SCR500 2019 Edition
SDG Commitment Report
Empowering Investors on Both Profit and Impact

% of companies focusing on the SDGs

<table>
<thead>
<tr>
<th>Year</th>
<th>50%</th>
<th>70%</th>
<th>90%</th>
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<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
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<tr>
<td>2018</td>
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Companies most visible on the SDGs in 2018

- Inditex
- Cemex
- Schneider Electric
- BNP Paribas
- Valeo

0 2500 5000

Most visible SDGs in 2018

- Climate Action (13)
- Responsible Consumption (12)
- Good Health (3)
- Decent Work (8)
- Sustainable Cities (11)
This Sustainable Development Goals Commitment Report (SCR) is based on

500 of the world’s largest companies with a combined market cap of more than 25 trillion USD

All 443,398 statements in 500 annual reports issued by these large corporations in 2017 and 2018 were categorized by human analysts.

All 2,088,092 reports on these 500 companies from 2001 - 2018 in international business print media (e.g., FT, WSJ, Handelsblatt, etc.) were analyzed.

All 1,097,967 quotes from 2001 – 2018 by financial analysts in international business print media on these 500 stocks and more were analyzed.
Methodology & Benefits of UNGSII Rankings: Creating transparency on the SDG-related disclosures of companies

SDG/ESG
- UNGSII analysts read and categorize the annual reports of companies and central banks according to direct and indirect references to the SDGs

Media Impact
- Analysis of business media and how they report on these companies
- Direct/indirect references
- Compare journalists/other stakeholders vs. analysts

Analysts Impact
- Analysis of analyst quotations in key financial publications (WSJ, FT, etc.).
- Perception of financial and non-financial value drivers

Performance
- Stock prices
- Bond prices
- Sales
- Net Pro Score ™
- Employer rankings

UNGSII Accelerating the financial impact of the SDGs

Creating transparency for investors, customers, and civil society

Supporting informed decisions

Enhancing the relevance of corporate reporting

Helping businesses to manage their reputation
UNGSII & OEKOM (ISS) rankings and indices help move markets by empowering profits

The Problem until 2017:
Only 30-60% of a company’s value is disclosed in their annual report according to Professor Eccles of Harvard Business School and PWC. On top of this, the inability to also compare non-financial performance as part of a consistent analysis framework is also missing for global investors. Over time, this has led to poor investment decisions that have repeatedly resulted in financial crises. The last one, in 2008, caused a major trust meltdown due to poor governance and a lack of standards.

The Solution:
193 heads of state signed the SDGs on behalf of all stakeholders in September 2015. The UNGSII Foundation creates unique transparency on the progress of both countries and companies. Leading rating agencies like OEKOM (ISS) prove that investing in companies with a track record in sustainable behavior (ESG) creates added value (see Trend 1). Combining UNGSII’s curated analysis of the global corporate commitments to the SDGs with due diligence on their ESG performance executed by OEKOM (ISS) helps investors make better informed decisions about the financial and social impact of their investments. Trend 2 indicates that financial markets embrace this concept. Trend 3’s review of today's management being fired for lack of ethical commitment could transition to a review of tomorrow’s CEOs being fired for their lack of commitment to the SDGs.

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Source: Oekom research 2017, Media Tenor 2017, Strategy &, manager magazin
The UNGSII SCR300 has thus far shown a rate of return of 13.71% over two years. This is after a return of 27.63% in 2017 alone. This performance demonstrates a solid challenge to competitors and highlights that responsible, socially conscious business is also profitable business, providing unique opportunities to support progress on the SDGs while also making an investment profit.

Because responsibility and sustainability improvements are always possible for all companies, the multiple data sources and regularly updated nature of the UNGSII SCR500 means its companies are always at the forefront of the business and investing advantage offered by supporting the SDGs.

**UNGSII SCR300 Global Sustainability Funds**

After performing in first place in bullish 2017, the SCR300 remained solid in bearish 2018 finishing second.

**Total Return 2 Years: Jan 1, 2017 - Dec 31, 2018**

- MSCI World: 8.43%
- S&P 500: 11.97%
- SCR500: 13.71%
- DJII: 18.03%
Pursuing the Sustainable Development Goals (SDGs) and harvesting the fruits of fundamental corporate change

Over 85% of the largest 500 global corporations now disclose non-financial information on the United Nations Sustainable Development Goals as part of their legally-binding annual financial report. Thus, it seems fair to conclude that the SDGs will become the globally accepted strategic roadmap by listed companies. A curated analysis of these data allows for specific, high-scale SDG impact investment.

In 2018, an SCR500 portfolio based on the SDG commitment of large global corporations already demonstrated competitive performance compared to other approaches. Data on 2018 display that competitiveness remains in bearish markets because the proprietary UNGSII data are not yet priced in by the markets.

Focusing on the SDGs provides investors with a truly global approach because the framework was developed and accepted by 193 UN member countries to be implemented by 2030. The analysis reveals that the SDG commitment on different continents shows varying levels of maturity. The combination of fundamental investment criteria and SDG commitment as released in annual financial reports and checked for consistency with the help of curated global media and analyst results is a novel investment approach that allows large-scale impact investing.

* Annual reports filed in 2017/2018
Quoted financial analysts have also been increasingly visible on CSR issues. This reflects both analyst commentary and the selection of quotations from them by journalists. This increase sends a clear message, however. How a company performs on CSR activities is an appropriate investment criteria for the market to consider.

Because financial analysts are usually speaking with a clear agenda about a company’s stock and whether investors should buy, hold, or sell it, they are more prone to focusing only on the extremes of CSR news – very positive activities or very negative actions. The opinion of quoted financial analysts is a key part of the picture.
TV and business media have been increasing their share of coverage on environmental issues. This showcases the importance of corporate environmental performance to a company’s overall image, and also emphasizes the crucial role the media plays in detecting and discussing greenwashing.

While a company may choose to say its environmental performance is strong in its annual report or other communications, corporations must realize that the media will seek to verify their claims. False statements can lead to extreme negativity as in what happened to VW and its experience with greenwashing.
Levels of SDG visibility vary by country

The average visibility for the SDGs in annual reports of leading companies differs by country. These differences are caused by a range of issues, including the preferred style of annual reports in a country, national regulations, and cultural interests. This diversity of SDG visibility creates opportunities for investors who may prefer to invest in baskets of companies based on their national origin or the specific SDG themes that they emphasize. There are many options of this nature and several example fund concepts – Austria, China, Germany, and an SDG 3 Good Health concept – follow. Note that the data for some countries are based on a small sample of companies so far.
Fund Concepts

As all asset managers have to serve the interests and rules of their mandates, the SCR500 Global can and should be used in meeting those specific needs. UNGSII has been asked to come up with stronger regional and national focuses as well as providing asset managers a chance to move away from negative screening to the concrete nature of SDG impact investing with options available that focus on only one SDG.

1. SCR100 China
2. SCR100 Germany
3. SCR100 Austria
4. SDG 3 Health Angel Fund
Chinese companies represent a compelling SDG story. The volume of SDG statements in the annual reports of analyzed companies has grown significantly from 2017 to 2018. Additionally, SDG visibility from Chinese companies both follows the global trend of a focus on Climate Action while also prioritizing SDGs like Clean Energy (7) and Quality Education (4) at higher levels than companies in other countries.

The Chinese government has taken steps to lower the economic impact on the environment. The ban on plastic waste imports effective January 2018 is one example, promotion of photovoltaic producers another. Investors need to carefully assess related risks and opportunities to identify those companies that can help to foster the SDGs domestically and abroad on a large scale.
Companies from a range of industries have shown strong visibility on the SDGs. These include purely Chinese companies headquartered in China as well as multinational conglomerates that are partially headquartered in China, often in Hong Kong. Visibility on the SDGs for Chinese companies is likely to continue to expand in line with global trends.

The commitment of Chinese companies to the SDGs serves as a particularly powerful global example thanks to the power of the country’s economy and the size of its population. If China is actively supporting the SDGs, the rest of the world will have even more incentive to get on board to benefit their own economies and people.
German companies, like those around the world, also show a firm commitment to SDG 13 – Climate Action. But German companies are also strongly committed to the goals of SDG 16 – Peace, Justice, and Strong Institutions. This SDG includes subgoals such as opposing corruption and strong support for equality for all people. An SDG fund with a focus on Germany can in turn serve to support these companies’ ideals as well as those of regional and global cooperation. Similarly, German companies place a high priority on decent working conditions and gender equality. These SDG focuses come from a combination of German values and regulatory policies which actively support workers, promote high environmental standards, and are moving to ensure the presence of women at all levels of a corporation.
Many German companies are extremely strong performers on the SDGs, with Deutsche Telekom leading the pack. German chemical companies have moved one step further from economic efficiency to safety and environmental protection goals since the mid 90s following several huge scandals (e.g., Hoechst/Frankfurt).

Despite the global scandal around diesel engine emissions cheating, German car makers are among the global leaders in energy efficiency. BMW has a significant number of e-vehicles. Adidas, the sports apparel maker, has announced plans to revolutionize the market by banning the use of virgin polyester in its products by 2024.
When each DAX 30 company was scored for SCR inclusion based on 2017 results released in 2018, scores varied, with Adidas and Deutsche Telekom being rated excellent with a 75 score each out of a possible 100 points. Eight other companies were rated good, and ten others were rated fair. Some companies in the SCR500 faced risks around specific areas (e.g., VW and the emissions scandal), but performance on other, unrelated areas allowed them some level of achievement even as opportunity for improvement remained. Discussion of multiple SDGs was key to companies reaching the Good or Excellent score category. The Excellent category could not be reached without positive media support the SDGs. Market share of some companies like Deutsche Post/DHL can help to leverage the SDG investment.

### SCR500 Scores for DAX 30 Companies (max. 100 points)

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<th>Fair</th>
<th>Good</th>
<th>Excellent</th>
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<tr>
<td>Linde</td>
<td>Deutsche Lufthansa</td>
<td>Adidas</td>
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<tr>
<td>RWE</td>
<td>Deutsche Post</td>
<td>Deutsche Telekom</td>
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<td>Allianz</td>
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<td>Beiersforf</td>
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<td>Deutsche Bank</td>
<td>SAP</td>
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<td>Daimler</td>
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<td>Deutsche Boerse</td>
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<td>Bayer</td>
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<td>Infineon</td>
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Austrian companies show extensive commitment to the SDGs. Being a country that is directly affected by climate change (e.g., glacial ice melts and landslides happening more frequently) its citizens and businesses are very aware of the consequences of unsustainable behavior. SDG 16 has also gained importance in recent years – not least because some large Austrian companies have been affected by governance / corruption scandals in recent years. Austrian companies have put a significant emphasis on SDG 5 (Gender Equality) in recent years. This can be seen as a response to low scores in country-by-country comparisons until 2016 (e.g., PWC study on gender-equality in OECD countries) or the Global Gender Gap Score by the WEF. Decent Work and Economic Growth have been focused on as well.
The analysis of a sample of leading Austrian firms’ financial annual reports indicate varying levels of SDG commitment. In terms of the financial sector, Erste Bank has taken most advantage of the SDGs so far. The strong commitment of Verbund and OMV, leading players in the energy and oil/gas business, is notable. Verbund has provided information on all of the 17 SDGs. A year-on-year increase in the number of statements signals a growing interest in the SDGs.
The share of companies addressing Good Health as an SDG increased to just over 50% in annual reports released in 2018 regarding performance in 2017.

Coverage on Good Health covers a range of considerations, including the health of employees, the health of communities in which a company operates, and the support of health-related charities that benefit those who are not directly associated with the company or where it operates.

Health initiatives from companies include preventive care services, exercise and other well-being activities, charity efforts regarding cancer, diabetes, and other serious diseases, and, occasionally, concern for mental health wellness as well.
For companies that do address SDG 3, their statements on it now comprise over 8% of all SDG statements compared to less than 7% last year.

This increased concern for health reflects corporate focus on the importance of the health of both employees and customers. Additionally, in the U.S., healthcare is a deeply fraught topic. Corporate efforts to provide medical care and prescription medicine for people without health insurance or with low incomes, is a way to address this major political concern without taking sides on the issue.

While pharmaceutical companies, health care providers, and insurers are all some of the leading corporates focusing on Good Health, visibility for the SDG crosses all industries.
The companies that are the most visible on SDG 3 Good Health represent a range of industries. While the expected leaders in pharmaceuticals and healthcare are present, banks, technology firms, and food companies are also amongst the leaders, highlighting the importance for all companies of caring about the health of employees, customers, and communities.

Over 40% of companies offer some comment on SDG 3, but these companies represent the strongest performance. Most of them also address other SDGs as part of a well-balanced SDG commitment.
Many companies are already driven by the SDGs

Over 300 of the top companies analyzed already talk about their commitment to the SDGs in their annual reports. This presents multiple opportunities. Impact investors have the opportunity to make solid profits while also helping the best performers in the categories they are most committed to stay best in class.

6% of companies are demonstrating exceptional commitment. Not only are they committed to the SDGs, they refer to them by name and address all of most of them in their annual reports. This helps to spread awareness and enlist others in helping to improve the planet. Focus on the SDGs and companies that contribute positively to the world will only continue to grow.

African companies perform the best in regard to the visibility of the SDGs in the annual reports. Almost 70% of African companies analyzed refer to the SDGs at a level considered good or excellent. Performance in Europe and Asia is also strong. This is markedly different than in the U.S. where the majority of companies do not reference the SDGs at a significant level. This is due to a number of factors, including a trend towards only producing a 10-K and not a magazine-style annual report in the U.S., as well as public sentiment about both the U.N. and some of the key SDGs (e.g., Climate Action).
Climate action was by far the most visible of the SDGs. This was due to a combination of factors, including legal requirements in some regions to report on greenhouse gas production and control. The visibility of climate action also showcased the urgency of this topic and reflected consumer expectations that companies behave responsibly when it comes to their impact on the environment. Regional differences related to the acceptance of climate change as a crisis were, however, a factor. While some industries necessarily addressed this topic more than others – i.e., automakers, energy producers, and oil, and gas companies – concern on this topic was visible across all industries. Responsible Consumption and Good Health are ranked second and third, closely followed by sustainable cities and good health. A few SDGs have extremely limited visibility, showcasing opportunity for companies that step forward.
European companies lead on the most visible SDGs – Climate Action, Responsible Consumption, and Good Health

As previously noted, the SDGs focusing on Climate Action (13), Responsible Consumption (12), and Good Health (3) were most visible across all annual reports.

Danone dominated on Climate Action, but was also strongly visible on Responsible Consumption.

Meanwhile, Inditex focused on responsible consumption in the textile industry, focusing on reducing waste at in their supply and consumption chain. The company was also strongly focused on Good Health for its employees and the communities it operates in.

North America companies were largely absent from the top ten on all three of these topics due to lower overall visibility on the SDGs.

This was due to a range of issues, including a growing trend in the U.S. to only file a Form 10-K and not a magazine-style annual report and political controversy about the reality of climate change.
The relationship between visibility of the SDGs and media tone

Media Tenor’s media sentiment data can serve as a control system. It allows investors to see if companies are accurately representing their commitments to the SDGs. Additionally, media sentiment data can help identify companies that are deeply committed to the SDGs but are not yet able to convey this information effectively to the media. Companies that are strongly visible on the SDGs in their annual reports tend to receive high shares of positivity in the media. If companies stress SDGs in their annual reports and the media sees a gap between promise and reality, companies are likely to attract adverse publicity with subsequent negative reaction from stakeholders such as investors dropping the share and consumers walking away. Visibility and tonality – in general and associated with the SDGs specifically – can help drive share prices up and down. This can be an important tool in predicting price fluctuations over a range of time intervals. Companies with a consistent high reputation on social development issues tend to benefit from lower borrowing costs and better scores in employee rankings. We have given each analyzed company a core from 1 – 100, which showcases not just the visibility of the SDGs, but the diversity of SDGs mentioned and the media image of companies related to these topics.
Similar to the impact of overall media tone, Media Tenor media sentiment data can also look exclusively at the tone of statements from financial analysts quoted by the media. This does not capture overall analyst sentiment, but it does capture the overall analyst sentiment as portrayed in the media. This expert opinion also has the ability to move the market and thus allows investors to anticipate stock market activity. Additionally, it can help companies ascertain which analysts can help them achieve media visibility based on quotation frequency and themes.
While in 2000 only 5% of quoted financial analyst statements on SCR500 companies focused on issues related to SDG/ESG activities in general, this went up to almost every seventh quote when they explained why they recommended buying or selling a stock.

On the other hand, most companies on the SCR500 have not been the subject of quoted financial analyst statements on their SDG and CSR activities. This mismatch has important implications for investors.

For some SCR500 companies a lack of visibility on SDG/CSR activity in statements from quoted financial analysts may indicate a weakness in corporate communications. For others, it may indicate skepticism or market events that contrast with company statements on the SDGs.

However, those companies which are visible in quoted financial analyst statements on these activities – and receive positive tonality – clearly rise above their peers in SCR500 scoring.
The 21 companies below are members of the SCR500 that received only positive and neutral coverage on their SDGs/CSR activities.

These companies have been effective in spreading their message on the SDGs beyond their annual reports and are capable of reaching new audiences regarding their sustainability commitment. These companies represent a range of locations and industries; those in Europe were the most successful in this regard.

The mix of regional focus shows that companies that excel can overcome regional biases that make visibility on CSR topics challenging in some markets. Responsible, sustainable corporate activities aren’t just better for society, but are ultimately the most profitable.

The U.S., for example, lags behind because of skepticism on widely accepted issues like climate change. This has resulted in lower attention from U.S. analysts on for SDGs and CSR topics.
Fund Concept: SDG 1 best performers - No Poverty

Overall
- BNP Paribas
- Sinopec Group
- Schneider Electric
- Erste Group Bank
- Access Bank

Americas
- Capricorn Investment
- Vale
- Credicorp
- Empresas Copec
- Cemex

Europe
- BNP Paribas
- Schneider Electric
- Erste Group Bank
- ASML
- Legrand

Asia Pacific
- Sinopec Group
- Reliance Industries
- Bank Mandiri
- Vingroup
- HCL

Africa
- Access Bank
- Tsogo Sun
- Safaricom
- Brait
- Ecobank Ghana
Fund concept: SDG 2 best performers - Zero Hunger

Overall
- Shoprite
- Diageo
- Reliance Industries
- Unilever
- Novozymes

Americas
- Cargill
- Walmex
- Publix Super Markets
- Canadian National Railway
- JM Smucker

Europe
- Diageo
- Unilever
- Novozymes
- Heineken Holding
- Compass Group

Asia Pacific
- Reliance Industries
- Toyota Motor
- ITC
- Vingroup
- Bank Mandiri

Africa
- Access Bank
- Astral Foods
- Safaricom
- Dangote
- Brait
Fund concept: SDG 3 best performers – Good Health

### Overall
- Pfizer
- Inditex
- Sanofi
- Reliance Industries
- Cigna

### Americas
- Pfizer
- Cigna
- BCE
- Cemex
- Grupo Financiero Banorte

### Europe
- Inditex
- Sanofi
- BNP Paribas
- Shire
- Schneider Electric

### Asia Pacific
- Reliance Industries
- Sompo Holdings
- AIA Group
- Bank Mandiri
- Top Glove

### Africa
- Distell
- Delta Corporation (Zimbabwe)
- Access Bank
- Safaricom
- Aspen Pharmacare
Fund concept: SDG 4 best performers – Quality Education

Overall

Schneider Electric
Inditex
BNP Paribas
PLDT
Reliance Industries

Americas

CMPC Empresas
Empresas Copec
Grupo Financiero Banorte
Credicorp
Cemex

Europe

Schneider Electric
Inditex
BNP Paribas
Sberbank
Orascom

Asia Pacific

PLDT
Reliance Industries
HCL
Bank Mandiri
Tenaga Nasional

Africa

Botswana Insurance
Tsogo Sun
Brait
Access Bank
Safaricom
Fund concept: SDG 5 best performers – Gender Equality

**Overall**

- Inditex
- Novartis
- Barclays
- BNP Paribas
- Legrand

**Americas**

- Pfizer
- State Street
- Grupo Financiero Banorte
- Vale
- Itau Unibanco Holding

**Europe**

- Inditex
- Novartis
- Barclays
- BNP Paribas
- Legrand

**Asia Pacific**

- Commonwealth Bank of Australia
- Reliance Industries
- HCL
- Denso
- Sojitz

**Africa**

- Access Bank
- Barloworld
- Remgro
- Stanbic
- Safariccom
- Delta...
The majority of European and African companies address gender equality in their annual reports. This is, in part, due to regulations that require active gender equality efforts vs. more passive non-discrimination regulations. 40% of companies in Asia Pacific show active comment on gender equality. In the Americas, however, the visibility of gender equality lags behind in both North and South America. Since women are half the population, they also represent half the potential work force and half of any company’s potential customers. Working towards gender equality therefore has clear benefits to all stakeholders. As such, equality can improve efficiency, the corporate environment, demand for products, and society at large. Many companies still have room to make progress on this issue.
Technology companies conspicuously absent on gender equality

There has been wide-spread publicity on sexism in tech companies. Media coverage has included accounts of pay disparities, lack of promotions, and sexual harassment at specific companies, as well as industry-wide concern that women are not interested in working in technology environments because of workplace culture. In addition, the ongoing “GamerGate” controversy has served to drive women out of video game-related spaces as both employees and hobbyists. In light of these problems, technology companies with a strong commitment to the SDGs have an opportunity to differentiate themselves from the pack by making it clear to all stakeholders that they are committed to being able to select from a large and diverse talent pool. However, only SAP was visible on gender equality at all. While SAP increased visibility on this issue compared to last year, overall the industry discussed gender equality less in its annual reports in 2018 than in 2017. Those companies that have not yet addressed gender equality in their annual reports, may wish to prioritize this in order to acknowledge concerns and boost investor confidence.

![Diagram showing technology company visibility on gender equality]

- SAP
- Intel
- Google
- Facebook
- Microsoft
- Cisco
- Apple

No statements

Number of statements
Lack of gender equality marks a key reputational threat to tech sector

The analysis of opinion-leading global media in 2017 and 2018 demonstrates the level of reputational risks linked with the technology sector when it comes to gender equality. Electronics and IT companies account for a significant share of stories on gender equality with strongly negative coverage as concern about sexual harassment in the workplace and equality for employees continues across multiple industries. Currently the tech industry is behind in communicating on and addressing the issue. Looking at individual media tone scores of some of the largest technology companies underpins the problem: Google had a rating of -43 (balance of positive/negative coverage tone in per cent), Amazon of -67, Apple of -50 to name just a few. Twitter and Uber had similar negative scores. The significant decline in company value following the controversy about Uber’s founding CEO Kalanick and his subsequent ousting in 2017 might act as a warning to all investors.

![Reports regarding gender equality and discrimination by industry 2017/18](image1)

![Reports regarding gender equality and discrimination by industry 2017/18](image2)
Drilling deeper into the global media coverage data on gender equality regarding 2017 and 2017, we find a number of companies that were negatively framed on a variety of issues. The Weinstein scandal that created widespread visibility for the #metoo movement on Twitter in late 2017 remained a highly visible issue. However, rape and sexual harassment are maybe extreme results of inequality, especially when it comes to power and influence. Important discussions comprised a lack of efforts in companies to create equal opportunities for men and women to reach top positions and to reduce the pay gap which still exists in many organizations. The media analysis also revealed some companies and organizations that achieved favorable acknowledgement of their activities on gender equality, like Siemens, Adidas, BHP, Erste Bank, Deutsche Telekom and Facebook. However, the issue seems to be still an emerging one as the number of positive reports has been rather low.

Companies with primarily negative (red) / positive (green) international media coverage on gender equality, (non) discrimination, promotion of women, sexual harassment

- Weinstein, Google/Alphabet, CBS, BBC, NBC, Uber, Amazon, Wynn, Bank of America, easy yet, Coutts, Credit Suisse, Nike, Trump
- Siemens, Adidas, Deutsche Telekom, Volkswagen, Citigroup, Erste Bank, BHP, SAP, Facebook
Fund concept: SDG 6 best performers – Clean Water

**Overall**

- **Diageo**
- **Valeo**
- **CMPC Empresas**
- **Cemex**
- **Heineken Holding**

**Americas**

- **CMPC Empresas**
- **Cemex**
- **Clorox**
- **Walmex**
- **Compañía de Minas Buenaventura**

**Europe**

- **Diageo**
- **Valeo**
- **Heineken Holding**
- **Roche Group**
- **Total**

**Asia Pacific**

- **Swire Pacific**
- **Reliance Industries**
- **Toyota Motor**
- **Bank Mandiri**
- **HCL**

**Africa**

- **Astral Foods**
- **Distell**
- **Barloworld**
- **Mondi**
- **Access Bank**
Fund concept: SDG 7 best performers – Affordable Energy

### Overall

- **Schneider Electric**
- **Legrand**
- **Valeo**
- **BNP Paribas**
- **Hermes**

### Americas

- **Cemex**
- **CMPC Empresas**
- **Grupo Financiero Banorte**
- **Walmex**
- **Clorox**

### Europe

- **Schneider Electric**
- **Legrand**
- **Valeo**
- **BNP Paribas**
- **Hermes**

### Asia Pacific

- **Swire Pacific**
- **Toyota Motor**
- **HCL**
- **Tenaga Nasional**
- **CITIC Group**

### Africa

- **Access Bank**
- **Barloworld**
- **Botswana Insurance**
- **Safaricom**
- **Stanbic**
Fund concept: SDG 8 best performers – Decent Work

**Overall**
- Inditex
- Vivendi
- Banco Bilbao Vizcaya Argenaria
- Akzo Nobel
- Sanofi

**Americas**
- Grupo Financiero Banorte
- CCR
- JP Morgan Chase
- Citigroup
- CMPC Empresas

**Europe**
- Inditex
- Vivendi
- Banco Bilbao Vizcaya Argenaria
- Akzo Nobel
- Sanofi

**Asia Pacific**
- Vingroup
- Sojitz
- Bank Mandiri
- HCL
- Reliance Industries

**Africa**
- Botswana Insurance
- Safaricom
- Tsogo Sun
- Access Bank
- Distell
Fund concept: SDG 9 best performers – Industry and Innovation

Overall
- Sanofi
- Valeo
- BNP Paribas
- Sberbank
- Deutsche Telekom

Americas
- CMPC Empresas
- CCR
- Empresas Copec
- Credicorp
- Credicoop

Europe
- Sanofi
- Valeo
- BNP Paribas
- Sberbank
- Deutsche Telekom

Asia Pacific
- Toyota Motor
- Chunghwa Telecom
- Reliance Industries
- NEC
- Terumo

Africa
- Botswana Insurance
- Access Bank
- Delta Corporation Limited (Zimbabwe)
- Safaricom
- Mondi
Fund concept: SDG 10 best performers – Reduced Inequalities

**Overall**
- Deutsche Telekom
- Inditex
- Vivendi
- BNP Paribas
- Remgro

**Americas**
- BB&T
- Verizon
- Enbridge
- Nike
- Blackrock
- IBM

**Europe**
- Deutsche Telekom
- Inditex
- Vivendi
- BNP Paribas
- Randstad Holding

**Asia Pacific**
- Woolworths
- Air New Zealand
- Reliance Industries
- China Mobile Communications
- Teljin

**Africa**
- Remgro
- Safaricom
- Access Bank
- Dangote
- Barloworld
Fund concept: SDG 11 best performers – Sustainable Communities

Overall

Cemex
Vivendi
Barloworld
Grupo Financiero Banorte
Hankook Tire

Americas

Cemex
Grupo Financiero...
Allstate
LATAM Airlines
Citigroup

Europe

Vivendi
Banco Bilbao Vizcaya...
Barclays
Akzo Nobel
Heineken Holding

Asia Pacific

Hankook Tire
Daikin
PLDT
Kao
Reliance Industries

Africa

Barloworld
Access Bank
Botswana Insurance
Aspen Pharmacare
Distell
Fund concept: SDG 12 best performers – Responsible Consumption

12 RESPONSIBLE CONSUMPTION

Overall

Inditex
Danone
Valeo
Swatch Group
Schneider Electric

Americas

Cemex
Walmex
Clorox
Alcoa
Grupo Financiero Banorte

Europe

Inditex
Danone
Valeo
Swatch Group
Schneider Electric

Asia Pacific

CITIC Group
Taiwan Semiconductor Manufacturing
HCL
Sojitz
Denso

Africa

Attacq
Delta Corporation Limited (Zimbabwe)
Mondi
Barloworld
Access Bank
Fund concept: SDG 13 best performers – Climate Action

Overall

Danone
Cemex
Schneider Electric
Valeo
BNP Paribas

Americas

Cemex
Alcoa
JBS
CMPC Empresas
Itau Unibanco Holding

Europe

Danone
Schneider Electric
Valeo
BNP Paribas
AXA

Asia Pacific

Toyota Motor
Swire Pacific
Tokai Carbon
Daikin
Commonwealth Bank of Australia

Africa

Barloworld
Attacq
Mondi
Grindrod Limited
Access Bank
Fund concept: SDG 14 best performers – Life Below Water

**Overall**
- Grindrod Limited
- BASF
- Swatch Group
- Sainsbury
- Adidas
- Danone

**Americas**
- CMPC Empresas
- Itau Unibanco Holding
- Empresas Copec
- Ecolab
- Cargill

**Europe**
- BASF
- Swatch Group
- Sainsbury
- Adidas
- Danone

**Asia Pacific**
- Inpex
- Toyota Motor
- Vingroup
- Sojitz
- Reliance Industries

**Africa**
- Grindrod Limited
- Dangote
Fund concept: SDG 15 best performers – Life on Land

15 LIFE ON LAND

Overall

Cemex
CMPC Empresas
Mondi
Danone
Inditex

Americas

Cemex
CMPC Empresas
Empresas Copec
Vale
Petrobras

Europe

Danone
Inditex
Total
BNP Paribas
Iberdrola

Asia Pacific

Reliance Industries
Tenaga Nasional
Vingroup
Tata Steel
Bank Mandiri

Africa

Mondi
Grindrod Limited
Tsogo Sun
Access Bank
Dangote
Fund concept: SDG 16 best performers – Peace and Justice

16 Peace, Justice and Strong Institutions

Overall

Banco Bilbao Vizcaya Argentaria
Inditex
Sanofi
Henkel
Vingroup

Americas

CCR
Credicoop
Banco Security
Itau Unibanco Holding
Compañía de Minas…

Europe

Banco Bilbao Vizcaya Argentaria
Inditex
Sanofi
Henkel
BMW

Asia Pacific

Vingroup
Sojitz
Infosys
Inpex
Hankook Tire

Africa

Botswana Insurance
Access Bank
Standard Bank Group Limited
Tsogo Sun
Ecobank Ghana
While concerns about peace, justice, and the rule of law are global, SCR500 companies evidence different levels of commitment on this topic in their annual report communications. While over 60% of the European companies in the SCR500 discuss this issue, less than 20% of the companies in the Americas do, suggesting very different attitudes about global crises in general and the most common global corporate crisis – corruption – in particular.

As is true throughout the SCR500, a lack of visibility for an SDG does not mean a company is not working on addressing it. However, without communications, those efforts do not benefit the company and do not encourage other companies to join in. Companies in the Americas need to look to their global peers on this issue and also be willing to take leadership in their own region. Current anti-regulatory sentiment in the U.S., may make addressing these topics challenging.
Some companies in the industries most impacted by charges of fraud and corruption were extremely active in communicating on peace & justice. BBVA and BNP Paribas were standouts in the banking industry. However, many of their peers only offered limited visibility on this SDG, if they offered any at all. Most U.S. and Australian banks, in particular, were disinclined to discuss the issue offering only a handful of statements on the subject and leaving a significant image opportunity on the table.

Car companies, which have suffered recently on emissions-related scandals, also avoided discussing justice issues. Of the car companies in the SCR500, only VW, Daimler, and Toyota addressed this SDG at all, and only VW at a significant level. This was not enough to counter the over 100 reports on fraud issues in the industry. Opportunities remain for car companies to address stakeholder concerns and seek leadership on these issues both within the industry and compared to other industries that also face risk.
Over the last five years, coverage of fraud and corruption has been strongly visible across multiple industries. The banking industry was strongly affected as the trust meltdown was ongoing and sales scandals were strongly visible in the media. The car industry also suffered amid the emissions scandal. But no industry was truly immune. Companies in the SCR500 have the opportunity to frame themselves as responsible members of their industry. This image can help them boost their position with both investors and customers and can also help redeem the overall attitude towards their industry. For investors, the SCR500 data on SDG16 can offer a way to avoid investing in companies prone to corruption scandals and fraud.
Petrobras and Volkswagen have been most exposed to negative news on fraud and corruption

The media multiplies information and structures awareness of stakeholder groups. The company most mentioned with regard to fraud and corruption in international business media in recent years has been Petrobras from Brazil. In light of the stark consequences of the corruption scandal the company writes in its 2016 20-F financial report: “Our management has identified material weaknesses in our internal control over financial reporting, and has concluded that our internal control over financial reporting was not effective at December 31, 2016, which may have a material adverse result on our results of operation and financial condition.” Volkswagen lacked in addressing SDG 16 in its annual report (see page 39).
Sustainable institutions making peace and justice a key priority on their agendas not only safeguards the reputation of companies but also the image of senior management. The global media play a pivotal role when it comes to unveiling fraud and corruption cases. Awareness for investigative journalism linked to tax withdrawal has been on the rise in recent years. For example the content of the “Panama Papers” and “Paradise Papers” was shared globally, exposing senior executives and owners of businesses to negative news on tax avoidance, fraud, money laundering, and other forms of misconduct. Executives are well advised to promote sustainable institutions and related ethics.
Fund concept: SDG 17 best performers – Partnerships for the Goals

**Overall**

- Inditex
- Cemex
- Akzo Nobel
- Schneider Electric
- Pfizer

**Americas**

- Cemex
- Pfizer
- Capricorn Investment...
- Empresas Copec
- Compañía de Minas...

**Europe**

- Inditex
- Akzo Nobel
- Schneider Electric
- Deutsche Telekom
- Banco Bilbao Vizcaya...

**Asia Pacific**

- Sompo Holdings
- Wilmar International
- Toyota Motor
- Inpex
- Reliance Industries

**Africa**

- Safaricom
- Brait
- Mondi
- Dangote
- Ecobank Ghana
There are companies communicating effectively on the SDGs in all regions
Fund concept: Industry leaders

**Airlines**
- Lufthansa Group
- LATAM Airlines
- Iceland Air

**Banking**
- BNP Paribas
- Banco Bilbao Vizcaya Argentaria
- Access Bank

**Cars**
- Toyota Motor
- Volvo
- BMW

**Food**
- Danone
- Sainsbury
- Astral Foods

**Insurance**
- Botswana Insurance
- AXA
- Aviva

**Pharmaceuticals**
- Sanofi
- Pfizer
- Roche Group

**Tech**
- Taiwan Semiconductors
- SAP
- Infosys

**Telecommunications**
- Deutsche Telekom
- Safaricom
- Telekom Austria AG
CEOs and chairmen around the world recognize the importance of the SDGs

Not all companies mention their commitment to the SDGs in the parts of their annual report dedicated to direct communication from their leadership to stakeholders. Those companies that prioritized this type of communication were not always those with the highest volume of statement on the SDGs.

However, associating the SDGs with the C-suite shows a considerable commitment that has high value in communications and media activities. This suggests these companies are likely to continue to grow their SDG commitments and are worthy of particular attention from investors.
Creating a Methodology for Investing in a Portfolio of Socially Responsible Assets
by Alfred R. Berkeley, Joseph A. Cajigal, and Conor Platt

Overview

There are numerous philanthropic financial initiatives. Many fail or become slowly ineffective. So why is this one worth your participation?

This initiative began with the signing of the Sustainable Development Goals (SDGs) in September 2015 at the United Nations. The SDGs are ambitious successors to the Millennium Development Goals (MDGs) established in the year 2000. The Millennium Development Goals were an initial set of goals that in some part have succeeded, but in many other areas were inadequate or poorly defined. Some of the goals were greatly affected by the financial recession of 2008, but the recession is not the only reason that the MDGs were unsuccessful. The Millennium Development Goals failed because there was little to no accountability. Furthermore, there was close to no transparency into what was accomplished and what was not accomplished. Additionally, companies were able to claim compliance by purchasing the use of a United Nations logo without effectively moving toward sustainability.

The SCR brings accountability and transparency to the United Nations’ ambitious Sustainable Development Goals for 2030. Understanding the complexities of operating within the United Nations bureaucracy, senior United Nations officers and advisors established a non-profit foundation outside the United Nations. It is designing a Global Sustainability Index, and its charter is to bring positive attention to companies and countries that are moving toward genuinely more sustainable businesses and to create financial instruments that enable investors to support these companies. It is known as UNGSII. Here is our approach:
Socially Responsible Investing Analysis
We analyze a global universe of stocks looking for high quality sustainable companies across all sectors and industries. The global universe that we use covers about 2500 issuers, and is updated on a quarterly basis. We use third-party sources as well as our own proprietary analysis to make investment decisions. The assessment of social and governance as well as the environmental performance of a company as part of the investment decision is carried out with the aid of over 100 social and environmental criteria, selected specifically for each industry. We adjust the criteria to keep up with the latest developments and findings. As a leader in this type of analysis we work hard to apply quantitative measures of what are essentially qualitative topics.
Proactive Industry Metrics
We take a “best in practice” approach to ensure that all sectors and industries are represented, with higher thresholds for high carbon and controversial industries. On an annual basis, we examine the key sustainability & governance metrics by industry. We want to ensure that a current constituent is worthy of further inclusion. For prospects, we are looking for the leaders within an industry.

We exclude any companies with severe violations against the UN Global Compact Principles or a low score regarding SDG compatibility of their product portfolio.

The resulting buying universe is a broadly diversified, global universe against which to apply our deeper SDG investment methodology.

Corporate Commitment Analysis
The corporate commitment factor is provided by UNGSII using leading media analyst Media Tenor's media sentiment data as a control system. It allows investors to see if companies are accurately representing their commitments to the SDGs. Additionally, media sentiment data can help identify companies that are committed to the SDGs but not yet able to convey this information effectively to the media. Companies that are strongly visible on the SDGs in their annual reports tend to receive high shares of support in the media. If companies stress SDGs in their annual reports and the media sees a gap in reality, companies are likely to attract adverse publicity and subsequent negative reactions from stakeholders such as investors selling and consumers walking away.

UNGSII conducts a detailed analysis of legally binding statements by the company incorporating SDG goals into their business practices and holds them to account year over year. UNGSII analysts read and categorize the annual reports of companies and central banks according to direct and indirect references to the

Creating a Methodology for Investing in a Portfolio of Socially Responsible Assets by Alfred R. Berkeley, Joseph A. Cajigal, and Conor Platt
SDGs. A media Impact study is conducted analyzing the business media and how they report on these companies. Journalists and other corporate stakeholders’ views are compared to the views of financial analysts and their perception of financial and non-financial value drivers. A corporate assessment ranking is made.

Financial and Investment Analysis
Financials represent the largest volume of data, combining publicly available financial forecast and historical data. We break financials down into the following Fundamental components: Growth, Earnings Revisions and Valuation. We also employ technical analysis focusing on Relative Strength, Trend and Momentum analysis.

We specifically look at the following:
1) Fundamental prospects for growth - (e.g., returns on invested capital, sales, and earnings)
2) Incremental changes in earnings - (e.g., earnings revisions)
3) Valuation -(e.g., measuring earnings, sales, enterprise value, book value and free cash flow)
4) Price momentum - (e.g., focusing on fundamentally driven price changes)
5) Relative Strength - (e.g., evaluating each stock relative to its peers)
6) Technical trend - (e.g., evaluating price, liquidity and volatility)

Portfolio Construction
Using a proprietary factor weighted approach, we rank each company against the overall universe by Environmental, Social, and by Governance strengths and by Financials.

In constructing the portfolio, we are guided by the work of Henry Markowitz’s thesis “Portfolio Solution” (1952), by William Sharpe’s Capital Asset Pricing Model (1964), by A.G. Becker and by Gary Brinson et. al. “Determinant of Portfolio Performance” (1986). We employ current versions of Modern Portfolio Theory which provide a framework for seeking to maximize returns at a given level of volatility.
When constructing the portfolio, the following key Modern Portfolio Theory statistics are used:

- **Diversification** - considering the number of holdings, security and sector weightings and country weightings
- **Standard Deviation** - measuring volatility or risk
- **Upside and the Downside Capture Ratios** - measuring portfolio-performance relative to a market index during specific periods
- **Beta** - measuring an asset’s risk in relation to the market
- **Alpha** - predicting incremental return from the portfolio when the market is stationary
- **R-Squared** - calculating the statistical measure representing the percentage of the portfolio’s or security’s movements
- **Tracking Error** - measuring of the standard deviation of the difference between a selected market index and a portfolio’s quarterly returns
- **Information Ratio** - measuring of the risk adjusted return of the portfolio

Our portfolio will usually be comprised of between 100 - 150 constituents with a broad exposure to companies classified by varying style and market capitalization.
Final Thoughts
In summary, we are seeking your participation in this new UNGSII initiative because it is designed to incentivize companies to commit to Sustainable Development while it should earn you a solid return on your investment. There are, of course no guarantees of good financial performance. Our approach is straightforward: we apply traditional investment rules to a select universe of companies that have committed to Sustainability and implement their commitment in their business. By pooling the resources of many investors, we mean to send a clear message to companies and governments that major corporations and world leaders must commit to sustainable activities and that the institutional investment community will invest in companies that commit to doing the right thing. Sustainable development is on the cusp of taking off. We need your help in sending a clear, loud message. Join us.
Contributors

ALFRED R. BERKELEY, III

Al resumed the Chairmanship of the Firm in January 2013, a position previously held from 1996 to 2006. Al was President of NASDAQ Stock Market, Inc. from 1996 until 2000 and was Vice-Chairman until 2003. Prior to returning to Princeton Capital Management, Al was Chairman of Pipeline Financial Group, Inc. Earlier in his career, as a General Partner of Alex. Brown & Sons, Al served as a software analyst where he was designated a First Team All American analyst. He has served as a Director of a number of companies, institutions and non-profit organizations including Safeguard Sciences, Comshare, Cognos, Webex Communications, ACI Worldwide, Realpage, Edgar Online, The Nature Conservancy, The World Economic Forum USA and Johns Hopkins University among others. Al has also served on a number of government advisory panels: The President's National Infrastructure Advisory Council, U.S. Department of Homeland Security Committee on Homeland Advisory System, Committees on Scientific Communications and National Security, Monetary Authority of Singapore's International Advisory Council, among others. He has testified before Congressional committees (Joint Economic Committee, House Homeland Security Committee, and House Permanent Select Committee on Intelligence). Al took his bachelor's degree from the University of Virginia and his MBA from the Wharton School and served as an officer in the US Air Force and the US Air Force Reserve.

JOSEPH A. CAJIGAL

Joe is the Chief Executive Officer of Princeton Capital Management' and is responsible for managing equity and balanced portfolios for clients. Previously, Joe was founder of Hudson Canyon Investment Counselors. Previously he was the Executive Officer responsible for the management of Fiduciary Trust Company International's ("Fiduciary") domestic mutual fund company, its non-U.S. mutual fund company and its registered broker dealer. During his tenure, he served as a member of Fiduciary's Management committee, Fiduciary's Executive committee, Division Executive for the Investors Services Division, President of its tax planning and compliance subsidiary and President of its New York Stock Exchange registered broker-dealer. Joe holds a BA degree in Mathematical Economics from St. Peter's College.

RACHELINE MALTESE

Racheline Maltese works as a researcher at Media Tenor International focusing on the media portrayal of economic and political issues; she has been with the company since 2002. Her academic and professional background includes a journalism degree from The George Washington University and a stint in the Computer Assisted Reporting unit of the Associated Press. In addition to her work with MTI, she is widely published on pop-culture topics, and her work has appeared in media outlets like Salon as well as in academic texts from McFarland. She is based in New York City.
CONOR PLATT
Conor is the founder and CIO of Confluence Capital Management, which runs a private all-weather investment partnership, Confluence Capital, LP. Confluence has been advising Princeton Capital on the development of their sustainable strategies and portfolio construction. Previously, Conor was the co-founding CEO and CIO of Etho Capital, a sustainable asset manager with ETF and Index solutions. Etho Capital was recognized as a FAST Company Innovative Company in 2016, and its US Focused ETF(ETHO) has been one of the top performing sustainable ETFs since inception. Previously, he worked at Brown Brothers Harriman on the Portfolio Strategy team upon earning his MBA from the Tepper School of Business at Carnegie Mellon University. He was an analyst at Morgan Stanley in New York after receiving his B.S. in Finance with honors at Carnegie Mellon University.

ROLAND SCHATZ
Roland Schatz founded InnoVatio Publishing in 1985 and its research institute Media Tenor International in 1993. For the last 30 years he has been devoted to implementing social change. In 2008 he launched, together with Prince Ghazi of Jordan, the C1 One World Dialogue foundation to improve Inter-Faith-Dialogue. The InnoVatio network of academics, entrepreneurs and media leaders initiated the Global Sustainability Index. Schatz teaches Constructive Disruption and Perception Change. He hosts masterclasses on ‘Unlearning Intolerance’ together with UN Academic Impact. Since 2013 he serves as Senior Advisor to the Director General at the United Nations in Geneva. He is the founder of the UNGSII foundation in 2014 to support the implementation of the SDG’s by creating transparent indices and providing data and know how to leaders from all sectors of life.

MATTHIAS VOLLBRACHT
Matthias Vollbracht is the Director of Business Research at Media Tenor International in Vienna/Austria, Managing Director of Awareness Metrics, a platform for reputation risk and investment signal solutions and Chief Information Officer of UNGSII foundation. His research focuses on the impact of media on public opinion, stakeholder groups and the reputation of institutions and individuals. Furthermore, he explores the influence of media on asset prices and economic behavior, like investor and consumer confidence. Matthias Vollbracht has been working for major international clients with focus on reputation management, agenda-setting, target systems, crisis communication, management reputation, financial communication, and CSR. He has developed reputation insurance solutions based on empirical risk assessment. He holds degree in economics from the University of Mainz and has worked as a business journalist.
### Companies Analyzed for the SCR500

**Asia**
- UltraTech
- Aditya Birla Group
- Advanced Card Systems
- Aeon
- AIA Group
- Air India
- Alibaba
- Asahi Glass
- Bank Mandiri
- Banpu
- BHP Billiton
- Canon
- Cebu Air
- Central Pattana
- China Electronics
- China Mobile Communications
- China Vanke
- Chunghwa Telecom
- Ciputra Development
- CITIC Group
- Compal Electronics
- CPC
- Daikin
- Delta Corporation (India)
- Denso
- Dongfeng Motor Group
- East Japan Railway
- Flextronics International
- Formosa
- Genting Malaysia Berhad
- Hankook Tire
- Haseko
- HCL
- HDFC
- Hindustan Petroleum
- Hindustan Unilever
- Hitachi
- Genting Malaysia Berhad
- Hankook Tire
- Haseko
- HCL
- HDFC
- Hindustan Petroleum
- Hindustan Unilever
- Hitachi
- Honda Motor
- Hyflux
- Infosys
- Innolux
- Inpex
- ITC
- Itochu
- Japan Post Holdings
- Japan Tobacco
- Jardine Matheson
- Jollibee Foods
- Kao
- KDDI
- Kikkoman
- Kirin
- Macquarie
- Mahindra and Mahindra
- Marubeni
- Midea Group
- Mitsubishi Electric
- Mizuho Financial Group
- MTR Corp
- Nan Ya Plastics
- NEC
- Nichirei
- Nintendo
- Nissan Motor
- Noble Group
- NTT DoCoMo
- Panasonic
- Pegatron
- PLDT
- Quanta Computer
- Reliance Industries
- Samsung
- Shandong Weiqiao Pioneering Group
- Singapore Telecommunications
- Sinopec Group
- Sojitz
- Sompo Holdings
- Sompo Japan Nipponkoa
- Sony
- State Bank of India
- Swire Pacific
- Taiwan Semiconductor Manufacturing
- Takeda Pharmaceutical
- Tata Motors
- Tata Steel
- Teijin
- Telstra
- Tenaga Nasional
- Terumo
- Tokai Carbon
- Top Glove
- Toyota Motor
- Vietnam Dairy Products
- Vingroup
- WH Group
- Wilmar International
- Xiaomi
### Africa
- Access Bank
- Aspen Pharmacare
- Astral Foods
- Ataqq
- Barloworld
- Bidvest
- BMCI
- Botswana Insurance
- Brait
- Capevin Holdings
- Cashbuild
- Dangote
- Delta Corporation (Zimbabwe)
- Distell
- Ecobank Ghana
- Eskom
- Foschini
- Greenbay Properties
- Grindrod Limited
- Liberty Two Degrees
- Mondi
- MTN Group
- Naspers
- Remgro
- Safaricom
- Sasol
- Stanbic
- Standard Bank Group
- Steinhoff International
- Tanzania Breweries
- Tsogo Sun
- Vodacom
- Zeder Investments
- Shoprite

### Oceana
- Air New Zealand
- Australia & New Zealand Banking Group
- Billabong
- Commonwealth Bank of Australia
- National Australia Bank
- Qantas
- Wesfarmers
- Westpac Bank
- Woolworths

### Middle East
- Emirates Airlines

### South America
- Asenav
- Avnet
- Banco Bradesco
- Banco Security
- Capricorn Investment Group
- CCR
- Cemex
- Cencosud
- Cielo
- CMPC Empresas
- Compañía de Minas Buenaventura
- Credicoop
- Credicorp
- Empresas Copec
- Enel Americas
- Gerdau
- Itau Unibanco Holding
- LATAM Airlines
- Petrobras
- Ultrapar
- Participacoes Vale
<table>
<thead>
<tr>
<th>Europe</th>
<th>Companies Analyzed for the SCR500</th>
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<tbody>
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<td>Atlas Copco</td>
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<td>Evonik Industries</td>
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<td>Aviva</td>
<td>First Group (Greyhound)</td>
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<td>Banco Bilbao Vizcaya Argentaria</td>
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Companies Analyzed for the SCR500

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<th>Europe (cont.)</th>
<th>North America</th>
<th>North America</th>
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<td>Best Buy</td>
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<td>Fannie Mae</td>
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<td>Blackstone</td>
<td>Femsa</td>
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<td>Boeing</td>
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<td>Bristol-Myers Squibb</td>
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<td>Canadian National Railway</td>
<td>Freddie Mac</td>
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<td>Capital One Financial</td>
<td>Fuel Tech</td>
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<td>WPP</td>
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<td>General Electric</td>
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<tr>
<td>Zurich Insurance Group</td>
<td>Cargill</td>
<td>General Mills</td>
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Companies Analyzed for the SCR500

North America (cont)
General Motors
George Weston
Gildan
Goldman Sachs
Green Mountain
Grupo Bimbo
Grupo Financiero Banorte
Grupo Televisa
Herbalife
Hershey
Home Depot
Honeywell International
Hormel
HP
Humana
IBM
Intel
Intercontinental Exchange
International Paper
Intuit
JBS
Jet Blue
JM Smucker
Johnson & Johnson
JP Morgan Chase
Keurig
Kimberly-Clark
Kraft-Heinz
Kroger
Liberty Mutual Insurance Group
Live Nation
Lockheed Martin
Macy's
Mattel
McKesson
Microsoft
Molina Healthcare
Mondelez International
Monsanto
NASDAQ
Nationwide
Netflix
Nike
Norfolk & Southern
Northrop Gruman
Nvidia Corp.
Oracle
PepsiCo
Pfizer
Philip Morris
PNC Financial
Praxair
Procter & Gamble
Prologis
Publix Super Markets
Ralph Lauren
Restaurant Brands
Royal Bank of Canada
Salesforce
Sands
Sprint
Staples
Starbucks
State Street
Symantec
Sysco
Target
Tesla
Texas Instruments
Time Warner
TJX
Toronto-Dominion Bank
Twenty-First Century Fox
Tyson Foods
United Continental Holdings
United Technologies
UnitedHealth Group
UPS
US Bancorp
US Foods Holding
Verizon
Visa
VMWare
Walgreens Boots Alliance
Walmart
Walmex
Wells Fargo
Whirlpool
Williams
Yum!Brands
Warnings Regarding Financial Returns
The purpose of this booklet is to solicit your commitment to and involvement in the United Nations Sustainable Development Goals. We believe that humanity must create a large community of interest dedicated to changing human behavior to live in harmony with this small planet.

One of the ways you can show your commitment is to invest in companies that are themselves operating in sustainable ways. We believe investment is a powerful tool that can send a powerful positive message to the corporations the shares of which we include in our index and a powerful negative message to the corporations the shares of which we do not include.

We have developed a unique approach that guides which shares we include in our index and which shares we do not include. It is NOT the approach that investors typically take. Specifically, we require that the company commitments in its legally binding regulatory reports to pursuing one of more of the Sustainable Development Goals. This limits the universe of available candidates. For example, in the litigious United States, some good companies, with strong commitments to the SDG’s, do not discuss their commitment in their regulatory filings. They are excluded from our index.

The conventional wisdom in investing is that restricting the universe of available investments will reduce the returns available to investors. That wisdom may be true, but we believe it is not. We are making a bet, with your money, that companies that are committed to sustainable business practices will produce larger returns than companies that are not so committed.

Additionally, we have had one year of strong results in the performance of the index that we constructed during the year. Please do not assume that we will have strong results again. Our investment team is very experienced and wise from being humbled by the market again and again. Past results are no assurance of future results. This index is relatively new and unproven. It is therefore risky.

Some of this material has been prepared by Princeton Capital Management, LLC (“PrinCap”). This document is for information and illustrative purposes only and does not purport to show actual results. It is not, and should not be regarded as investment advice or as a recommendation regarding any particular security or course of action, nor any attempt to solicit investment services in any jurisdiction where such offering has not been registered.

The UNGSII strategy performance figures set forth are hypothetical or simulated. As such, such figures do not represent actual trading, are not necessarily indicative of future results, have certain limitations and may not reflect the impact that material economic and market factors might have had on UNGSII results if PrinCap were actually managing clients’ money. For example, such results may have under- or over-compensated for the impact, if any, of material economic and market factors, such as lack of liquidity.

In addition, such figures are time-weighted and annualized, include realized and unrealized gains and losses and are gross and not net of management fees or commission charges.

No guarantee is made that the UNGSII Strategy will be successful; no representation is made that the UNGSII Strategy will or is likely to achieve the results set forth above; and investors should be aware that past performance, and simulated performance in particular, is no guarantee of future results. An investment based upon the UNGSII is speculative and involves risk), actual performance may be lower or higher than the performance data quoted, and investors may lose capital.
5 options to work with us:

1) Contract the UNGSII Foundation to give access to additional data, or to have your portfolio analyzed with the same standards.

2) Send your asset managers to the Senior Executive Masterclass and become a certified SDG Expert.

3) Become a partner in the Global Youth Poll – see following pages.

4) Join the 25+5 SDG Cities Leadership Platform – see following pages.

5) Maybe you have your own concepts and ideas: let’s have a conversation how we can cooperate.

Contact Information

UNGSII Foundation
Roland Schatz
Phone: +41 79 255 36 36
roland.schatz@ungsii.org

Visit: http://ungsii.org
Interested in your company’s individual SCR report?

If you want to see how your company stacks up, please contact Matthias.Vollbracht@ungsii.org
Taking the next generation seriously – implementing the first Global Youth Poll
Roland Schatz

The September 2015 agreement on Sustainable Development Goals requires all states to implement the 17 SDGs by 2030. By then, the next generation will be starting to take over from today’s leaders – but no one yet knows how the next generation is thinking about these “global goals.” Therefore, the General Director of the UN in Geneva, Michael Moller, has invited leaders from the largest youth organizations to meet at the Palais des Nations with the head of the International Parliamentary Union, the representatives of the United Indigenous Nations, experts from the World Association of Public Opinion Scholars and the Global Sustainability Index Institute Foundation to develop a feasible concept reaching out to the next generation on a regular basis to ensure that their opinion and experience become transparent and are heard by the current leaders of the world.

The Global Youth Poll, providing reliable data updated quarterly. In the time of the largest migration since World War II, it makes sense to understand what the next generation thinks about the quality of their lives in their countries, how satisfied they are with their education, their job prospects and the ability of their region to deal with environmental challenges. 70 years after the YMCA was awarded the Nobel Peace Prize for their global footprint among the next generation, they are partnering with their 60 million members with the Foundation for Global Community Health and their school program “Brain-Breaks” reaching 3 million Children in 72 countries daily. In support of the UN, the IPU and the United Indigenous Nations the Big 6 Youth organizations and the UNGSII are building on the experience of existing polls among young people in order to create a scientific database to understand what youth

. Global Youth Poll: Do you think boys or girls are treated better or the same?

![Global Youth Poll: Do you think boys or girls are treated better or the same?](chart.png)
Taking the next generation seriously – implementing the first Global Youth Poll

Roland Schatz

across the world have in common, and what differentiates them, across boundaries of religion, race and region. The survey will gauge how satisfied they are already with the implementation of the SDGs and where they see room for improvement. In order to make sure that the opinion of the next generation is taken serious, UN, IPU and UIN offer that representatives of the youth will have the opportunity to present the results together with the national experts from academia on both national and international platforms. Media Partnerships will make sure, that the world is permanently informed about the results.

The deliverables:

• A publicly available questionnaire, 15 minutes long, with a sample size of 1,000 split into 4 representative age groups: 10-14, 15-19, 20-24 and 25-29. The sample and each sub-sample of 250 young people will be selected according to academic standards ensuring a solid mix of urban-rural, diverse educational, gender, religious, and wealth backgrounds. The samples will be partially refreshed each quarter, ensuring the continued representativeness of the sample and allowing for over-time comparisons of the same respondents.

• The pollsters will be trained to run the interviews amongst their age-groups and equipped with tablet computers to ensure fast analysis and aid in the collection of high quality data. While the interviews will only take 15 minutes, each pollster will take another 15 minutes in order to explain the purpose of the Global Youth Poll, show previous results and educate in a 1:1 situation the value & risks of polling.

• An academic advisory board under the leadership of Professor Dan Cassino (FDU and AAPOR Board Member) will supervise all stages of the polls, including the interpretations and presentations of the results to the national parliaments and others.

• UNGSII will ensure that teaching material to empower all involved to understand the advantages and shortcomings of polling will become part of the education program

• First results presented Q1 2018

• WAPOR is accompanying the publishing and debate amongst the global experts on opinion polling.
OiER and UNGSII partner with world leaders representing best practices in ALL 17 SDGs to create a realistic implementation by working hand-in-hand with the 25+5 City and Indigenous Community leaders to accelerate progress already by 2025.

https://www.ungsii.org/sdg-cities