risk Ratings, which marked the culmination of a long and company-wide development process. We expanded our product suite with the launch of our Carbon Risk Ratings and Sustainable Products Research. And through our sustainable finance solutions business, Sustainalytics fortified our position as the market leader in providing outstanding service and innovative products to issuers, banks and lenders, supporting a variety of sustainable finance products and offerings.

None of these accomplishments would have been possible without the hard work and dedication of the Sustainalytics team around the world. In addition to continuing to add impressive people to our ranks throughout the year, in March we strengthened our research capacity by welcoming former Soloron employees into the Sustainalytics family as well. As always, it’s our people — the unshakable foundation — that supports our comprehensive product portfolio and loyal client base and allows Sustainalytics to successfully navigate an increasingly competitive market and continue to make strides in fulfilling our mission of creating a more just and sustainable global economy.

A handwritten signature in blue ink that reads "Michael".

Michael C. Jantzi
Chief Executive Officer



Our Reporting Approach

Our Reporting Approach

Reporting Process

Sustainalytics' reporting process is designed to identify, track and manage material sustainability issues on an ongoing basis using appropriate performance metrics. To support this process, we've created a reporting framework based on input from key stakeholders combined with the GRI's *Four Principles for Defining Reporting Content*: sustainability context, stakeholder inclusiveness, materiality, completeness. The sustainability context refers to the scope and rigor with which topics are addressed. The other two principles are discussed below in greater detail. Additionally, we are also following GRI's *Reporting Principles for Defining Report Quality*: accuracy, balance, clarity, comparability, reliability, and timeliness.

Stakeholder Inclusiveness

Stakeholders are essential to our business and our ability to deliver on our mission. Ongoing dialogue with diverse stakeholder groups helps us to identify environmental, social and governance trends, understand societal expectations in the different countries in which we operate, and gain essential feedback on our strategy. We engage with stakeholders using a variety of formal and informal methods and channels across the various business lines of the company.

Figure 1: Sustainalytics' Stakeholders



Figure 2: Examples of Stakeholder Engagement in 2018

Stakeholder	Method of Engagement	Frequency	Main Concerns Raised in 2018	Our Response	Most Relevant Material Issues
Shareholders	<ul style="list-style-type: none"> Annual General Meeting Quarterly reports CEO contact 	<ul style="list-style-type: none"> Quarterly As Required 	—	—	—
Board	Board meetings	Quarterly	—	—	—
Employees	<ul style="list-style-type: none"> Human Resources communication Executive leadership involvement initiatives 	<ul style="list-style-type: none"> Regular 	<ul style="list-style-type: none"> Need for strategic updates outlining the vision for our business Preference for formal, two-way channels for employees to provide feedback 	<ul style="list-style-type: none"> Conducted Sustainalytics second employee engagement survey Continued commitment to executing internal communication initiatives 	<ul style="list-style-type: none"> Equity and Diversity Employee engagement Product and service quality
Clients	<ul style="list-style-type: none"> Customer Satisfaction Survey Meetings with clients and partners in all markets, collecting feedback on a continuous basis 	<ul style="list-style-type: none"> Annually Regular 	<ul style="list-style-type: none"> Providing in-depth analysis on financially material ESG issues Providing greater access to data and tools, improving and leverage technology more, as well as further integration into third party distribution platforms. Increasing coverage in emerging markets 	<ul style="list-style-type: none"> Launched our next generation ESG Risk Ratings Launched Carbon Risk Ratings Provided greater access to our data through Morningstar Direct, Factset, Glass Lewis, and added our data on Rimes and Yahoo! Finance. Expanded our research universe for ESG Ratings to cover approximately 11,000 issuers 	<ul style="list-style-type: none"> Product and Service Innovation Product and service quality
Issuers	<p>Emails to over 4000 issuers requesting feedback and dialogue as a standard part of our research process</p>	<ul style="list-style-type: none"> Annually as part of the annual research update cycle For larger companies the dialogue rate is over 60% 	<ul style="list-style-type: none"> Providing explanations to issuers for the reasons behind our evaluations on their ESG performance Creating understanding about Sustainalytics criteria for best practices 	<p>Sustainalytics committed more resources to following up with issuers concerning questions about ESG performance assessments, including the introduction of a new Issuer Relations team dedicated to handling all company communications and questions..</p>	<p>Product and service quality</p>



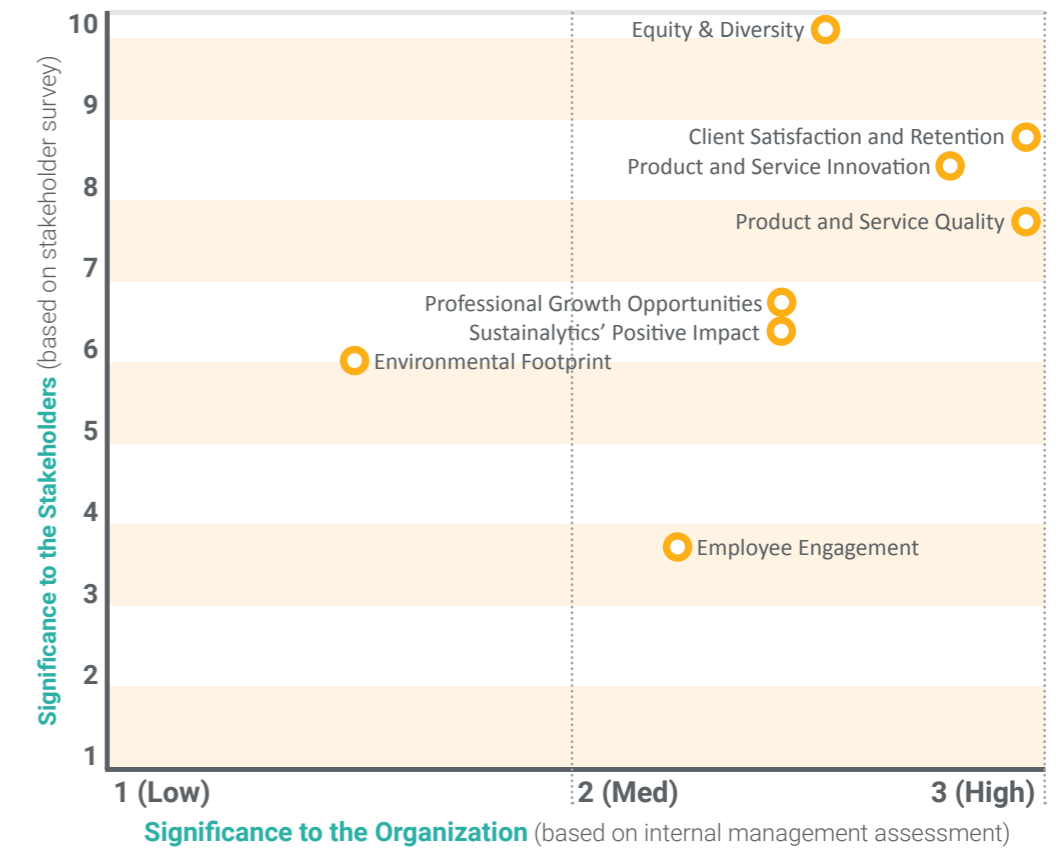
Materiality Assessment

Sustainalytics' process for identifying the most material issues for this report is based on ongoing engagement with our stakeholders. In the previous report, we undertook a new materiality analysis to ensure that the topics we are reporting on are still the most relevant ones for our stakeholders and reflect the evolving business environment. We used the GRI's four-step materiality process (identify, prioritize, validate and review) to arrive at a list of eleven key issues which we grouped into eight reporting areas. For details on the process, see the figure below. To ensure that these topics are covered in an accurate and robust way, the Sustainability Reporting Group re-validated the findings of the materiality assessment taking 2018 developments into account. The weight of each issue was re-assessed and its position in the materiality matrix re-confirmed.

Figure 3: Materiality Process based on GRI G4 Guidelines



Figure 4: Sustainalytics' 2018 Materiality Matrix⁶



IN FOCUS

Issuer Relations

Sustainalytics has always worked closely with its investor clients to help them understand our ratings methodology and effective ratings use cases. Increasingly, we have taken steps to also help corporate issuers understand our ratings framework and our research process. In 2018, by establishing and investing in a new Issuer Relations function, Sustainalytics significantly improved its communications with issuers, its research feedback and validation process and the overall experience issuers have with Sustainalytics.

Performance Disclosure

Performance Disclosure

The material issues were grouped according to a strategic sustainability framework and broken down into three areas: Products, Human Capital, and Operations. Products relate to “What We Do” while Human Capital and Operations relate to “How We Do Things”.



What we do

The first set of performance metrics encompasses the material indicators that inform Sustainalytics' decisions with regards to our products and services. They focus on sustainability themes identified through the materiality assessment process: *Product and Service Quality, Product and Service Innovation, Client Satisfaction and Retention, Impact on Clients.*

How we do things

The second set of performance metrics encompasses the material indicators that inform the way in which Sustainalytics manages the company. We believe that it is important to work towards integrating sustainability metrics and considerations into our reporting. It is not only the right thing to do, it also improves our understanding of our business.

We report on these issues under the themes of **Human Capital** and **Operations**, focusing on seven sustainability topics identified during the materiality assessment process. Three topics fall under Human Capital (*Equity and Diversity, Employee Engagement, Professional Growth Opportunities*) and one under Operations (*Energy Efficiency and GHG Emissions Management*).

We use a traffic light system to report on progress with regards to the key performance indicators (KPIs):

- Green indicates that we were on target
- Amber indicates that we fell just short of our target
- Red indicates that we failed to meet our target by a significant margin
- Gray Indicates there was no set target



**Material Issues:
What We Do**

Material Issues: What We Do

In this section, we focus on four material issues that relate to our products: Product and Service Quality, Product and Service Innovation, Client Satisfaction and Retention, and Impact on Clients.

Product and Service Quality

Sustainalytics is continuously working on improving its business processes and quality management tools. We have implemented numerous control measures to ensure the quality and integrity of our research and products. This is crucial to supporting the widespread adoption of ESG integration within the global investment community.

As a mission-driven company, Sustainalytics' business success determines to a great extent the level to which we can have a positive sustainability impact. In 2018, Sustainalytics exceeded its (non-GAAP⁷) targets for **Total Sales**, **New Sales** and **Core Cash Creation**, while narrowly missing its (GAAP) **Profitability targets**. During this stage of the Company's life cycle, we are primarily focused on growing market share while further improving profitability and cash flow.

Material Issue: Product and Service Quality			
KPI	2018		2019
	Assessment	Goals	Goals
Total Sales	●	<ul style="list-style-type: none"> Improve processes and operational efficiency Support the development of new/improved products Continue to invest in Smart Technology-supported capacities 	<ul style="list-style-type: none"> Maintain operational excellence through process improvements
New Sales	●		<ul style="list-style-type: none"> Improve our data governance maturity level and strengthen our data management practices
Core Cash Creation	●		<ul style="list-style-type: none"> Enhance and streamline our research and data collection processes, with a special focus on quantitative metrics
Profitability	●		<ul style="list-style-type: none"> Fully utilize the Smart Technology-supported information retrieval, content curation, and descriptive & predictive analytics capacities.

Sustainalytics' continued rapid growth has increased the complexity of our operating environment - more products, more client delivery platforms, and more research teams working in new research tools. Meanwhile, our products are increasingly interdependent, and client demands increase in volume and sophistication.

Sustainalytics continued to improve its analyst platform, Canvas, and onboarded additional research frameworks to it. Canvas integrates smart technology to find, retrieve, store, and tag information to improve efficiency as well as quality of research processes and output.

We also further improved portfolio matching and reporting capabilities in Data Services and our Global Access platform. Finally, we updated our Quality Management Policy to ensure that Sustainalytics' products and services are monitored and improved continuously.

Award Winning Second-Party Opinion Provider

Sustainalytics is one of the world's leading providers of ESG ratings and research. In recognition of the high-quality product and services we offer in the area of Sustainable Finance Solutions, Sustainalytics won several awards in 2018. This achievement reflects positively on our green bond work and the key role we play in further developing the field of sustainable finance. Some of the acknowledgments include:

- For a second year in a row, Sustainalytics was named the Most Impressive Second Opinion Provider at the 2018 Sustainable and Responsible Capital Market Forum. Administered by Global Capital, a leading news, opinion and data service for people and institutions using international capital markets, the Sustainable and Responsible Capital Market Awards are the result of an extensive market poll in which issuers, investors, investment banks and other market participants vote on the most innovative deals and the most creative players in the market.
- Sustainalytics was the recipient of a 2018 Green Bond Pioneer Award. Presented by the Climate Bonds Initiative, Sustainalytics was named the Largest External Reviewer. The annual Awards recognize international leadership in green finance.
- Our firm received a Special Mention Sustainable Finance Award by The Research Institute for Environmental Finance (RIEF), Japan, for our contribution to the growth of the Japanese Green Bond Market. In addition, we were honored for providing second-party opinions on bonds issued by Development Bank of Japan, Mitsubishi UFJ Financial Group, Mizuho Financial Group, Sumitomo Mitsui Financial Group, and Toda Corporation.

Most Impressive
Second Opinion
Provider

Largest External
Reviewer

Special Mention
Sustainable
Finance Award

Product and Service Innovation

Material Issue: Product and Service Innovation			
	2018		2019
KPI	Assessment	Goals	Goals
Product Innovation	●	<ul style="list-style-type: none"> Introduce to the market new generation products and services and enhance our current offering Further develop digital curation technology and processes for ESG and Corporate Governance frameworks Introduce information retrieval and machine learning supported ESG data analytics Extend third-party channels through which users can access Sustainalytics data Improve internal efficiency by leveraging new technologies 	<ul style="list-style-type: none"> Further strengthen our flagship ESG Risk Ratings with respect to increasing transparency of the exposure framework Launch improved country rating product Launch improved norms-based product Support impact and SDG focused investors through targeted product extensions and new product releases Extend our product and service offering to the corporate segment Develop new products and services for engagement Launch improved standards compliance and screening product Utilize smart technologies for corporate segment products.
Process Innovation	●		
Digital Innovation	●		

Product & Process Innovation

In 2018, Sustainalytics continued to enhance its product portfolio to better serve clients throughout the investment value chain. One major innovation milestone was the launch of our new flagship ESG Risk Ratings in September 2018. This next generation ESG Ratings product is designed to help investors identify and understand financially material ESG-related risks in their investment portfolios and how they might affect long-term investment performance. Among other use cases, our ESG Risk Ratings are also used to establish sustainability performance targets for sustainability-linked loans and ESG-linked loans.

Sustainalytics also launched two new products to complement its product portfolio, namely the Carbon Risk Ratings, measuring companies' unmanaged exposure to carbon risk, and Sustainable Products Research, identifying companies that derive revenue from sustainable products and/or services. Finally, we implemented select product improvements and product extensions in response to client feedback and broader market developments.

In order to support product and service innovation, Sustainalytics implemented certain organizational changes in 2018. We created a new team dedicated to product strategy and management with the objective of professionalizing our approach to product management and creating a more product centric organization. As part of this undertaking we formalized innovation related processes and set up a cross-functional Product Steering Committee to guide and approve innovation priorities across our product portfolio.

Digital Innovation

In 2018, digital curation technology was scaled up for the Corporate Governance research framework. The multiframework sourcing, which gives analysts an opportunity to work with two and more frameworks, has allowed Sustainalytics to create operational wins in its research process, while at the same time, continuing to create a comprehensive sustainability knowledge base.

Sustainalytics also improved its artificial intelligence capabilities, enabling the company to acquire and process big volumes of unstructured data, used across different teams and processes. Also, Sustainalytics introduced a machine learning powered solution to recognize signals within the unstructured data, automatically process and compare corporate reports, predict scores and detect trends.

Client Satisfaction and Retention

Material Issue: Client Satisfaction and Retention

KPI	2018		2019
	Assessment	Goals	Goals
Client Retention Rate	●	<ul style="list-style-type: none"> More deeply embed Sustainalytics' ESG data into our clients' daily workflows and data platforms Strengthen and leverage strategic partnerships Develop better data and insights to improve forecasting and understanding client churn Solidify our position as the leading external reviewer of green bond frameworks globally 	<ul style="list-style-type: none"> Effectively integrate GES clients into Sustainalytics' client portfolio post acquisition Support clients in transitioning to the ESG Risk Ratings Enhance the delivery, application, and use of our data through third party channels Embed our research and data into our clients' investment value chain Continue to leverage our strategic partnerships Focus on providing clients with ESG solutions in addition to high quality research Develop the optimal Client Relations team structure to enable scalability, rapid growth, and operational excellence Ensure our innovation pipeline meets the dynamic needs of our diverse global market Maintain our position as the leading external reviewer of green, social and sustainability bond frameworks globally

Our client retention rate improved in 2018, compared to the year before, but did not meet the KPI. There were several noteworthy developments in 2018 that helped us achieve better client retention:

- In 2018, Sustainalytics launched the ESG Risk Ratings, which are designed to help investors identify and understand financially material ESG risks at the security and portfolio level. The response from our clients was positive. We developed a comprehensive strategy to introduce our Ratings subscribers to our new flagship product and support them through a transition and/or adoption.
- We also launched the Operations and Strategy Team, a new global function on our Client Relations team with a mandate to align client related day-to-day operations with strategic company-level priorities. This unit is responsible for overseeing operations of the Client Relations Team and working with cross-functional internal partners to ensure our practices, protocols and systems are supporting customer success objectives.
- Due to an increase in the number of index partners and clients using passive strategies and third-party partners (e.g. Factset, Bloomberg, Yahoo Finance, Rimes, and others), we established a dedicated global function which specializes in serving the needs of this client group and strengthening our relationships with third party research distribution channels.

Sustainalytics' Positive Impact

Material Issue: Sustainalytics' Positive Impact

KPI	2018		2019
	Assessment	Goals	Goals
Creating positive impact through our products and services	●	<ul style="list-style-type: none"> Deliver new products and services that are advancing our efforts to create a positive impact and provide solutions to environmental and social challenges 	<ul style="list-style-type: none"> Continue enhancing our products and services to provide insights to investors and companies helping them make more informed decisions that lead to a more just and sustainable economy Develop new cutting-edge solutions that help solve environmental and social challenges On behalf of our clients, foster constructive dialogue with companies regarding their compliance with accepted international conventions and tackling the most challenging ESG issues

The greatest impact we can have on the global economy is through the provision of high-quality products and services, enabling our clients to make better informed capital allocation decisions. In 2018, we successfully launched several innovative products, all of which are driven by our mission to contribute to creating a more just and sustainable global economy.

First, in September 2018, we launched Sustainalytics' ESG Risk Ratings, which are designed to help investors identify and understand financially material ESG risks at the security and portfolio levels. Based on an innovative two-dimensional materiality framework that measures a company's exposure to industry-specific material risks and how well the company is managing those risks, our ESG Risk Ratings are used extensively by asset managers and owners to allocate capital and manage their portfolios with ESG considerations in mind.



IN FOCUS

Example of how Sustainalytics' ESG Risk Ratings are Used by Investors

KBL European Private Bankers is a major Luxembourg bank which has subsidiaries in Belgium, Germany, Luxembourg, Netherlands, Spain and the United Kingdom. Their Dutch branch InsingerGilissen uses Sustainalytics ESG Risk Ratings for sustainable client portfolios. The way they do that is by excluding from their portfolio companies which are categorized as Severe Risk and allowing a maximum of 20% High Risk companies. With the ESG Risk Ratings scale ranging from 0 to 100, with 100 being the most severe, InsingerGilissen is trying to keep the portfolio average ESG RR below 25 and is aiming in the future to have a portfolio average below 20.

Another example comes from Nuveen — a global investment manager. Nuveen has incorporated the ESG Risk Rating into their custom-built RI data platform which is used by their investment teams to conduct ESG research, with a particular focus on material risks. The ESG Risk Rating and other Sustainalytics data points are displayed on each company page along with data from other RI providers and Nuveen proprietary insights to allow the integration of financially material ESG factors into investment decision-making and portfolio management. Using our API, they give users the ability to download pdfs of the latest Sustainalytics ESG Risk Rating Report for each company.

Additionally, JP Morgan index group, a leading global fixed-income index provider, launched a set of ESG indexes based on the JPM CEMBI & EMBI indices. These indexes will utilize various of Sustainalytics' research products in defining its rule-based approach; including our ESG & Country Ratings, Product Involvement and Controversies research. With this offering, these indexes will meet rising institutional and retail investor demand for ESG solutions; particularly within the fixed income and emerging markets space. With the growth of passive investing and rising demand for integrated ESG solutions, the new indexes will provide a comprehensive range of objective and transparent ESG benchmarks, and a new foundation for index based ESG investment products.

Sustainalytics also launched Carbon Risk Ratings, which measure the degree to which a company's value is at risk as a result of society's transition to a low carbon economy. There is broad recognition in the investment community that climate change poses significant investment risks and opportunities. Changing legislation and influential groups, such as the Task Force on Climate-related Financial Disclosures (TCFD), are creating strong incentives for investors to better understand their exposure to carbon risk. Our Carbon Risk Ratings serve as the main input for Morningstar's Portfolio Carbon Risk Score, which was launched in 2018. We believe that our ratings will help investors fulfill their low carbon mandates.

In 2018, we also launched our Sustainable Products Research, helping investors screen for companies whose products and/or services positively contribute to social and environmental challenges. Our sustainable products research covers 35 product categories across a universe spanning 10,000 companies. The 12 sustainable products themes include: water, renewable energy, affordable housing, education, energy efficiency, financial inclusion, green buildings, green transportation, health, pollution prevention and reduction, resource efficiency and sustainable agriculture and food. Investors use this research for sustainability-themed product creation, portfolio construction and capital allocation strategies, integration of product involvement data into ESG analysis and for client portfolio reporting.

Consistent with Sustainalytics' mission of pursuing a more just and sustainable economy — we highlight below how Sustainalytics' Sustainable Finance Solutions support our clients in advancing the Sustainable Development Goals or, SDGs.



IN FOCUS

Sustainable Development Goals and Green Financing

The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations General Assembly as an agenda for 2030. The SDGs recognize issues related to the planet, such as biodiversity, and to people, such as poverty, and accept that solutions to address all of these issues are interconnected. Sustainalytics offers second-party opinions of sustainable finance instruments such as Green Bonds, Social Bonds, Sustainability Bonds and SDG Bonds, that can act as a strong bridge to the SDGs. While developing a framework, issuers often map the use of bond proceeds to the most relevant SDGs and use them to measure and report on the impact of their projects. Sustainalytics provides an SDG mapping in each second-party opinion it provides.

Sustainalytics' Green, Social and Sustainable Bonds in 2018

Green Bonds

Bonds that raise funds for new and existing projects with environmental benefits



Social Bonds

Bonds that raise funds for new and existing projects with positive social outcomes

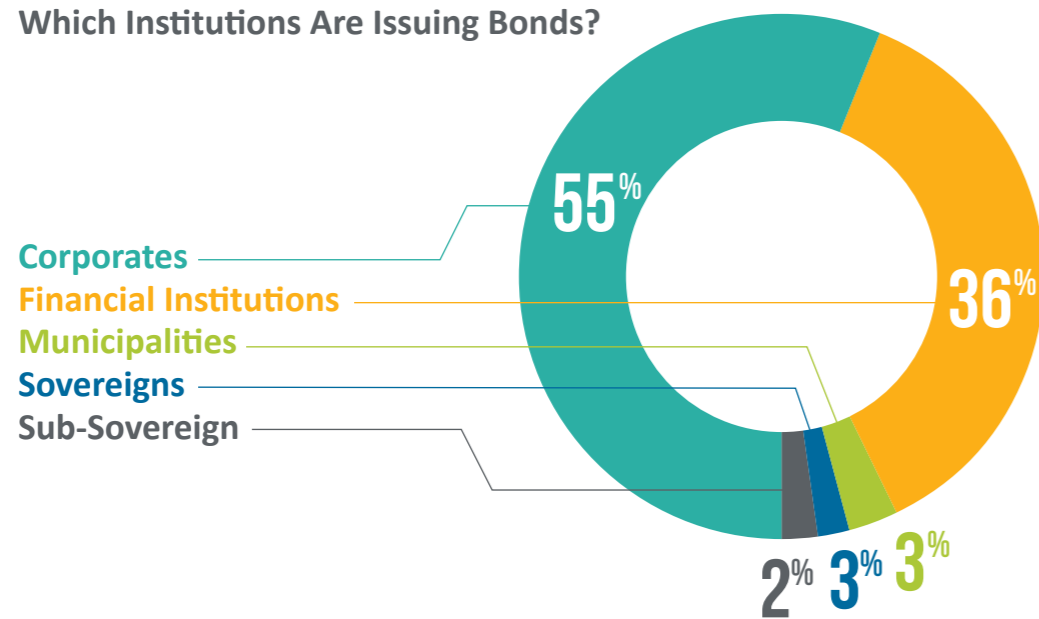


Sustainability Bonds

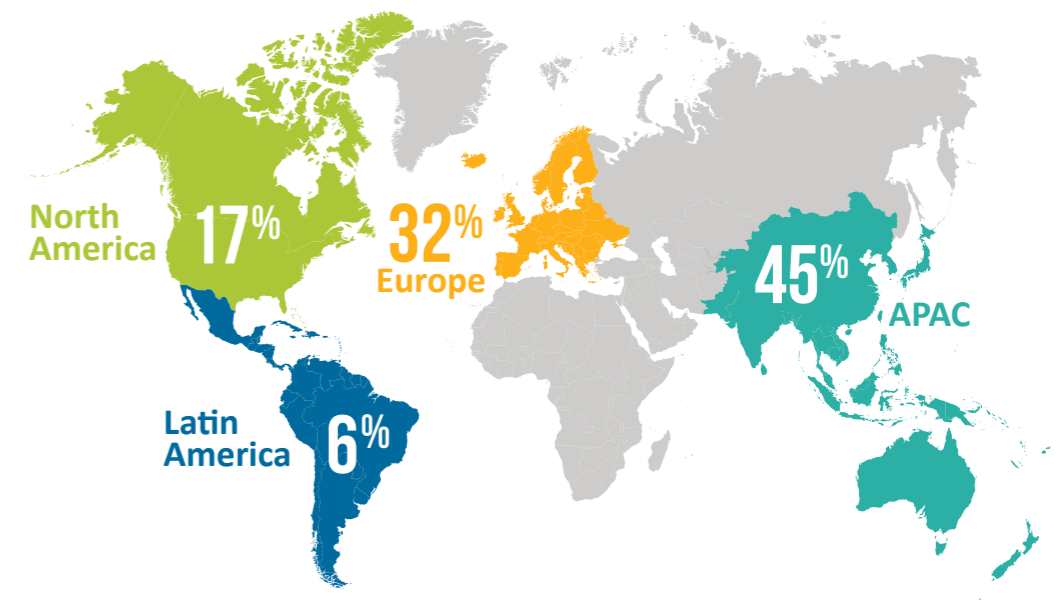
A combination of both Green and Social Bonds



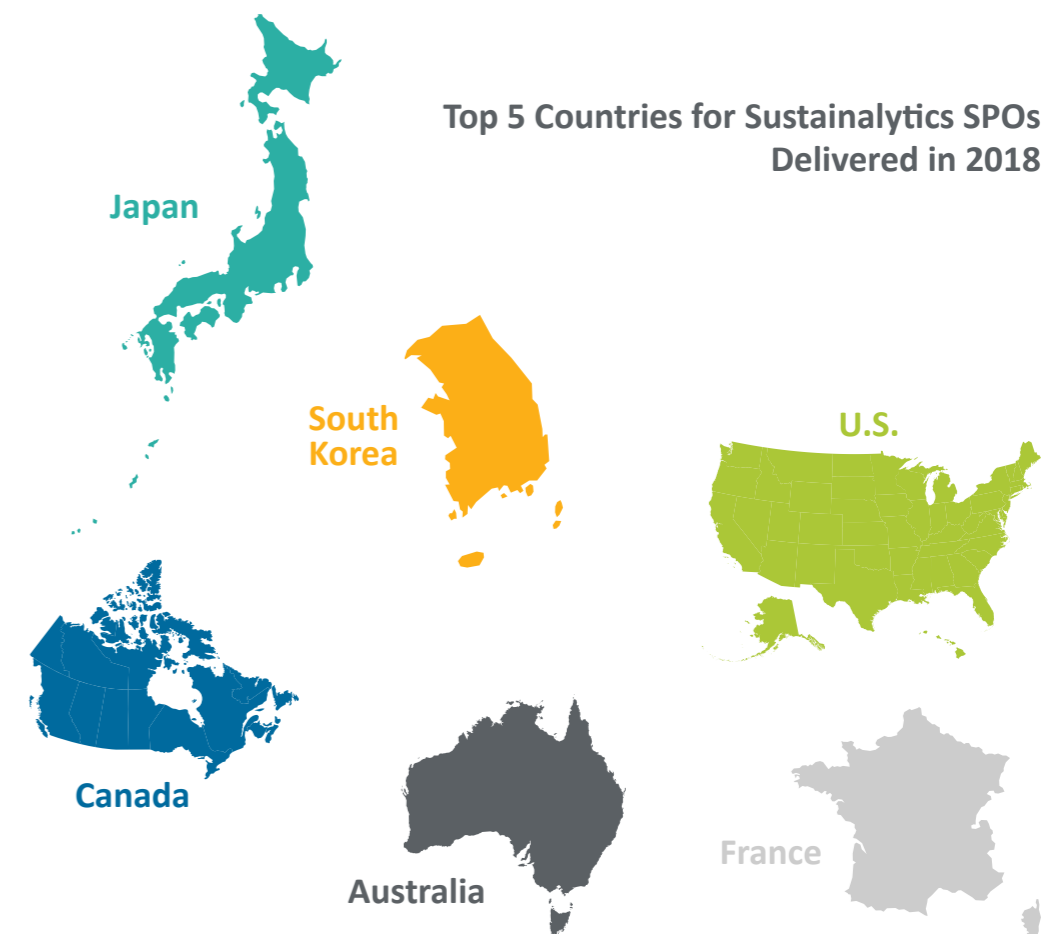
Which Institutions Are Issuing Bonds?



Regions Where Sustainalytics SPOs Clients Are Located



Top 5 Countries for Sustainalytics SPOs Delivered in 2018



Top 6 Use of Proceeds and Their Link to Sustainable Development Goals

Renewable Energy

7 AFFORDABLE AND CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts


Energy Efficiency

7 AFFORDABLE AND CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

Clean Transportation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts


Green Buildings

11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

Pollution Prevention And Control

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

Water/Wastewater Management

6 CLEAN WATER AND SANITATION



Ensure availability and sustainable management of water and sanitation for all

11 SUSTAINABLE CITIES AND COMMUNITIES



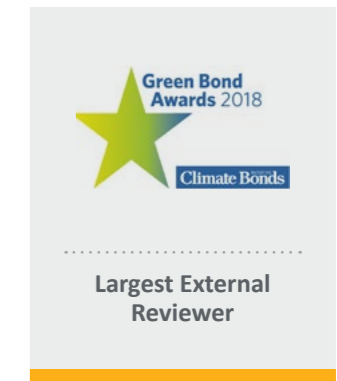
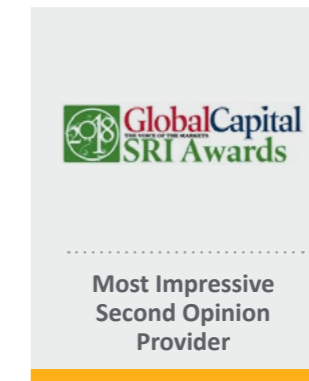
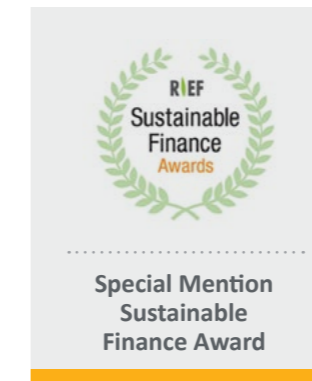
Make cities and human settlements inclusive, safe, resilient and sustainable

14 LIFE BELOW WATER



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Awards



Another contribution Sustainalytics is making is through our thought leadership work that offers timely analyses of mainstream market events, provides deep insight into specific ESG themes and explores related investment risks and opportunities. Our analyses include award-winning reports on a wide range of topics. In 2018, we published 10 reports discussing various issues including gender equity, assault weapons, privacy risk and solutions to ocean plastics. In addition to that, we produced 35 blog posts that took a closer look at current events through the lens of responsible investment. Finally, we also introduced a new format to deliver insights by launching a podcast series discussing our latest publications. In our podcast series, we discuss important trends and developments in the ever-evolving space of sustainable and responsible investing.



Award Winning Thought Leadership

IN FOCUS

One of the highlights of 2018 in the area of thought leadership, was the industry-first ESG analysis of the cannabis industry, **ESG Spotlight: The Budding Cannabis Industry: A first look at ESG Considerations**. While investors are being drawn to the cannabis industry by the lure of an expanding market and profit potential, uncertainties around regulations, scalability and potential stock price corrections remain. Underexplored ESG risks could also present material concerns for management teams and investors entering the industry. In the report, Sustainalytics estimates that 181 publicly traded companies are involved in the global cannabis industry with a collective market capitalization of USD 41bn. Only 16% of cannabis producers and retailers are specifically targeting the recreational market. The report won the award for “Most innovative research” in the 2019 Independent Research in Responsible Investment (IRRI) Survey⁸. You can read the report on our [website](#).

Material Issues: How We Do Things

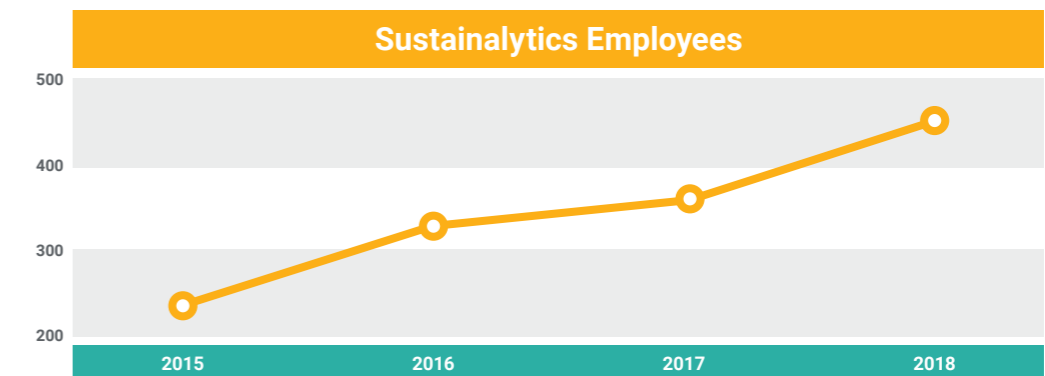
Material Issues: How We Do Things

Human Capital

Sustainalytics' success continues to be driven by the values and performance of our employees. From recruitment to talent development, we focus on building a company where people motivated by our mission can excel. We achieve this with a range of initiatives in the areas of *Professional Growth Opportunities, Employee Engagement, and Equity and Diversity*.

At year-end Sustainalytics employed 447 people, representing about a 25% year-over-year increase. This increase is also influenced by the acquisition of certain assets of Solaron Sustainability Services, a well-respected provider of ESG ratings and research based in Bangalore, India, which brought 26 colleagues onboard. The Sustainalytics team spanned 19 countries. Approximately 82% of our annual cost base went towards personnel – a signal of our commitment to investing in employees as a crucial part of our long-term success.

Figure 5: Sustainalytics' Employee Growth



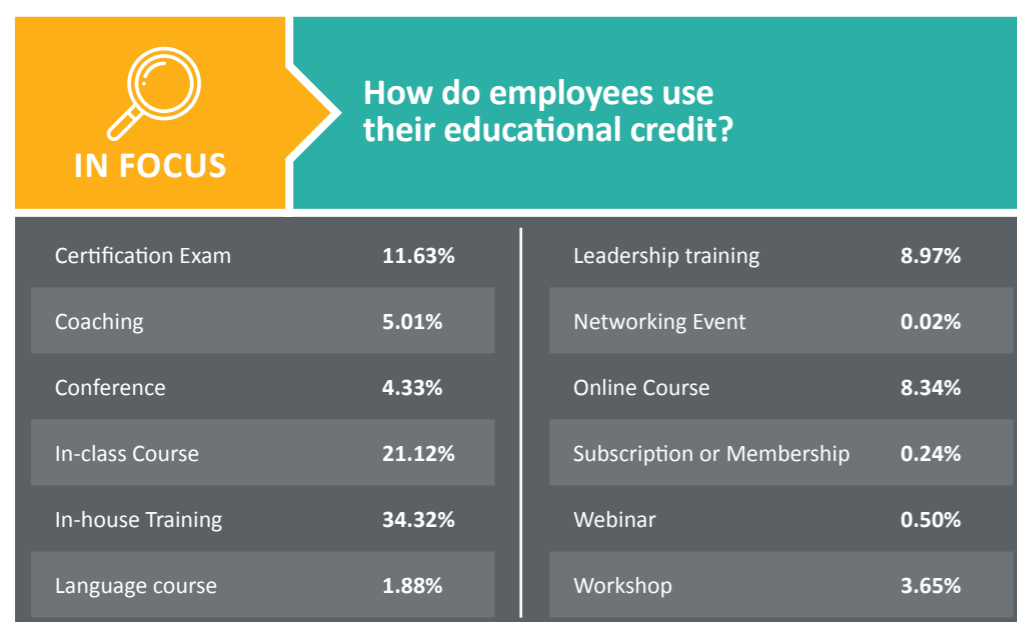
Professional Growth Opportunities

Material Issue: Professional Growth Opportunities

2018			2019
KPI	Assessment	Goals	Goals
Training budget as a percent of personnel costs	●	<ul style="list-style-type: none"> Management development programs in Romania 	<ul style="list-style-type: none"> Cultivate stronger middle management globally
Education credit usage	●	<ul style="list-style-type: none"> Strengthening the training and development, and allocation of the HR team 	<ul style="list-style-type: none"> Develop, facilitate and pro-actively offer relevant group trainings tailored to team skills and development needs
Annual performance and career development reviews	●		<ul style="list-style-type: none"> Maintain the current completion rate of annual performance and career development reviews

We believe that continuous learning is crucial not only to maintain Sustainalytics' competitive advantage, but also to retain employees and keep them engaged. To that end, Sustainalytics provides employees with a training credit annually and offers paid leave for coursework of up to 2 days per year.

In 2018, approximately 62.2% of all people in the company used their education credit for courses, workshops, conferences, and other educational events, directly related to their work. Employees were encouraged to use the funds in a self-directed manner and spent (on average) 56 hours on professional development initiatives, an increase compared to the 42 hours they spent on average in 2017. Moreover, the company continued to finance employees' CFA (Chartered Financial Analyst) accreditation. In 2018, 13 employees passed different levels of their CFA exams.



In 2018, Sustainalytics also offered specialized courses in response to the business needs identified throughout the company. For example, we provided in-house "Coaching and Mentoring" training courses to new managers in some of our offices. Additionally, we developed an "Introduction to Financial Markets & Responsible Investment" course. This was an interactive classroom training for people who had limited exposure to asset management or responsible investing. We also conducted a leadership training program to further strengthen the skills of our management team.

Sustainalytics' global appraisal framework is another tool that supports personal growth and career progression by clarifying performance expectations and establishing transparent criteria for advancement. In 2018, 94% of all eligible employees received an end-of-year performance and career development review.

Employee Engagement

Material Issue: Employee Engagement

2018			2019
KPI	Assessment	Goals	Goals
Engagement Index	●	<ul style="list-style-type: none"> Conduct second global HR engagement survey and improve upon previous results 	<ul style="list-style-type: none"> Create and execute comprehensive strategy addressing the issues raised in the engagement survey
Employee turnover rate	●		<ul style="list-style-type: none"> Address structural wage issues

Sustainalytics leadership has long been firmly committed to fostering an industry-leading workplace. In order to better understand what it's like to work at Sustainalytics, we began surveying our entire employee base in 2016. In 2018, we formalized the survey, now called Sustainalytics Engage, and offered employees another opportunity to express their views. More than 95% of our employees – 319 individuals - participated in the survey and offered more than 500 additional open comments.

The Engagement Index we use as a key metric in this report is based on the results from the survey and captures responses to a selection of questions related to employees' sense of commitment to Sustainalytics, how proud they feel to work for our company, whether or not they would recommend Sustainalytics to others as a good place to work, etc. Our 2018 Engagement Index of 78% represented a significant improvement over the 2016 72% Engagement Index, demonstrating that our efforts to implement innovative ways for employees to feel more engaged and satisfied at their workplace have been beneficial.

In 2018, we also strategically addressed an important compensation and benefits challenge by developing an ambitious two-year, €2 million global investment plan to better align

employees' base salaries and benefits with market levels and reward strong performers above market levels. The execution of this plan will begin in 2019 and continue throughout 2020.

Voluntary employee turnover is an important KPI that we monitor, report and continuously try to improve. In 2018, for the fourth consecutive year, we experienced voluntary turnover higher than our target. This level of turnover remains a concern and Sustainalytics is making significant efforts to address this issue. Examples of some of the practices we employ, beyond the standard benefit suite offered by a company of our size, include:

- Flexible return-to-work practices for employees returning from maternity and parental leaves;
- Extra vacation days for certain locations dependent on tenure with Sustainalytics;
- Support for employee-initiated transfers to another global office for personal or professional growth opportunities;
- The opportunity for employees working abroad to spend two weeks per year working from their home country;
- Extension of private medical insurance coverage in certain locations to Sustainalytics employees' children.

IN FOCUS Contributing to Our Communities

At Sustainalytics, we also try to tap into employees' motivation to have a positive impact through their work. An example of how we facilitate this is our Global Volunteer Day, an annual event organized since 2013 that reinforces our values while building a strong global culture. The causes we supported in 2018 varied from coaching underemployed adults in how to hone their interviewing and resume writing skills, to supporting an urban farming initiative focused on growing food in a sustainable way. To learn more about the other initiatives Sustainalytics employees supported in 2018, visit our [Facebook page](#). Each year Sustainalytics employees also receive two and half volunteer days to pursue a cause they find personally meaningful. In 2018 we received requests from employees for days off to support initiatives like tree planting, volunteering at animal shelters, providing help at refugee centres, ocean clean-ups, and so much more. Some interesting examples include the participation of our colleagues as mentors in Urban Talks, Romania – an organization aiming to bring together members of public administration, the business sector and, most importantly, citizens, in order to find sustainable solutions for the challenges that cities face. In the US, one of our colleagues supports the Girl Scouts and shared how recently her troop has taken a pledge to refuse plastic straws when eating out. And members of our office in Toronto participate in the WWF annual initiative of climbing the CN Tower's 1,776 steps in support of wildlife. Finally, as an added incentive for employees to share their opinion in our second employee engagement survey, Sustainalytics donated €2 to two nominated charities for each employee who participated. The charities were chosen among the nominations made by employees. In 2018, we supported organizations with a focus on education in different regions - New Horizons in Romania and Africa Educational Trust.

Equity and Diversity

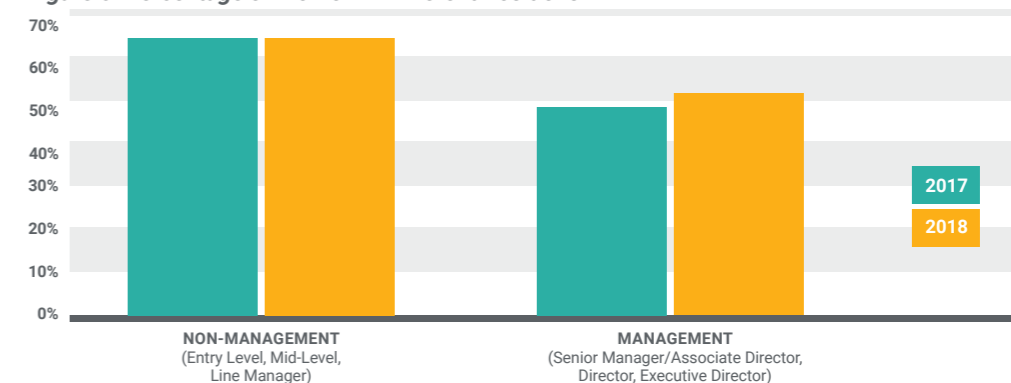
Material Issue: Equity and Diversity			
KPI	2018		2019
	Assessment	Goals	Goals
Employee Exchanges	●	<ul style="list-style-type: none"> • Maintain existing employee exchange program and policies surrounding flexible working arrangements. 	<ul style="list-style-type: none"> • Maintain existing employee exchange program and policies surrounding flexible working arrangements
Representation of women at senior levels of the company	●	<ul style="list-style-type: none"> • Maintaining equity and diversity approach to hiring, promotions, salary increases, and benefits 	<ul style="list-style-type: none"> • Advance equity and diversity approach to hiring, promotions, salary increases, and benefits • Refine implementation of GDPR in HR policies and processes

Our mission is to continue to foster, develop and promote a culture of inclusion which celebrates all forms of diversity, enables our employees to maximize their potential, and encourages innovation and creativity.



At year-end, 60% of all employees were women, including 51% of senior management.

Figure 6: Percentage of Women in Different Positions



Another key measure of diversity and equity is gender pay ratio. Accordingly, Sustainalytics analyzed the salary ratio of women to men, taking into account the regional and structural differences that make a clear comparison difficult. With our best efforts to provide a representative metric, the aggregate gender pay ratios in 2018 were as follows:

- The ratio of basic salary of women to men at entry-through manager-level positions was 1.04:1 (0.98:1 in 2017).
- The ratio of basic salary of women to men at senior management positions was .92:1 (0.82:1 in 2017).

Our active efforts in monitoring of the gender pay gap have helped us improve the reported ratios and we will continue doing so in 2019.

We also continued our work on adjusting regional remuneration schemes because we believe that compensation aligned with regional market benchmarks is essential to attract, motivate and retain dedicated employees.

One of the ways Sustainalytics is leveraging our global footprint is through the company's exchange program. This program aims to strengthen our global culture and reward high performers. Since 2011, we have given a select group of employees the opportunity to work in one of our offices for a period of 3-6 months to build the capacity and strength of our global teams and accelerate professional development. In 2018, the HR team received 14 applications from three different teams and selected five employees to participate in the program.

Finally, as our workforce continues to diversify, it's increasingly important for Sustainalytics to do all we can to create supportive, respectful and inclusive work environments. Recognizing the significant role Human Resources plays in recruiting and retaining talented and motivated employees who feel valued and free to express their identities, the team participated in an LGBTQ Inclusion and Diversity Training.

Operations: Environmental Footprint

Material Issue: Environmental Footprint			
	2018		2019
KPI	Assessment	Goals	Goals
GHG emissions offset	●	<ul style="list-style-type: none"> Improve Sustainalytics' Sustainable Travel Policy 	<ul style="list-style-type: none"> Implement more sophisticated reporting measures that capture our environmental impact Improve our recycling efforts in all offices

At Sustainalytics, we are committed to using resources in ways that ensure the long-term sustainability and profitability of our business and that benefit the environment. Mitigating the company's environmental footprint through embedding sustainability considerations into our operations is both strategic and integral to who we are.

Figure 7: GHG Emissions in 2018 (All Offset)



Managing our carbon footprint remains challenging for Sustainalytics, as we continue to expand globally. Sustainalytics' carbon emissions have increased with 3%, which can be explained by the significant growth in our global client base and necessitates more frequent employee travel. At the same time our carbon footprint has decreased per employee with 18% giving our growth in employee number. Sustainalytics continues to extend the use and availability of video conferencing and encourage its use in place of air travel.

To help us calculate and offset emissions associated with business and commuter travel, Sustainalytics partners with the Dutch-based foundation Climate Neutral Group (CNG) — the Benelux market leader in the field of emission reduction and carbon offsetting. In 2018, CNG worked alongside our internal carbon experts to determine where Sustainalytics' climate protection and carbon compensation investment will have the greatest impact. Sustainalytics chose to support Biogas Tanzania — a project that stimulates the transition from cooking over an open fire using charcoal and wood, to the use of biogas as a non-harmful alternative. One biogas installation saves an average of 8.5 tons of CO₂ and 4,667 kg of wood per year, improves the living conditions on the farms and saves more than 1,500 hectares of forest¹⁰.



IN FOCUS

Sustainable Procurement

By implementing sustainable procurement policies, Sustainalytics is trying to meet its business needs for materials and services in an environmentally friendly, responsible and ethical way. When it comes to buying office groceries, we strive to select organic and fair-trade options. In Toronto, for example, for our weekly fruit delivery we work with Mama Earth Organics - a company sourcing its produce from local and organic farmers. We also focus on sustainability when procuring office stationery. Our branded materials, like notepads and pens, are made from recycled paper or OXO-degradable¹¹ plastic. We also only use Forest Stewardship Council certified or recycled paper. When it comes to other office supplies, like furniture for example, we try to purchase second hand when possible, and to limit the purchase of plastic. Finally, for event catering, we focus on supporting small businesses with responsible hiring practices and that provide organic and locally sourced food. Romania and Africa Educational Trust.

All Sustainalytics offices have implemented recycling systems that collect and sort paper, glass and plastic.



IN FOCUS

Sustainalytics Office in New York

Our New York team resides in a rented office space located at 25 Maiden Lane, in the Financial District in Manhattan. It is LEED certified office building. LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO₂ emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts. Our office is also certified with an Energy Star Label, placing it in the top 25% of energy efficient commercial buildings. It diverts 75% of building waste from landfills, saves 13% of building water (or 2 million gallons of water annually), and has implemented a comprehensive green cleaning and pest management program to minimize the use of toxic chemicals.



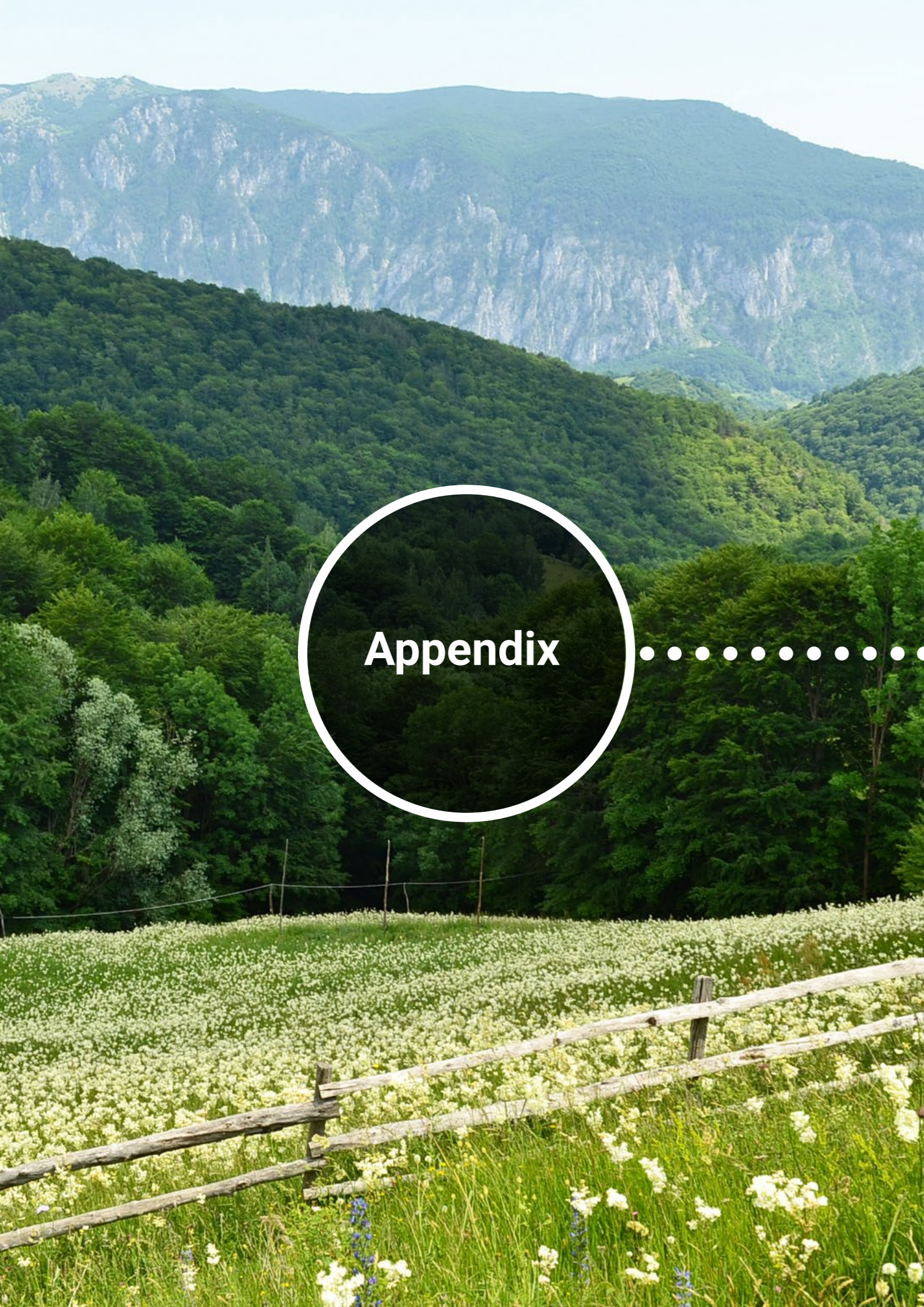


What's Next?

What's Next?

In addition to measuring the key indicators highlighted in this report, Sustainalytics will continue to focus on embedding sustainability metrics more effectively into our strategic decision-making and management reporting systems. Sustainalytics will build on its commitment not only to measure and manage these issues, but also to report more effectively to our stakeholders.

Material Issues	2019 Goals	Metrics
What We Do: Products		
1. Product and Service Quality	<ul style="list-style-type: none"> Improve processes and operational efficiency Support the development of new/improved products Continue to invest in Smart Technologies 	<ul style="list-style-type: none"> Revenues New Sales Profitability Core Cash Creation
2. Client Satisfaction and Retention	<ul style="list-style-type: none"> Adjust client retention target to 95% Improve embeddedness of Sustainalytics' ESG data in our clients' daily work environment and data platforms Strengthen and leverage strategic partnerships Develop better data and insights to improve forecasting and understanding client churn Solidify our position as the leading external reviewer of green bond frameworks globally 	<ul style="list-style-type: none"> Client Retention Rate
3. Product and Service Innovation	<ul style="list-style-type: none"> Introduce to the market new generation products and services and enhancing our current offering Further develop digital curation technology and processes for ESG and CG frameworks Introduce information retrieval and machine learning supported ESG data analytics Extend third-party channels through which users can access Sustainalytics data Improve internal efficiency by leveraging new technologies 	<ul style="list-style-type: none"> Product Innovation Process Innovation Digital Innovation
4. Sustainalytics' Positive Impact	<ul style="list-style-type: none"> Deliver new products and services that are advancing our efforts to create positive impact and provide solutions to environmental and social challenges 	<ul style="list-style-type: none"> Delivery of products and services creating positive impact
How We Do Things: Human Capital		
5. Professional Growth Opportunities	<ul style="list-style-type: none"> Management development programs in Romania Strengthening the training and development, and allocation of the HR team Maintain the current completion rate of annual performance and career development reviews 	<ul style="list-style-type: none"> Training budget as a percent of personnel costs Education credit usage
6. Employee Engagement	<ul style="list-style-type: none"> Conduct second global HR engagement survey and improve upon previous results 	<ul style="list-style-type: none"> Employee Turnover Employee Engagement Index
7. Equity and Diversity	<ul style="list-style-type: none"> Maintain existing employee exchange program and policies 	<ul style="list-style-type: none"> Employee Exchanges Representation of women at senior levels of the company
How We Do Things: Operations		
8. Environmental Footprint	<ul style="list-style-type: none"> Continue improving Sustainalytics' sustainable travel policy 	<ul style="list-style-type: none"> GHG emissions offset



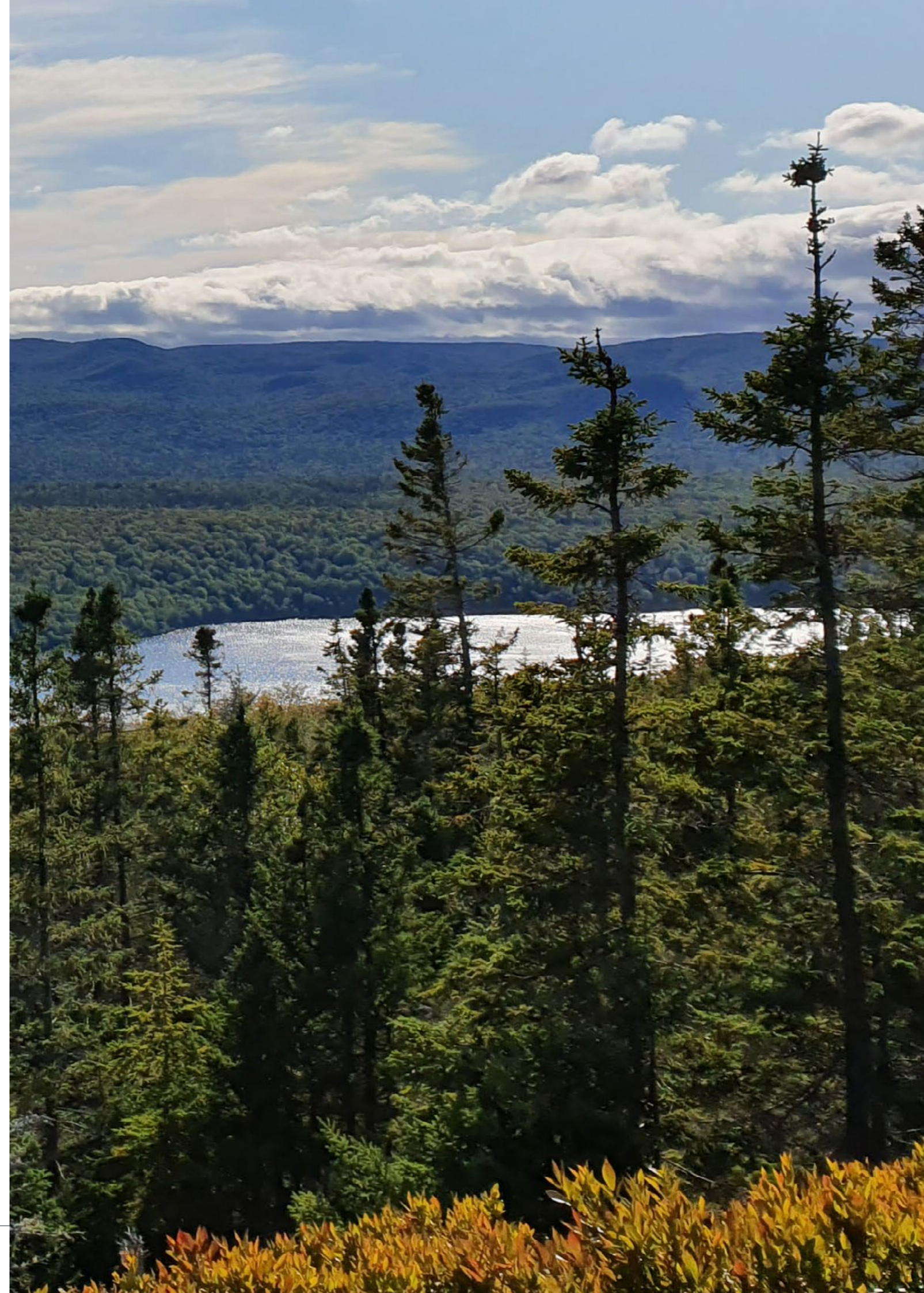
Appendix

Appendix

The table below lists all our material issues and the corresponding GRI material aspect. Each material aspect is relevant to all entities included in our consolidated financial statements. While defining the content for this report we did not recognize regional differences.

Material Issue	Why Is It Material?	Corresponding Material GRI Aspect	Corresponding Material GRI Indicator	Issue Boundary Of Impact & Key Interested Stakeholders
Product and Service Quality	Providing products that deliver informative ESG insights, underpins our growth as a firm and ultimately allows us to realize our vision and mission.	None Identified	GRI 103-1 None Identified	EXTERNAL Clients Prospects
Client Satisfaction and Retention	Our ability to retain clients is imperative for Sustainalytics to continue to be a successful business, serving the responsible investment industry.	None Identified	GRI 103-1 None Identified	EXTERNAL & INTERNAL Employees Shareholders Clients Prospects
Product and Service Innovation	Sustainalytics' long-term success depends, in part, on our ability to innovate and deliver more sophisticated products to our clients to meet their needs.	None Identified	GRI 103-1 None Identified	EXTERNAL Clients Prospects
Sustainalytics' Positive Impact	Enhancing and gaining a better understanding of our impact is a long-term objective.	None Identified	GRI 103-1 None Identified	EXTERNAL Clients Prospects Financial Services Sector

Material Issues	Why Is It Material?	Corresponding Material GRI Aspect	Corresponding Material GRI Indicator	Issue Boundary Of Impact & Key Interested Stakeholders
Professional Growth Opportunities	As a knowledge-based organization, nurturing professional growth and keeping our employees challenged and motivated is paramount to our success as an organization.	Training & Education	GRI 103-1 GRI 404-1	INTERNAL Employees Senior Management
Employee Engagement	Employee engagement means creating an environment where employees feel they can perform consistently at their best. This, together with nurturing professional growth, is key to recruiting and retaining top talent.	Employment	GRI 103-1 GRI 404-1	INTERNAL Employees Senior Management
Equity and Diversity	Diversity across a workforce makes for a more successful and sustainable company. Accordingly, it is critical that Sustainalytics has access to a large pool of high quality candidates so that it can attract and retain the best talent.	Equal Remuneration For Men & Women	GRI 103-1 GRI 405-2	INTERNAL Employees Senior Management
Environmental Footprint	Our commitment to sustainable business practices enables us to manage our reputational risk, it differentiates us from some of our competitors, it enhances our brand reputation globally across a range of stakeholder groups, as well as assisting in the recruitment and retention of talented staff.	Emissions	GRI 103-1 GRI 305-1	EXTERNAL & INTERNAL The environment Employees Senior Management





**GRI
Index for “In
Accordance”
Core**

GRI Index for “In Accordance” Core

General Standard Disclosures			
General Standard Disclosures	Description	Page Number/Location	Omissions
Strategy & Analysis			
GRI 102-14	Statement from the most senior decision-maker of the organization	Pg. 8-9	
Organizational Profile			
GRI 102-1	Name of the organization	Report Cover	
GRI 102-2	Primary brands products and services	https://www.sustainalytics.com/our-solutions/	
GRI 103-3	Location of company’s headquarters	Pg. 5	
GRI 102-4	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Pg. 5	
GRI 102-5	Nature of ownership and legal form	Pg. 5	
GRI 102-6	Markets served	Pg. 5	
GRI 102-7	Scale of the organization	Pg. 5	
GRI 102-8	Total number of employees by employment type, employment contract, and region, broken down by gender	Pg. 31 & 54	
GRI 102-41	Percentage of total employees covered by collective bargaining agreements	Pg. 31	
GRI 102-9	Describe the organization’s supply chain	Pg. 38	
GRI 102-10	Significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain	Pg. 5	
GRI 102-11	Report whether and how the precautionary approach or principle is addressed by the organization	Pg. 11	
Material Aspects & Boundaries			
GRI 102-45	All entities included in the organization’s consolidated financial statements or equivalent documents including indication which of these are not covered by the report	Pg. 5	
GRI 102-46	Process for defining the report content and the Aspect Boundaries	Pg. 11	
GRI 102-47	Material Aspects identified in the process for defining report content	Pg. 15	
GRI 103-1	Aspect boundary within the organization for each material aspect	Pg. 41	
GRI 102-48	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	Pg. 51 (Endnotes)	
GRI 102-40	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	No changes	

General Standard Disclosures	Description	Page Number/Location	Omissions
Stakeholder Engagement			
GRI 102-40	Provide a list of stakeholder groups engaged by the organization	Pg. 12	
GRI 102-42	Basis for identification and selection of stakeholders with whom to engage	Pg. 12	
GRI 102-43	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Pg. 12	
GRI 102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Pg. 12	
Report Profile			
GRI 102-50	Reporting period (such as fiscal or calendar year) for information provided	Pg. 7	
GRI 102-51	Date of most recent previous report (if any)	Pg. 7	
GRI 102-52	Reporting cycle (such as annual, biennial)	Pg. 7	
GRI 102-53	Contact point for questions regarding the report or its contents	Pg. 51 (Endnotes)	
GRI 102-54	'In accordance' option chosen for the report	Pg. 7	
GRI 102-56	Organization's policy and current practice with regard to seeking external assurance for the report	Pg. 7	
Governance			
GRI 102-18	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	Pg. 5	
Ethics & Integrity			
GRI 102-16	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Pg. 4	

Specific Standard Disclosures			
Material Issue	GRI Material Aspect	Performance Indicator	Omissions
Products			
Product and Service Quality	None identified	Revenues	
		New Sales	
		Profitability	
		Core Cash Creation	Pg. 19
Client Satisfaction and Retention	None identified	Client Retention Rate	Pg. 22
Product and Service Innovation	None identified	Product Innovation	
		Process Innovation	
		Digital Innovation	Pg. 21
Sustainalytics' Positive Impact	None identified	Delivery of products and services creating positive impact	Pg. 23
Human Capital			
Professional Growth Opportunities	Training & education	Training budget as a percent of personnel costs	
		Education credit usage	
		Annual performance and career development reviews	
		GRI 404-1: Average hours of training per year per employee	Pg. 32
Employee Engagement	Employment	Employee Turnover	
		GRI 401-1: New employee hires and employee turnover	Pg. 33
Equity & Diversity	Equal remuneration for men & Wwomen	Representation of women at senior levels of the company	
		Employee Exchanges	
		GRI 405-2: Ratio of basic salary and remuneration of women to men	Pg. 35
Operations			
Environmental Footprint	Emissions	GHG emissions offset	
		GRI 305-3: Other indirect greenhouse gas (GHG) emissions (Scope 3)	Pg. 36



Endnotes

Endnotes

- ¹ This number includes 18 contractors we were employing in the period and excludes an intern Sustainalytics employed in 2018.
- ² Sustainalytics' last report was our 2017 Sustainability Report, published in Q4 2018 on 2017 performance data.
- ³ A full materiality assessment was conducted in 2018. More information is found in the "Reporting Approach" section.
- ⁴ In 2014, Sustainalytics issued an internal Sustainability report based on our performance in 2013. This report was made available only to employees, board members and shareholders. The internal report was not prepared in accordance with GRI reporting guidelines.
- ⁵ For questions regarding this report or its content, please contact Vihra Toneva, vihra.toneva@sustainalytics.com.
- ⁶ Compensation and Benefits was included under the broader topic of **Employee Engagement**. Governance Structure and Composition was included as part of the overall information about the company. Employee Travel GHG Emissions and Energy Efficiency and Office GHG Emissions were combined to form **Energy Efficiency and GHG Emissions Management**.
- ⁷ Generally Accepted Accounting Principles
- ⁸ The IRRRI Survey is a global annual survey that gathers insights on the fields of sustainable investment and corporate governance research. In 2019, 954 verified respondents from 44 countries from the SRI and corporate governance fields shared their opinion on the best research firms.
- ⁹ The €750 entitlement is per fiscal year, pro-rated to the start date for new employees, and pro-rated to employment type. The local equivalent of €750 is determined by Finance' budget rates.
- ¹⁰ More information about the project can be found at Climate Neutral site at <http://climateneutralgroup.co.za/carbon-offsetting-biogas-tanzania/>
- ¹¹ Oxo-degradable plastic, including plastic carrier bags, degrades quicker in the open environment than conventional plastic.

