



# The Sustainability Yearbook 2020

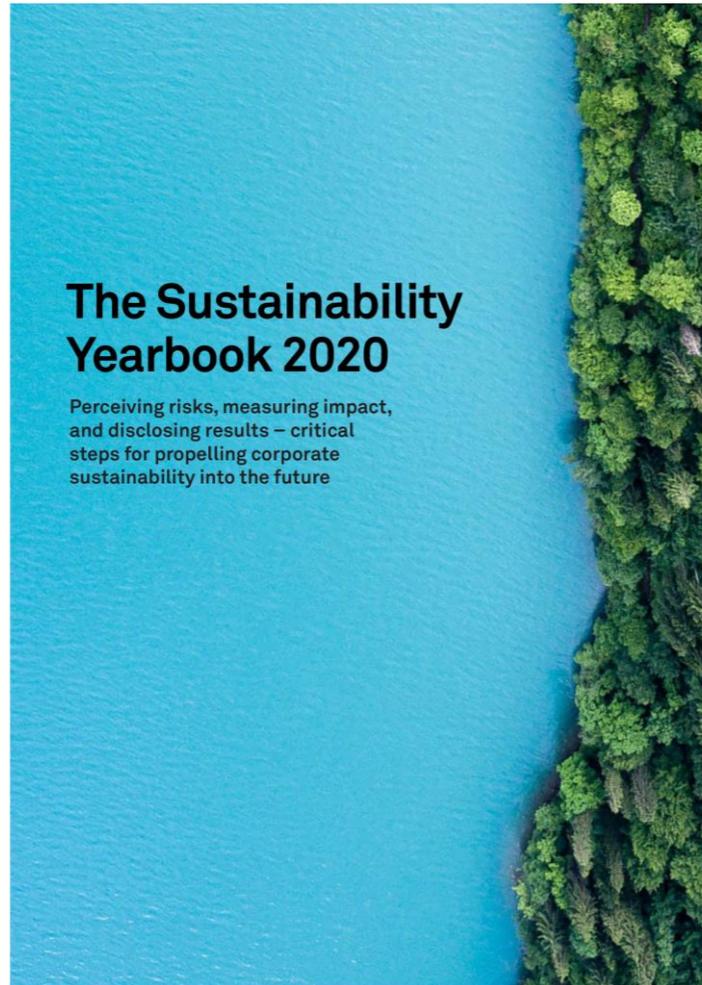
Jvan Gaffuri  
April 2020

“This Yearbook stands out for another reason. It’s the first one published by S&P Global”

D. L. Peterson

President and CEO S&P  
Global

# The Theme of Sustainability is Increasingly on the Minds of Investors, Business Leaders and Policy Makers



S&P Global

In cooperation with ROBECOSAM

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Source: The Sustainability Yearbook 2020

# S&P Global and SAM

- **S&P Global and SAM have had a long-standing, successful partnership of over 20 years;** in 1999, SAM and S&P Dow Jones Indices collaborated to launch the **Dow Jones Sustainability Index**.
- This will be **the first year that the CSA process is fully managed by S&P Global**. The acquisition of SAM from RobecoSAM closed January 10, which included the CSA platform and the transition of the SAM ESG Ratings and Benchmarking teams to S&P Global.
- We remain committed to maintaining the analytic rigor, customer service and data security that has resulted in the CSA being named the **leading ESG ‘rating’**.<sup>1</sup>
- **S&P Global is uniquely positioned** as the world’s foremost **provider of credit ratings, benchmarks/indices and data/analytics** in the global capital and commodity markets.
- SAM acquisition positions S&P Global as the **premier resource for ESG data, ratings, benchmarks** and insights globally.
- We expect to **include the CSA scores in S&P Global’s existing and future product offerings**.

1) <https://www.robecosam.com/csa/insights/2019/rate-the-raters-2019.html>

# What is Corporate Sustainability?

A company's **capacity to prosper**  
in a hyper-competitive and changing global  
business environment by

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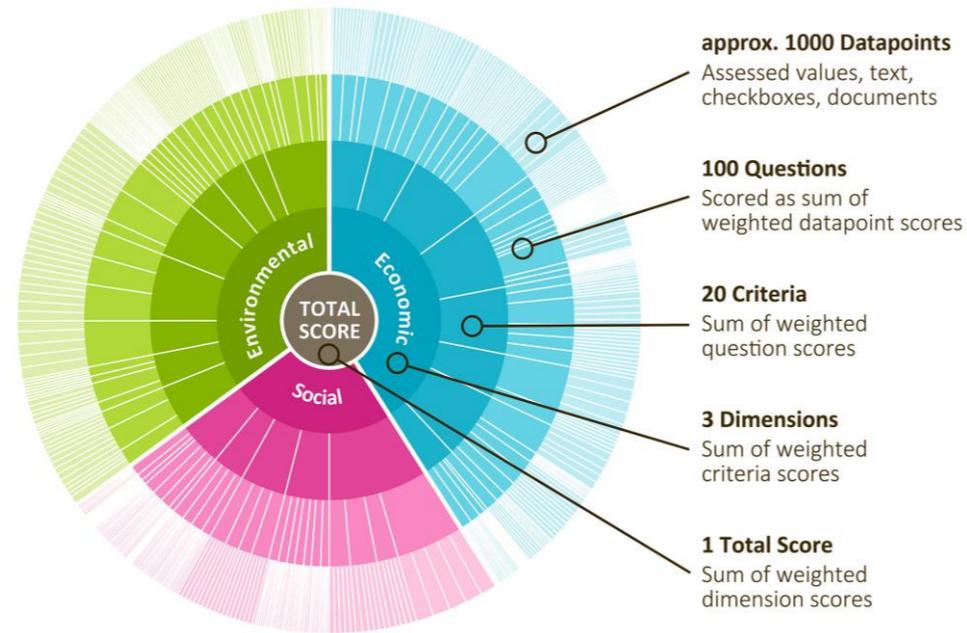
anticipating and managing **current and future  
economic, environmental and social  
opportunities and risks** and

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focusing on **quality, innovation and  
productivity** to create competitive advantage  
and long-term value

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# The Corporate Sustainability Assessment (CSA)



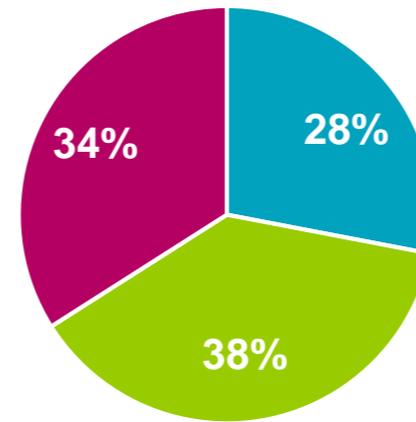
The Corporate Sustainability Assessment uses a **consistent, rule based methodology** to convert approximately **1000 data points** per industry **into one overall score**.

Working backwards, our ESG Benchmarking enable you to **benchmark your company** in detail across the economic, social and environ-mental dimensions, **all the way to individual data points**.

# The SAM CSA addresses material ESG factors systematically

Weighted criteria material to the Real Estate industry

Dimension and Criteria – Real Estate	Weight
<b>Social Dimension</b>	<b>34.00</b>
Social Reporting	4
Labor Practice Indicators	2
Human Rights	2
Human Capital Development	6
Talent Attraction & Retention	5
Corporate Citizenship and Philanthropy	3
Occupational Health and Safety	6
Stakeholder Engagement	3
Social Integration & Regeneration	3



■ Economic Dimension  
 ■ Environmental Dimension  
 ■ Social Dimension

Dimension and Criteria – Real Estate	Weight
<b>Economic Dimension</b>	<b>28.00</b>
Corporate Governance	7
Materiality	3
Risk & Crisis Management	4
Codes of Business Conduct	4
Customer Relationship Management	2
Policy Influence	2
Supply Chain Management	4
Information Security/Cybersecurity & System Availability	2

Dimension and Criteria – Real Estate	Weight
<b>Environmental Dimension</b>	<b>38.00</b>
Environmental Reporting	4
Environmental Policy & Management Systems	5
Operational Eco-Efficiency	8
Biodiversity	4
Climate Strategy	6
Building Materials	4
Resource Conservation and Resource Efficiency	7

Source: SAM

# Media & Stakeholder Analysis (MSA)

- MSA helps to verify a company's involvement and management of critical economic, social and environmental issues or crisis situations
- MSA can reduce a criteria score by 80% or more.
- MSA cases emerge when there are significant contradictions with sustainability criteria
- Cases must be **financially material**, and there must be direct and credible **evidence of management failure**
- Assessment of cases considers the case and the **management response to the issue**



Source: SAM, RepRisk

# Sustainability Yearbook: Methodology Overview

The 2020 Yearbook is based on the 2019 SAM Corporate Sustainability Assessment (CSA).

In 2019, 4710 companies were assessed in the SAM CSA (as of November 30th, 2019). Since 1999, SAM has been conducting the annual CSA and has compiled one of the largest and most comprehensive global databases on corporate sustainability.



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



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



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



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

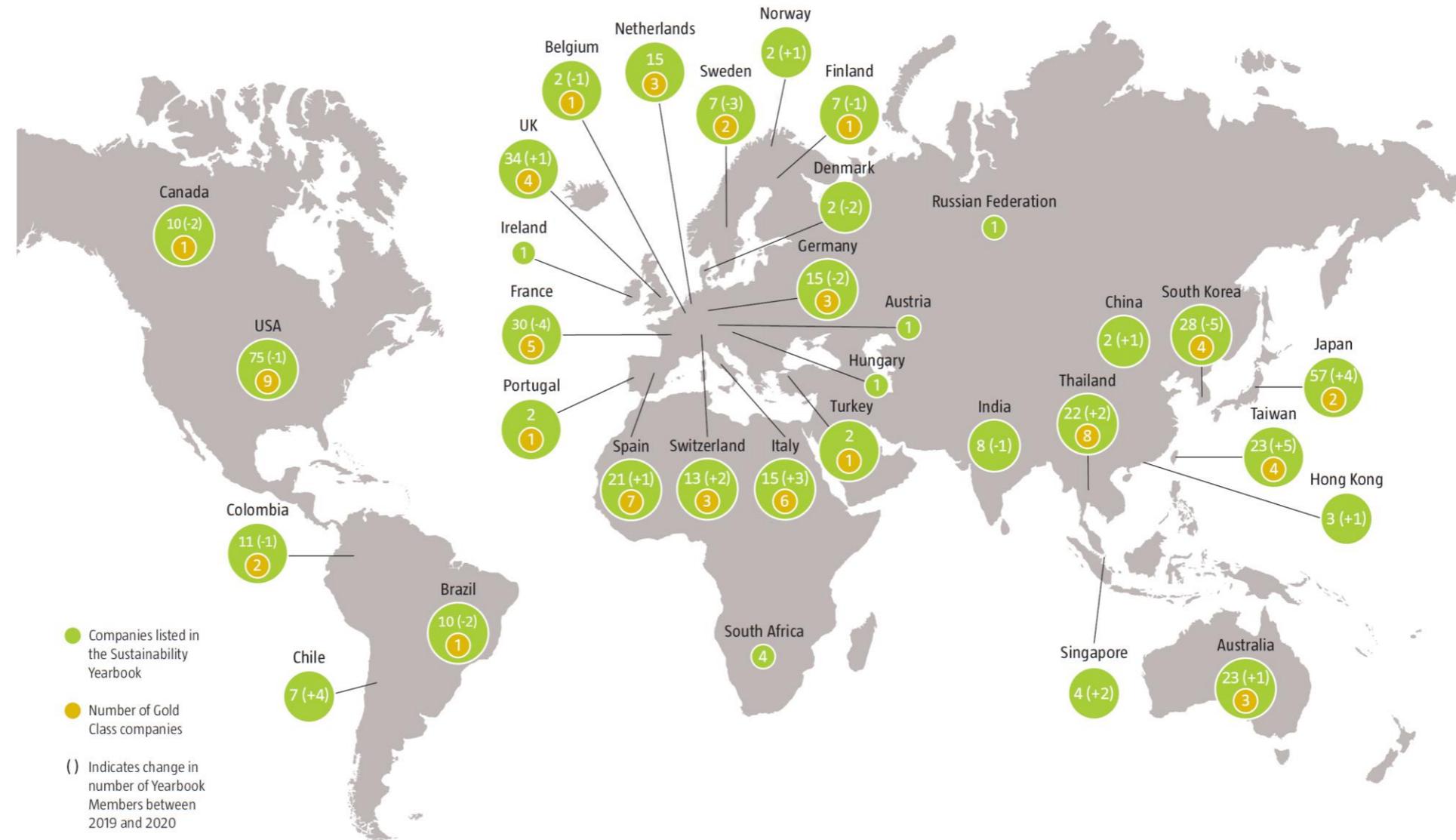
## Sustainability Yearbook Member

All companies that have been included in the Yearbook, but that have not received a medal distinction, are listed as a Sustainability Yearbook Member. In order to be listed in the Yearbook, companies must be within the top 15% of their industry and must achieve a score within 30% of their industry's top performing company

# Where are the World's most Sustainable Companies Located?

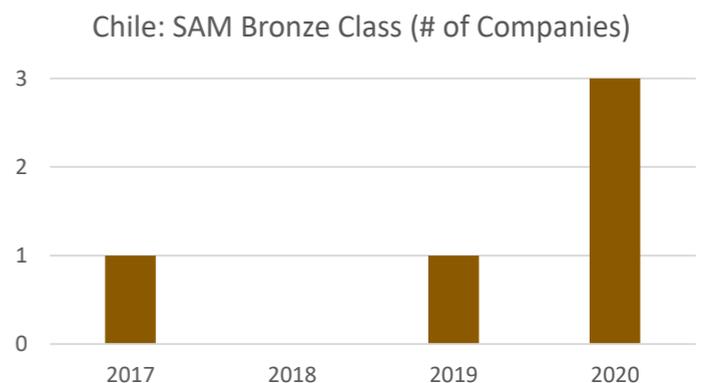
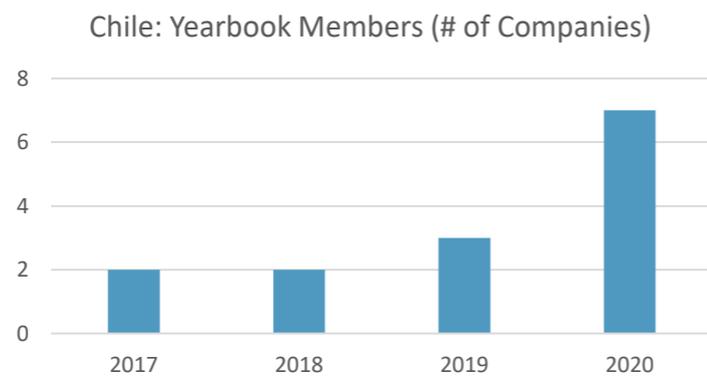
Out of the 458 companies listed in The Sustainability Yearbook, the following distinctions were awarded:

- 71 SAM Gold Class
- 64 SAM Silver Class
- 85 SAM Bronze Class



Source: The Sustainability Yearbook 2020

# Chile: Overview and Company Ranking by Distinction



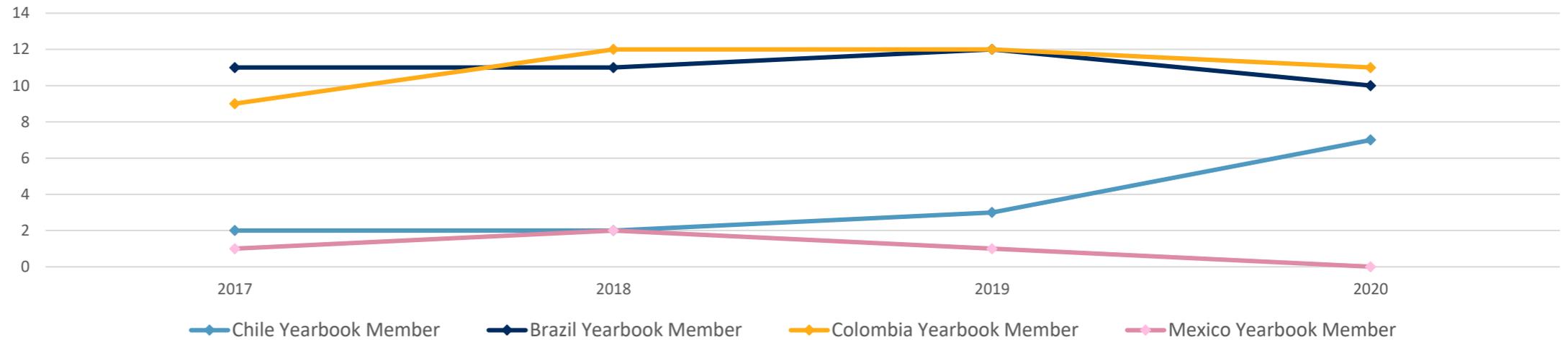
Distinction	Company	Industry	Country	SAM ESG Score
SAM Silver Class	SACI Falabella	Retailing	Chile	68
SAM Bronze Class	Enel Americas SA	Electric Utilities	Chile	81
SAM Bronze Class	Enel Chile SA	Electric Utilities	Chile	84
SAM Bronze Class, SAM Industry Mover	Latam Airlines Group SA	Airlines	Chile	75
SAM Bronze Class	AES Gener SA	Electric Utilities	Chile	78
SAM Bronze Class	Aguas Andinas SA	Multi- and Water Utilities	Chile	71
SAM Bronze Class, Sustainability Yearbook Member	Parque Arauco SA	Real Estate	Chile	67

- SAM Gold Class
- SAM Silver Class
- SAM Bronze Class
- SAM Industry Mover
- Sustainability Yearbook Member

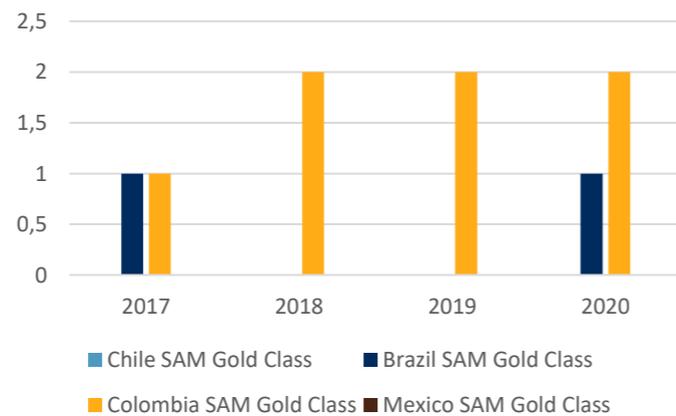
Source: The Sustainability Yearbook 2020

# Latin America: Overview

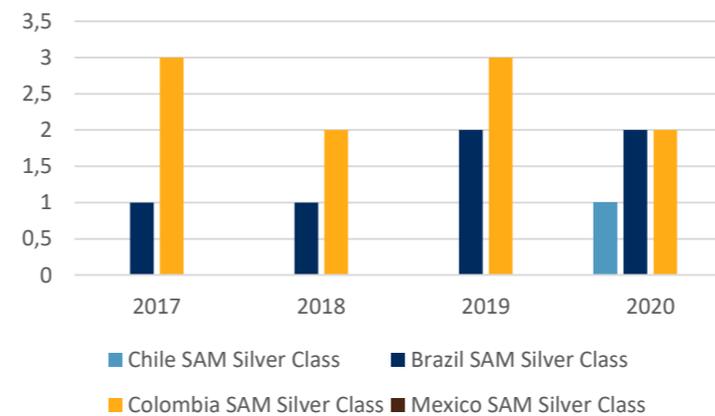
# of Companies in the Yearbook



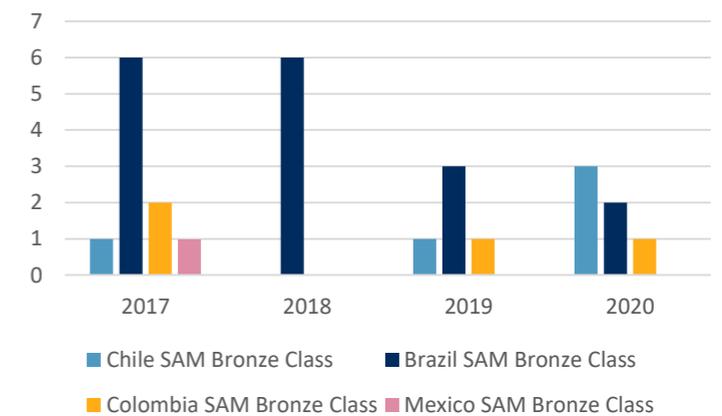
SAM Gold Class (# of Companies)



SAM Silver Class (# of Companies)



SAM Bronze Class (# of Companies)



Source: The Sustainability Yearbook 2020

# Emerging risks: why so relevant?

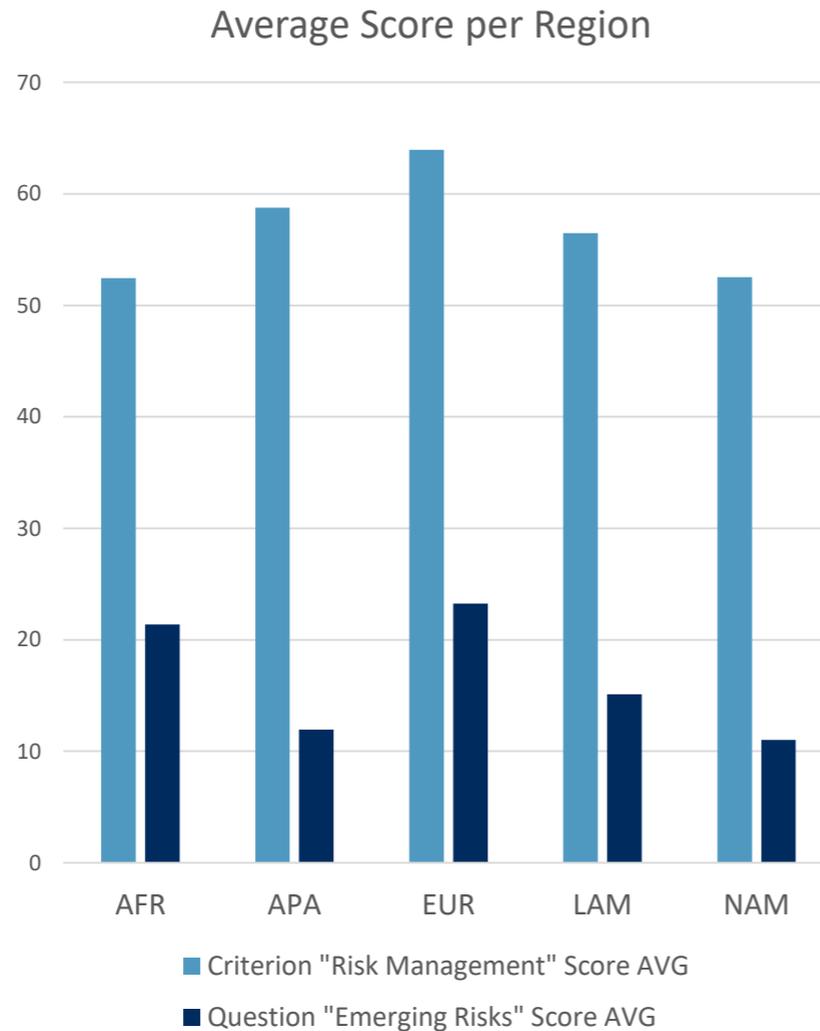
- As sustainability themed risks are on the rise, investors demand from companies:
  - to identify emerging risks early on;
  - to transparently communicate on these topics.
- Successful companies are able to show a comprehensive risk management process that:
  - Emphasizes the early identification of distant threats
  - To adapt and respond adequately.



Source: *The Sustainability Yearbook 2020*

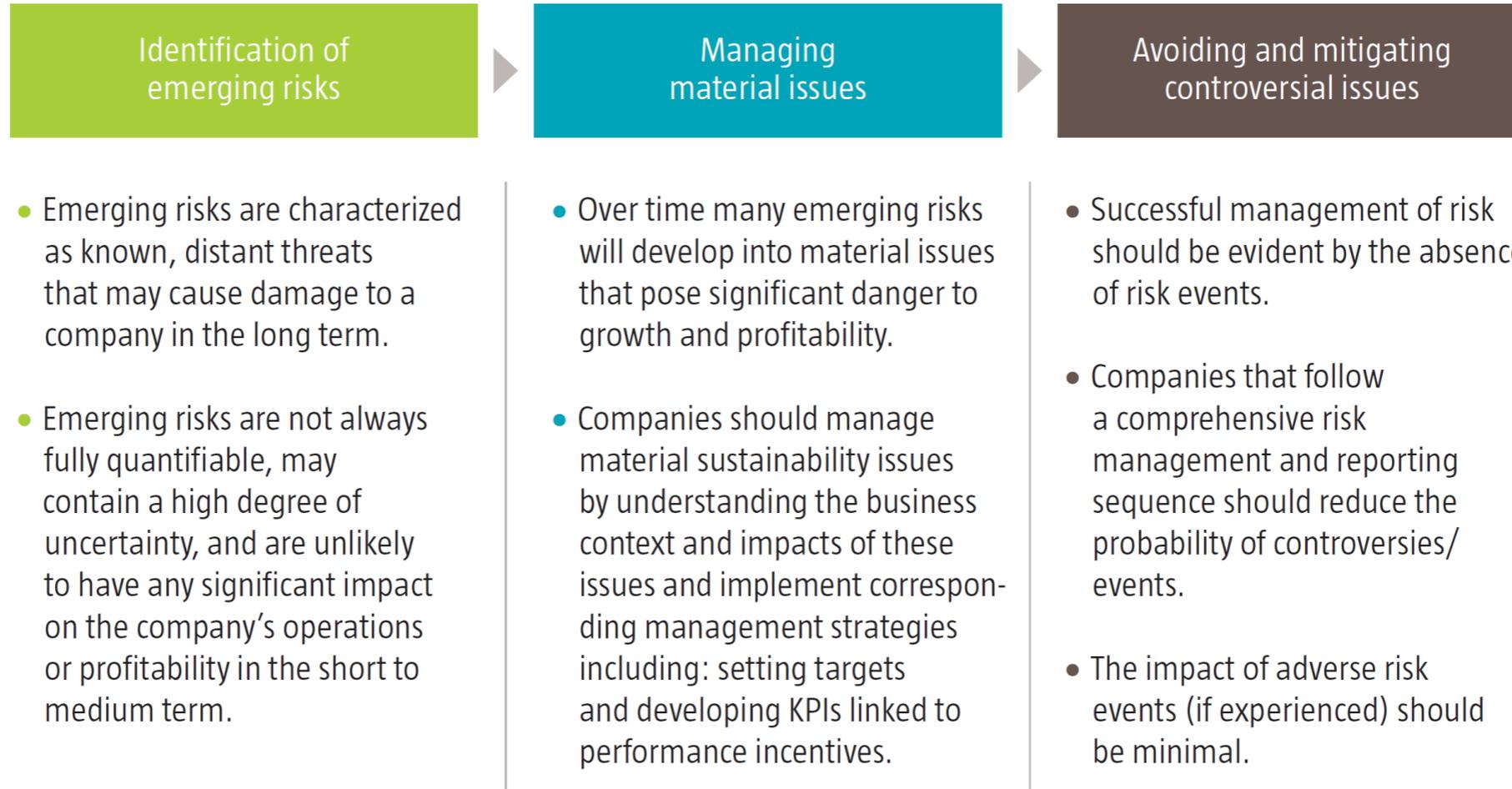
# SAM CSA: Emerging Risks – Identification, Business Impact, Mitigation Actions

The chart shows the average score for the criterion or question, by region or country; all participating companies in the CSA 2019



Source: SAM, Corporate Sustainability Assessment 2019

# The reporting sequence within a comprehensive risk management process

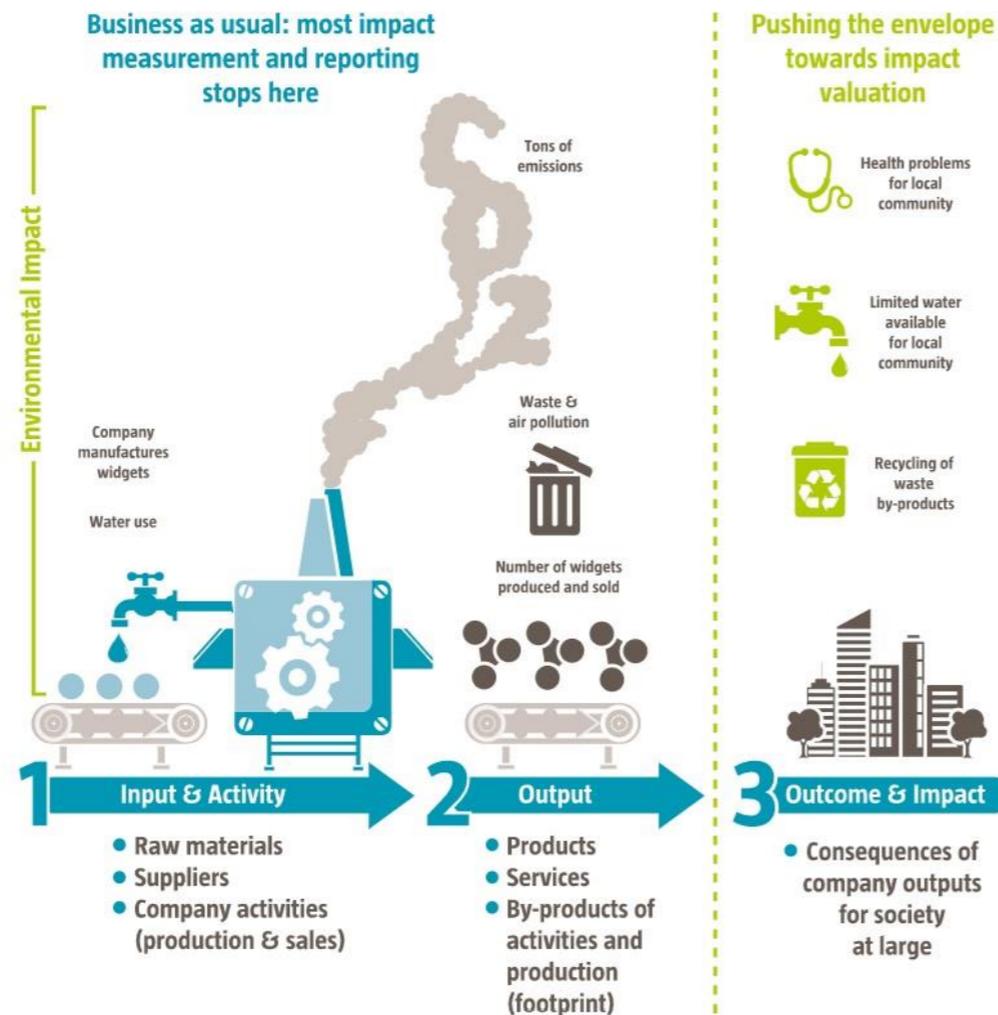


Source: RobecoSAM

Source: *The Sustainability Yearbook 2020*

# What is Impact Valuation?

**Impact Valuation** is the process or method through which a company evaluates the Impact of its environmental and social externalities.

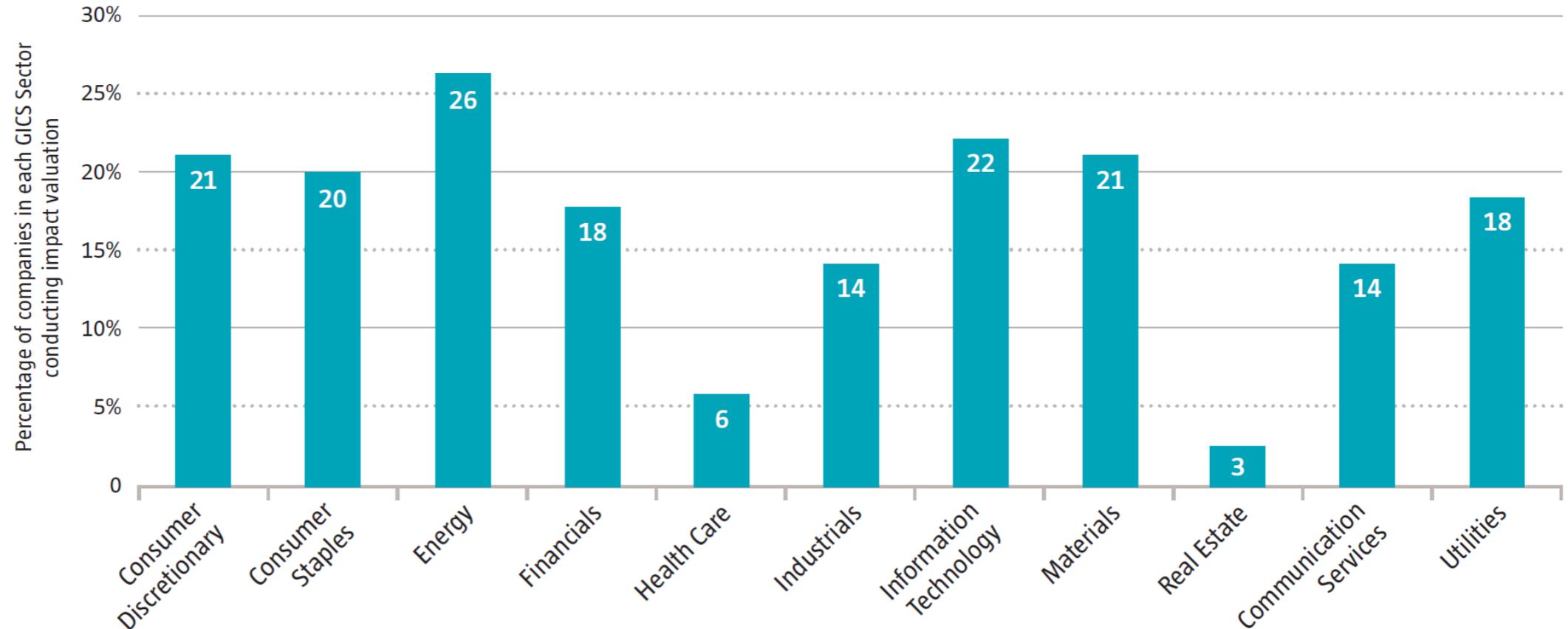


- **Traditional** sustainability reporting focuses on:
  - Inputs:
    - Natural Input: e.g. Water consumed (in mln cubic mt)
    - Social Input: e.g. Number of FTEs
    - Economic Input: e.g. Investments in R&D for environmental product/processes/services (in mln USD)
  - Business Activities:
    - Operations / manufacturing activities
    - Services
  - Outputs:
    - Natural Output: e.g. CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>x</sub> (avoided) emissions
    - Social Output: e.g. Revenues generated by microfinance investments, number of injuries per million hours worked.
- Impact Valuation goes **beyond** traditional sustainability reporting

Source: SAM

ESG Benchmarking

# An overview of impact valuation across sectors



Resource-intensive sectors like Energy, Materials and customer-facing Consumer Discretionary led in properly implementing impact valuations.

Source: SAM Corporate Sustainability Assessment 2019

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