



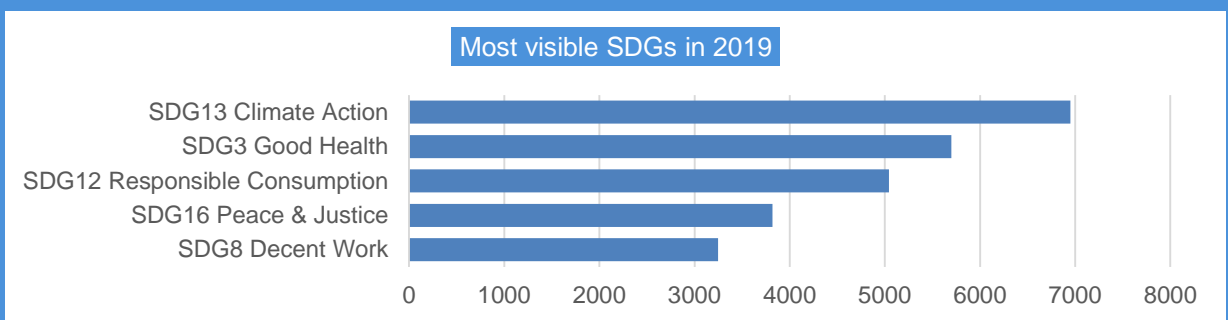
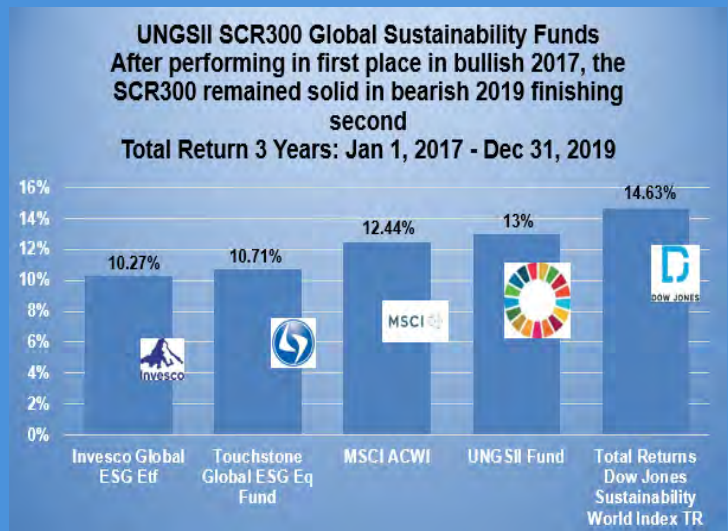
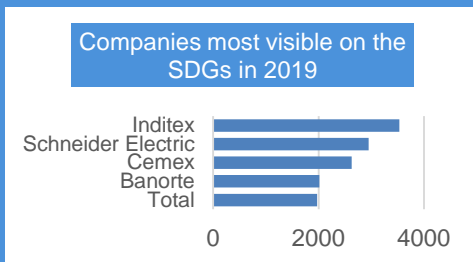
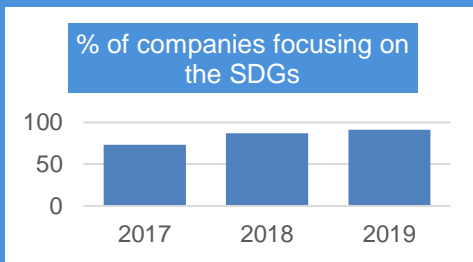
# SCR500

2020 Edition

# SDG Commitment Report

## Empowering Investors on Both Profit and Impact

Editor: Roland Schatz





Allianz Global Corporate & Specialty

# Allianz Reputation Protect

Protecting your company's  
reputation in a crisis

Allianz 

# 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 484,927 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



**UNG SII**  
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

# Evidence for a large-scale shift in what is understood as value creation



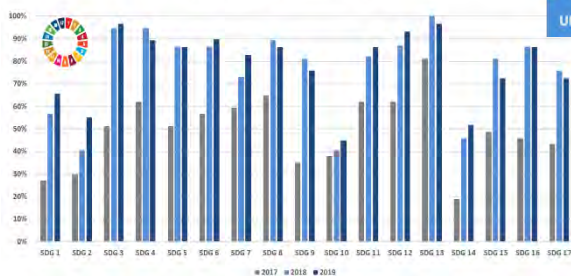
## SUSTAINABLE DEVELOPMENT GOALS



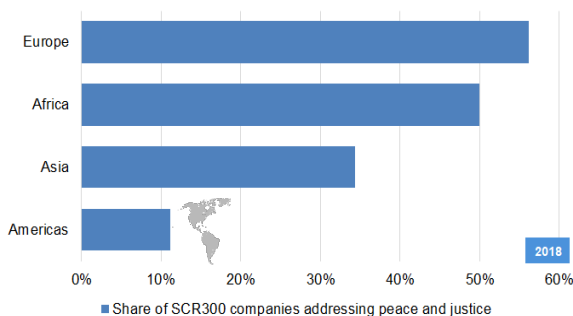
The United Nations' 17 Sustainable Development Goals (SDGs) provide a unique framework to map investment risks and opportunities on a global scale beyond culture, language, and political boundaries through 2030. It is the first time in history that targets and needs have been agreed on by a global community of more than 190 countries.

More than 85 percent of the largest global listed corporates on different continents have referred to sustainability issues in their recent annual financial reports, addressing one or more of the SDGs or its content. Mapping these strategic commitments in the financial reports provides investors and clients with a unique, additional layer to make better informed buying decisions, and investment allocations while gaining a "patience premium."\*

Percentage of top companies discussing SDGs in their annual reports, 2017 - 2019



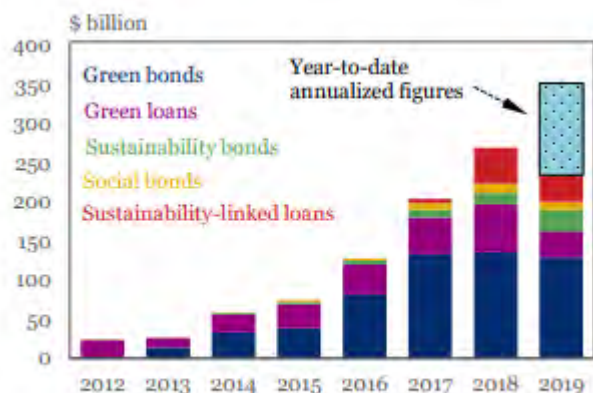
Share of SCR300 companies that address peace & justice



Why does it make sense to align with the SDGs?

- Companies with better ESG scores on average have lower refinancing costs, higher product price margins, lower HR talent turnover, and more loyal customers.
- Asset managers that embrace the SDGs are increasingly seen as the better managers, especially with a younger and well-educated customer generation. Using the SDG agenda to promote change at clients and investments can help the financial industry become a catalyst of change.

# UNGSII & OEKOM (ISS) rankings and indices help move markets by empowering profits



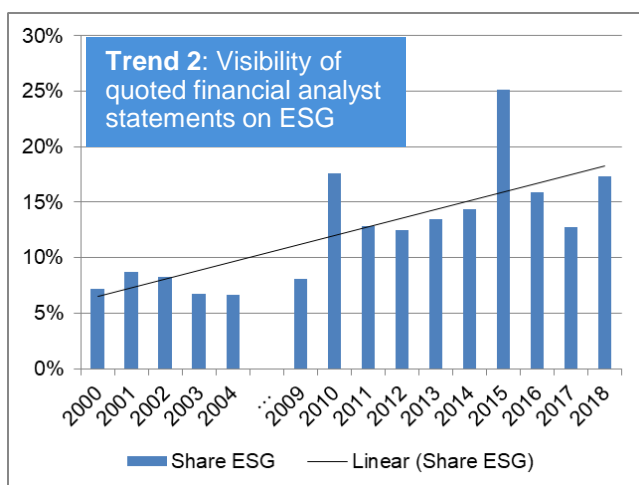
Source: Bloomberg, BloombergNEF, IIF

## The Problem until 2017:

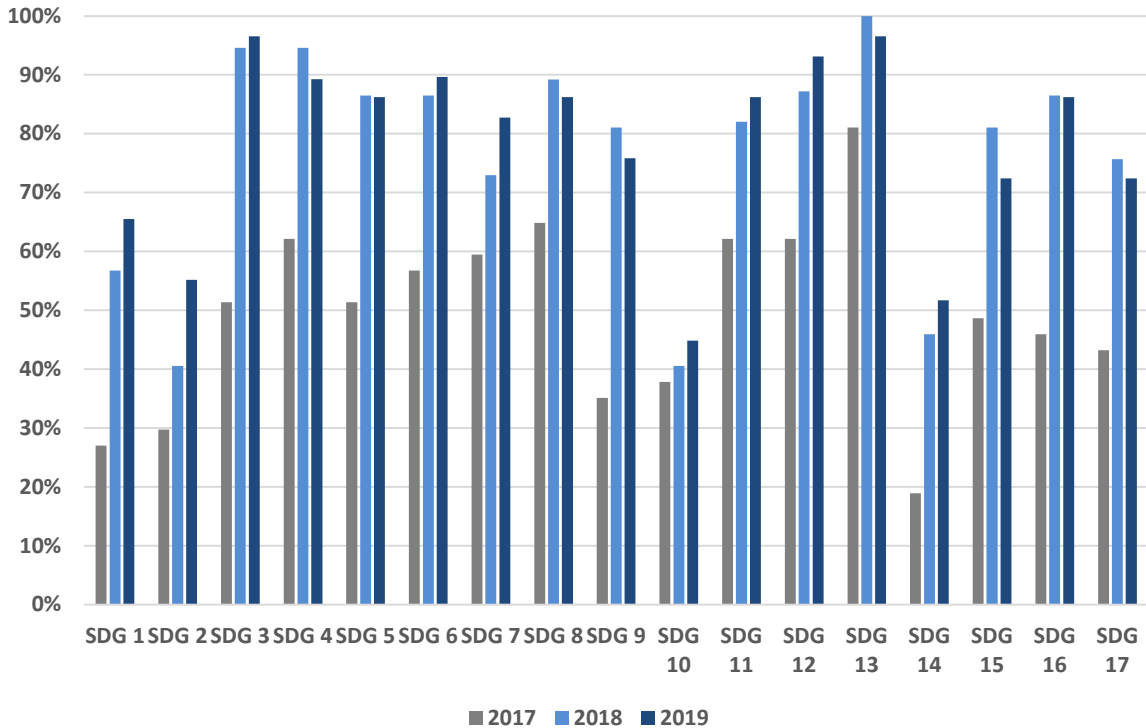
Only 30-60% of a company's value is disclosed in their annual report according to Professor Eccles of Harvard Business School and PWC. On top of this, the inability to also compare non-financial performance as part of a consistent analysis framework is also missing for global investors. Over time, this 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.



# 2019 results show ongoing increase in visibility of the SDGs



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.

The trend seems clear: Companies are increasingly vocal on the SDGs in their annual reports due to the positive benefits to company performance and in

response to stakeholder interest in corporate responsibility and socially positive behavior.

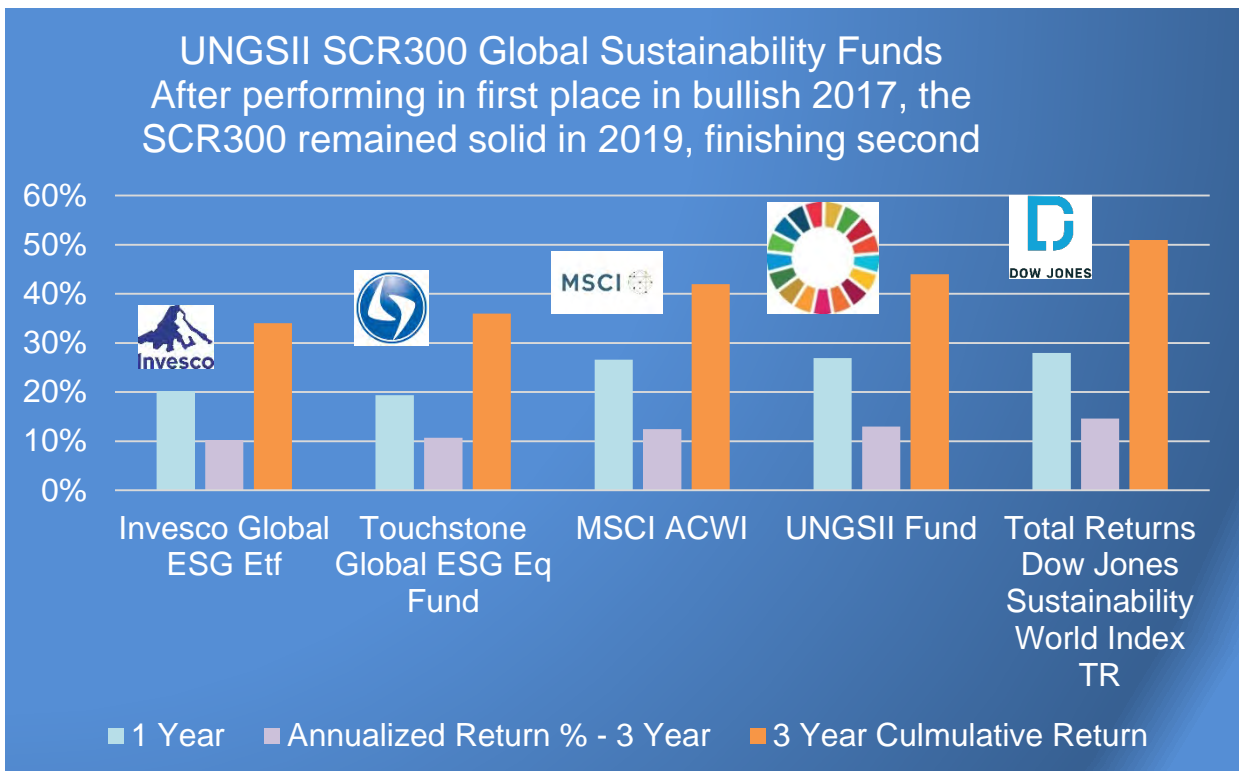
This increase in visibility for the SDGs was not, however, consistent across all companies examined or all of the SDGs. In some areas the increase in SDG visibility was greater than others. This reflected both the individual circumstances of companies as well as trends related to how each of the SDGs (and its urgency) has been framed by society at large (including media and academics). This helps us further understand CSR choices.

# UNGSII SCR300 continues with solid 2020 performance, outweighing bearish 2018 challenges



The UNGSII SCR300 has thus far shown a rate of return of 13% over three years. This is after a return of 27.63% in 2017, weathering the storms of 2018 with only -1%, and now back again with +28% for 2019. This performance highlights that responsible, socially conscious business is also profitable business, providing unique opportunities to support progress on the SDGs

while 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.





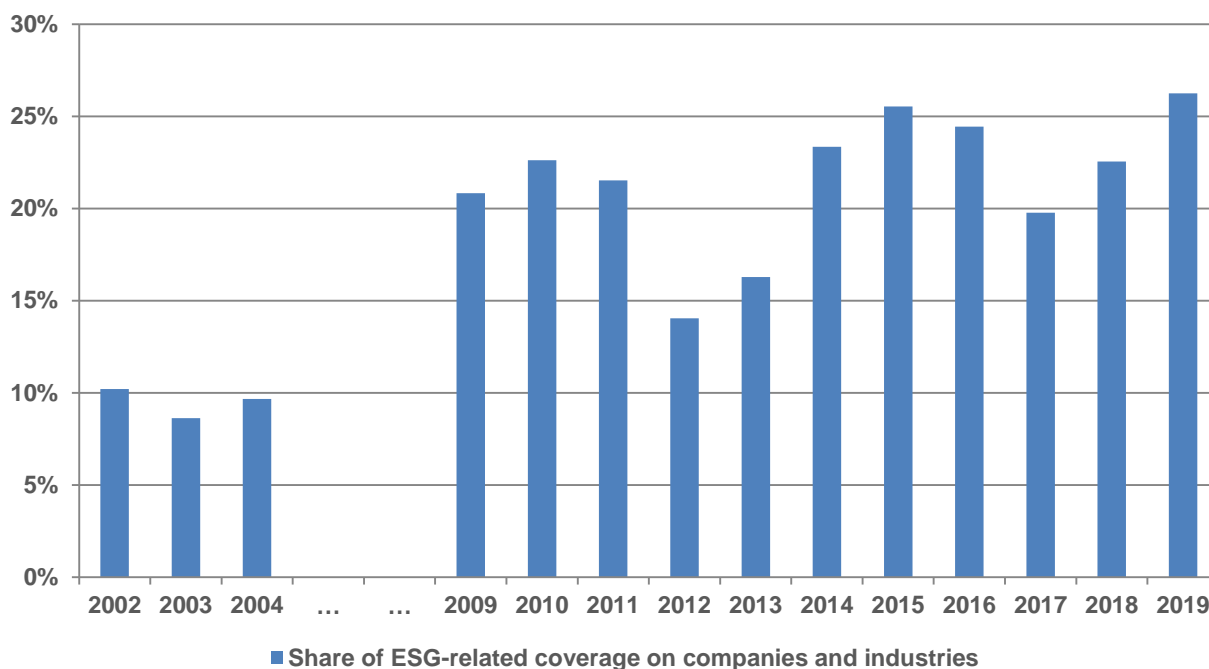
# Quoted financial analysts increasingly argue for ESG/CSR



Quoted financial analysts have also been increasingly visible on ESG / 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. The record level of statements on ESG / CSR issues in 2019 indicates changing priorities.

**Share of visibility on ESG/CSR-related topics from financial analysts (companies/industries)**



Basis: 445,924 statements on different companies and industries by financial experts/analysts in opinion-leading international business media

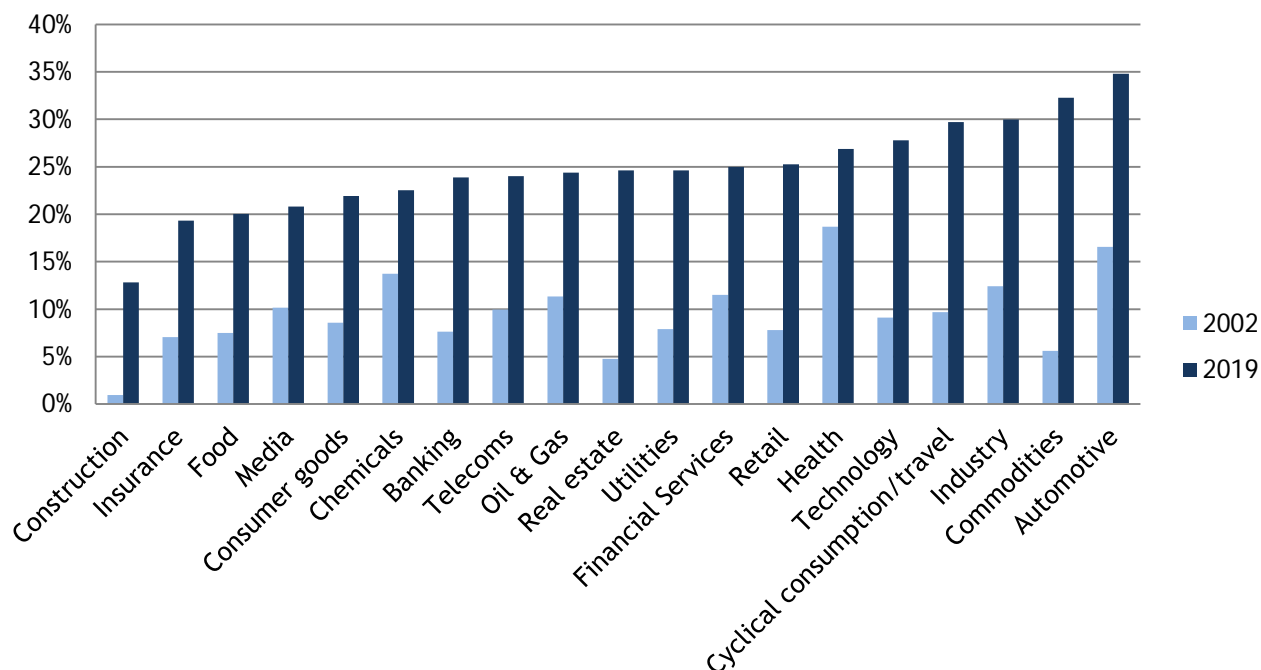
# CEOs need to understand the writing on the wall to stay in business



For decades, the financial markets haven't exactly been the place to find long-term thinking and a focus on sustainability. But investors' focus is about to change dramatically as a comparison of financial analyst comments on large caps in 2002 and 2019 shows. The share of statements by quoted experts that centers on Environmental, Social and

Governance (ESG) issues has more than doubled for a number of industries. Nearly 35 percent of all analyst comments on the automotive industry have addressed ESG issues in 2019. CEOs of automotive companies have seen their stock price trends driven by investor (un)belief that they can master the change towards sustainable mobility.

Share of ESG-related statements in analyst quotations on industries 2002 vs. 2019



Basis: 33,355 / 32,768 statements on different industries by financial experts/analysts in opinion-leading international business media

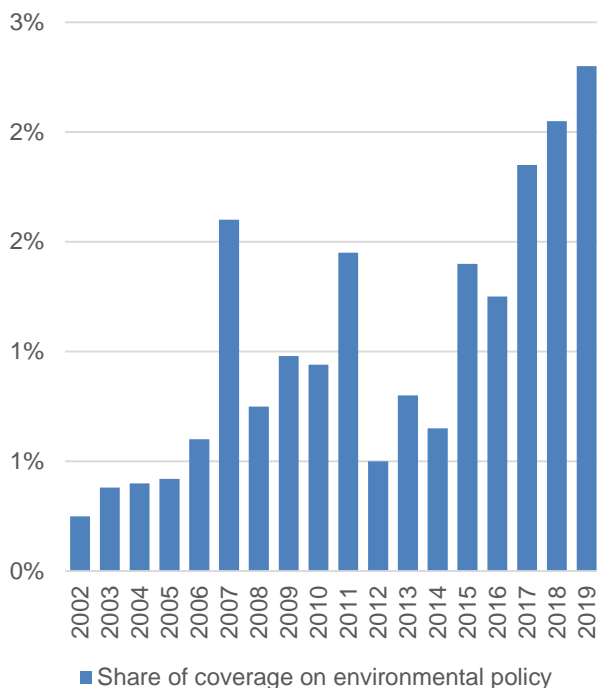
# TV and business media increase focus on environment



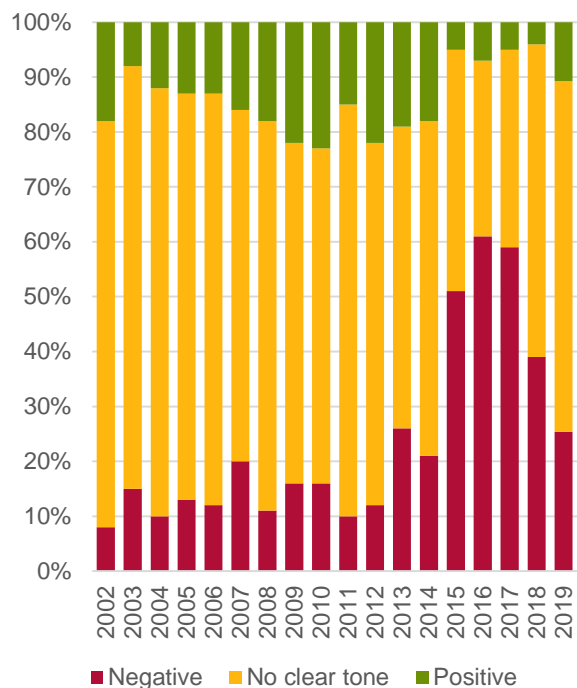
TV and business media have been increasing their share of coverage on environmental issues. This showcases the importance of corporate environmental performance to a company's overall image and also emphasizes the crucial role the media plays in detecting and discussing greenwashing. While a company 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 such as in what happened to VW and its experience with greenwashing. The increase in positivity in 2020 shows that companies are trying to emphasize solutions.

Share of coverage on Environmental Policy / DAX30

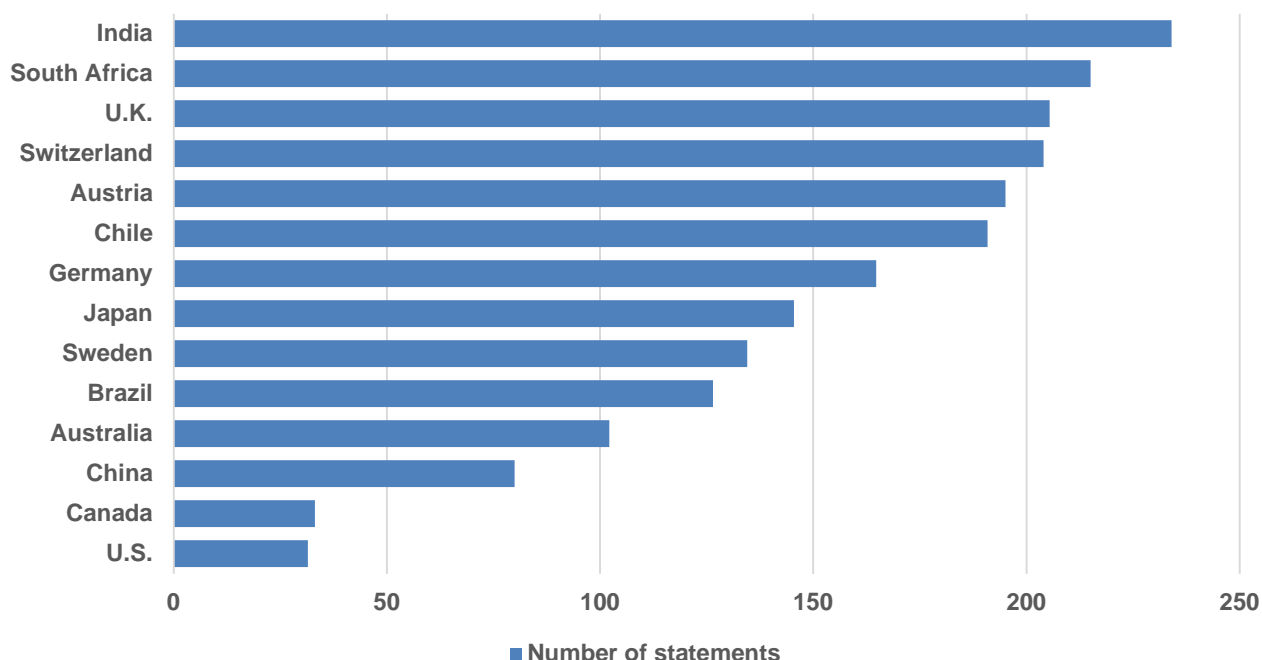


Tone of coverage on Environmental Policy / DAX30



## Levels of SDG visibility vary by country

Average number of statements on the SDGs per analyzed annual report



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. It is worthwhile to note the rapid rise of statements from China, a clear sign the country is shifting towards more SDG-based disclosure.

# Fund concepts by Anis Asghar



1. **SCR100 China (onshore + offshore)**
2. **SCR300 Asia**
3. **SCR100 Germany**
4. **SCR100 Austria**
5. **SDG 3 Health Project Fund**

UNGSII mandate is to adhere to the mission of the foundation by investing in sustainability via our flexible funds. Sustainable investing is a concept of screening in via our metrics rather than screening out. We believe it is about doing good rather than avoiding investments that do not meet our criteria. Our primary aim is to meet or exceed the global rates of return.

UNGSII's SCR500 Investment Fund (SCR500) is designed to give investors a way to support the Sustainable Development Goals (SDGs) and to provide an alternative to an investor's global equity allocation. While SCR500 is a portfolio of large-cap companies that have committed to implementing one or more of the SDGs, partners of the UNGSII 25+5 SDG Cities Leadership Platform have requested additional options for the SCR500, as it has outperformed comparable offerings over the last three years.

As part of the requests for regional offerings, UNGSII has developed the SCR into products for China, Austria, Germany, rest of Asia and others. In particular, for China, the fund will be managed out of either the Shanghai or Shenzhen Free Zones. These regional funds can be allocated to by any manager, but are focused on the regional performance of selected equities.

UNGSII has also developed the SDG Project

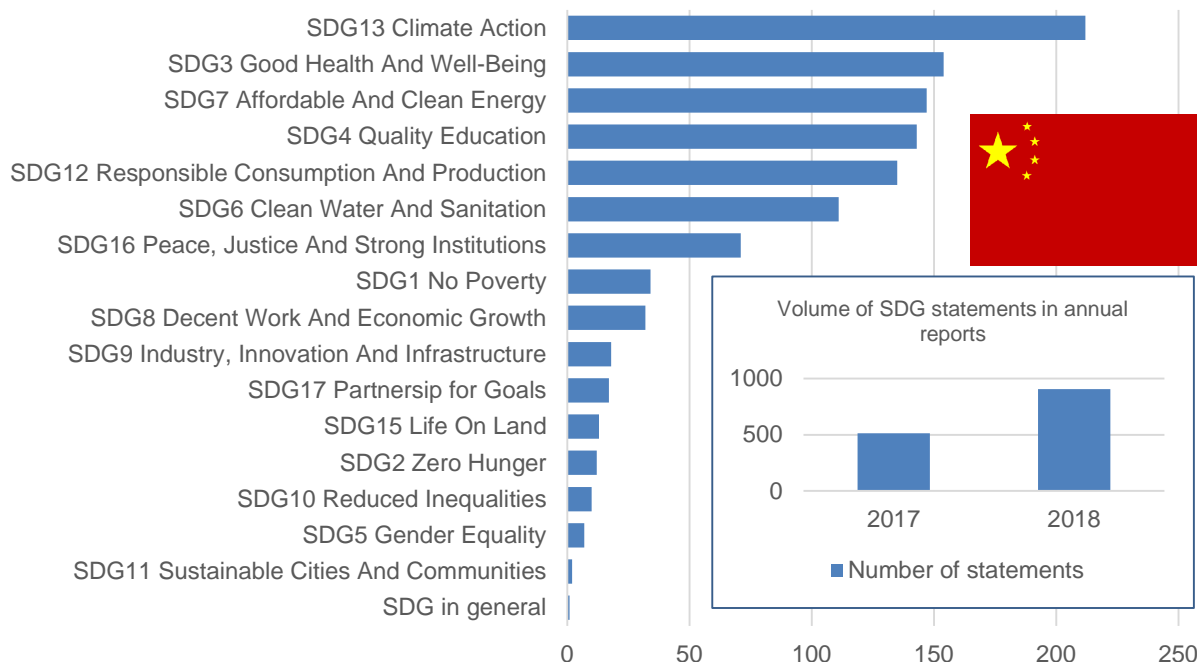
Fund to allow the asset financing of assets such as the need to replace diesel busses with zero emission busses, build affordable houses and assisted living, or finance solutions around health and wellbeing in the 25+5 front runner cities. The basic principle of these project funds is to invest in a blended debt/equity SPV. These can include green bonds from global corporations that have selected the SDG500. This allows the specific Project Fund to invest in SMEs providing cutting edge solutions within the specific project. At the end of the typical 10yr term, the returns are based on early stage investment.

UNGSII's focus on investing via the SDGs has led to the creation of investor led products that serve both our 25+5 cities (including Hangzhou, China and Tokyo, Japan in Asia) and the wider investment community dedicated to upholding the commitment made by 193 countries in September 2015. Forward-looking approach to an investment requires an understanding of the companies ethos, social and environmental policies, how it manages its workforce as well as a full analysis of the numbers. The SCR500 does not just tick boxes, we analyze each aspect of a company in line with the SDGs to ensure that any investment meets our criteria before we analyze the numbers. This unique approach provides comfort to investors on rates of return both financially and for society as a whole.

# SCR100 China (onshore + offshore) Top SDGs



## SDG distribution for analyzed companies in China



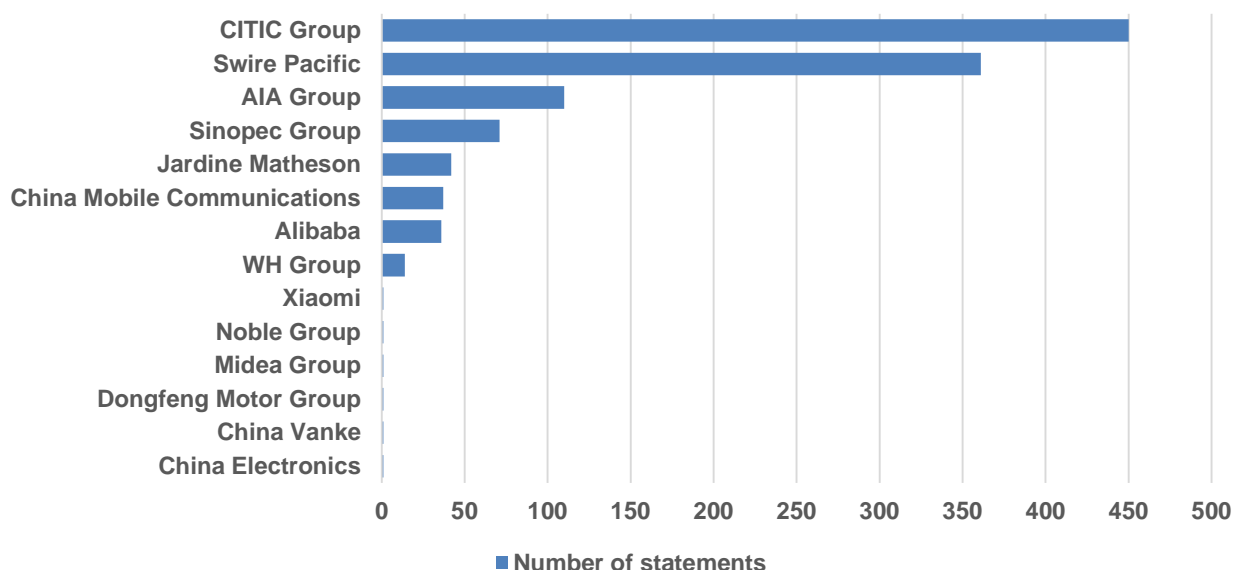
Chinese companies collectively represent a compelling SDG story. The volume of SDG statements in the annual reports of analyzed companies has grown significantly from 2017 to 2018. Additionally, SDG visibility from Chinese companies both follows the global trend of focus on Climate Action while also prioritizing SDGs like Clean Energy (7) and Quality Education (4) at higher levels than companies elsewhere.

The Chinese government has taken concrete and meaningful steps to reduce the impact of economic growth 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.

# SCR100 China (onshore + offshore) Top companies on the SDGs



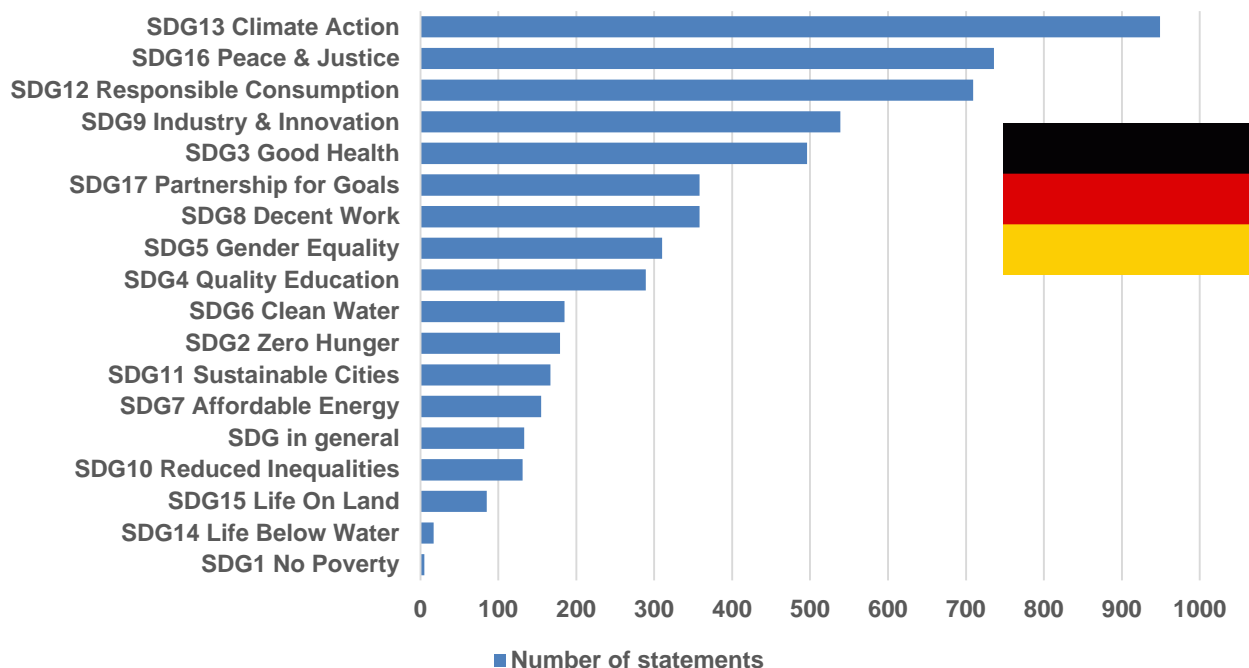
## SDG visibility in annual reports of analyzed leading Chinese companies



Companies from a wide 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 or even exceed global trends.

The rising commitment of Chinese companies to the SDGs serves as a particularly powerful global example thanks to the power of the country's economy, its thought leadership 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 with the Goals to benefit their own economies and people.

### SDG Distribution for Analyzed Companies in Germany



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.



# SCR100 Germany

## DAX 30 performance in the SCR 500 varies



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)

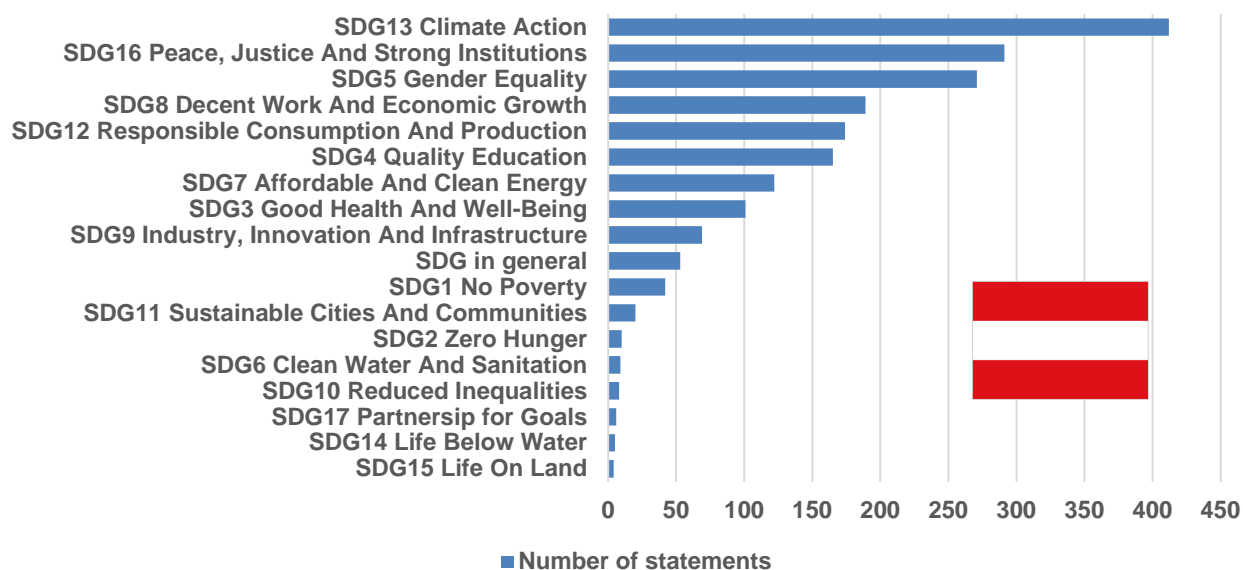
Fair		Good		Excellent	
Linde	10	Deutsche Lufthansa	40	Adidas	75
RWE	10	Deutsche Post	45	Deutsche Telekom	75
Allianz	20	E.ON	50		
Beiersdorf	20	Henkel	50		
Siemens	20	BMW	55		
Deutsche Bank	25	SAP	55		
Daimler	30	VW	60		
Deutsche Boerse	30	BASF	70		
Bayer	35				
Infineon	35				

# SCR100 Austria

## Top companies on the SDGs



### Visibility of SDGs for Austrian Companies



Austrian companies show extensive commitment to the SDGs. As 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 – as some large Austrian companies have been affected by governance /

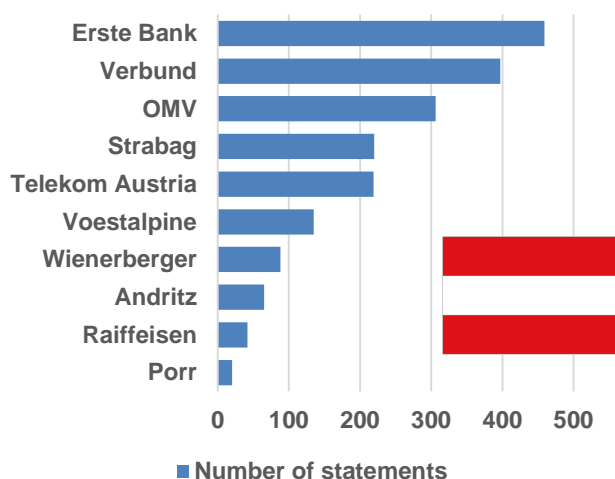
corruption scandals in recent years. Austrian companies have put a significant emphasis on SDG 5 (Gender Equality) in recent years. This can be seen as a response to low scores in country-by-country comparisons until 2016 (e.g., PWC study on gender-equality in OECD countries) or the Global Gender Gap Score by the WEF. Decent Work and Economic Growth have been focused on as well.

# SCR100 Austria

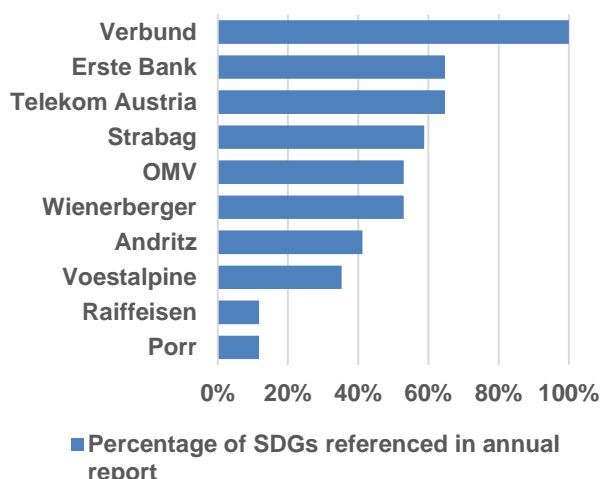
## Top companies on SDGs



**Visibility of SDGs by Austrian Company**



**Percentage of SDGs referenced in annual report**



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

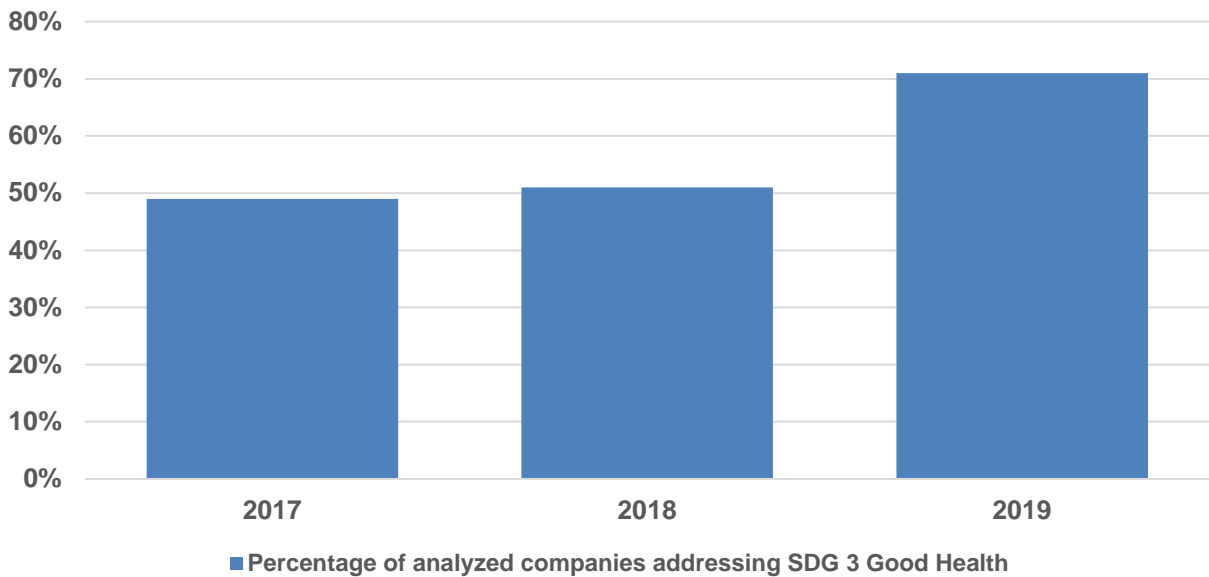
Verbund and OMV, leading players in the energy and oil/gas business, is notable. Verbund has provided information on all of the 17 SDGs. A year-on-year increase in the number of statements signals a growing interest in the SDGs.

# SDG3 Health Project Fund

## More companies addressing SDG 3 Good Health



### Percentage of analyzed companies addressing SDG 3 Good Health



The share of companies addressing Good Health as an SDG increased to just over 70% in annual reports released in 2019 regarding performance in 2018.

Coverage on Good Health includes 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.

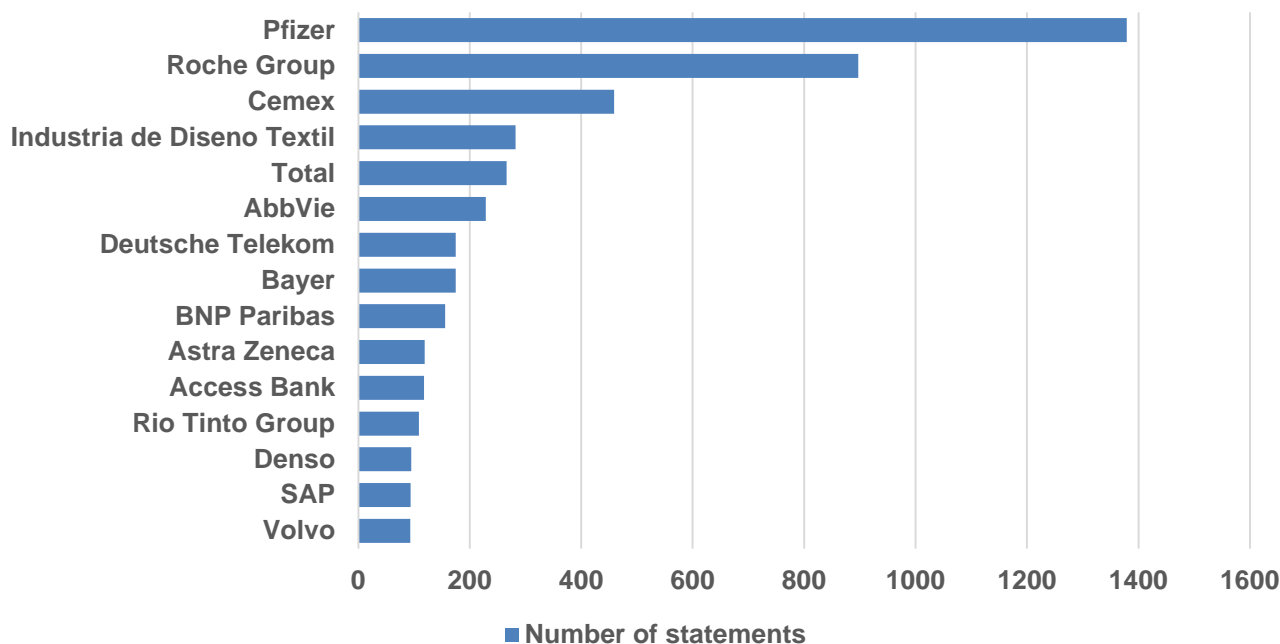
Health initiatives from companies include preventive care services, exercise and other well-being activities, charity efforts regarding cancer, diabetes, and other serious diseases, and concern for mental health wellness as well.

# SDG3 Health Project Fund

## A strong cross-section of industries focus on SDG 3



### Companies most visible on SDG 3 - Good Health



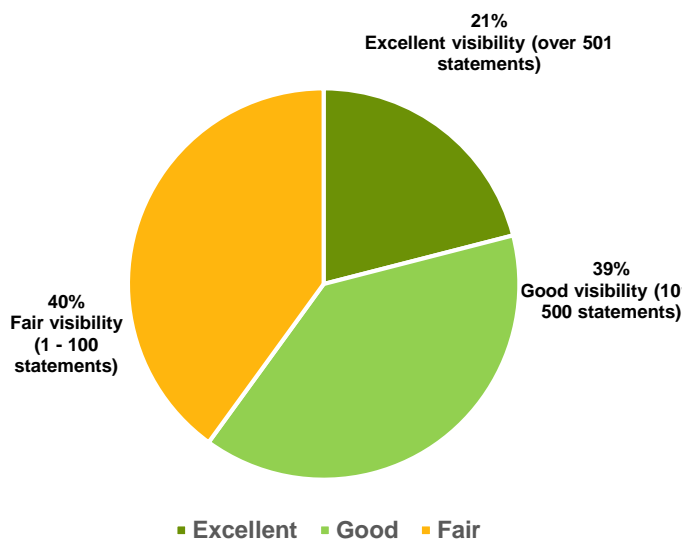
The companies that are the most visible on SDG 3 Good Health represent a range of industries. While the expected leaders in pharmaceuticals and healthcare are present. Companies in other industries such as banking, technology, and clothing producers/retailers are also amongst the leaders,

highlighting the importance of caring about the health of employees, customers, and communities for all companies. Over 70% 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

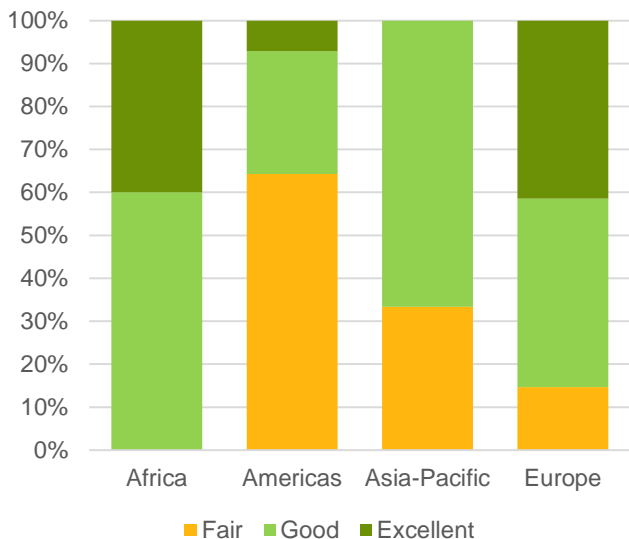
Overall share of visibility of the SDGs



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.

21% 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.

Overall share of visibility of the SDGs by origin of company

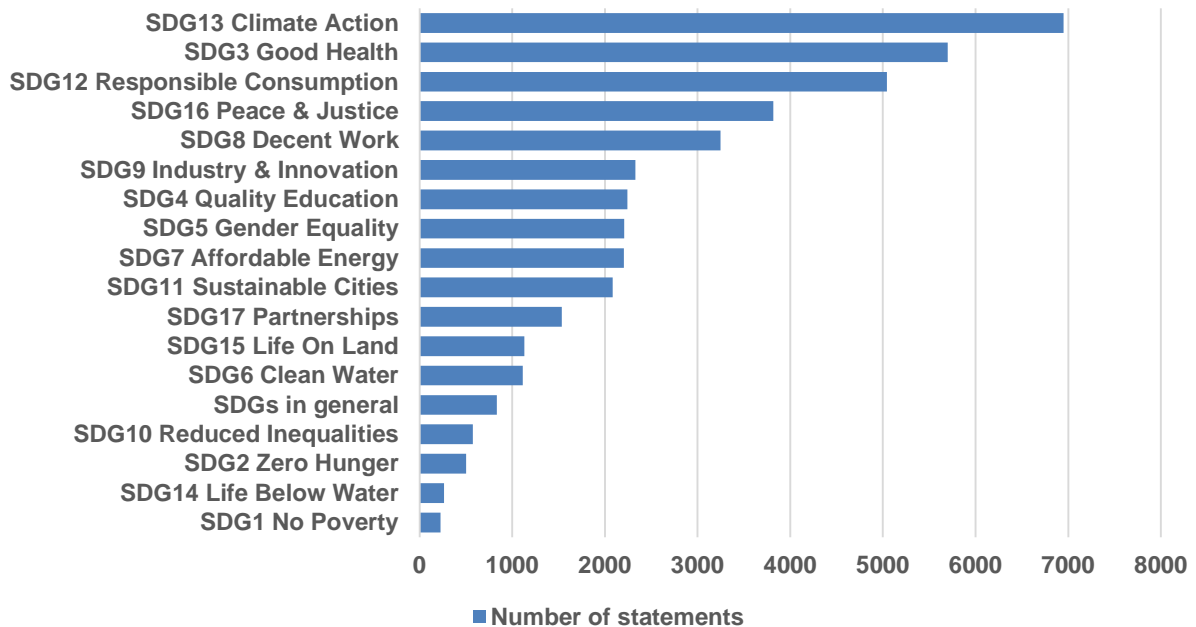


African companies perform the best in regard to the visibility of the SDGs in the annual reports. All of the African companies analyzed refer to the SDGs at a level considered good or excellent. Performance in Europe and Asia is also strong. This is markedly different than in the U.S. where the majority 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 dominates mention of the SDGs



### Visibility of the SDGs



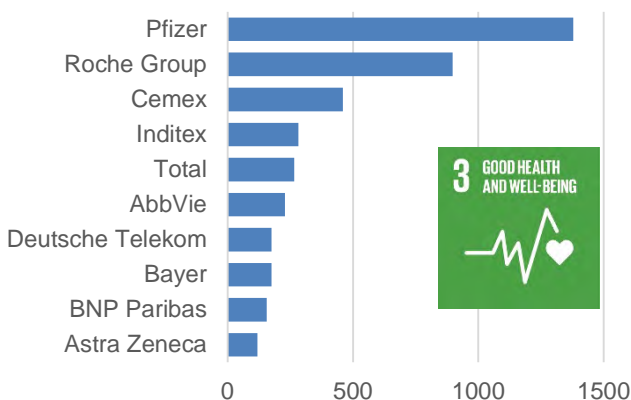
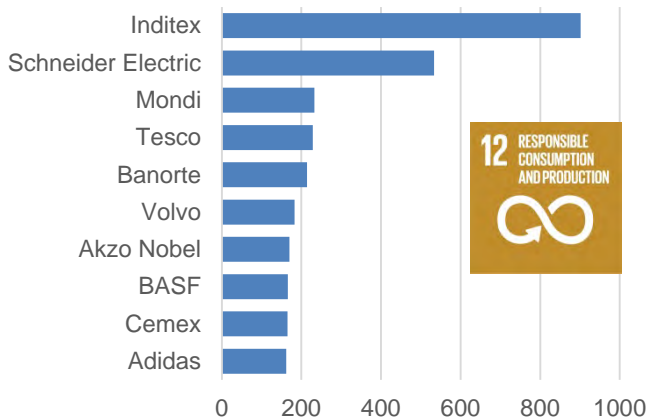
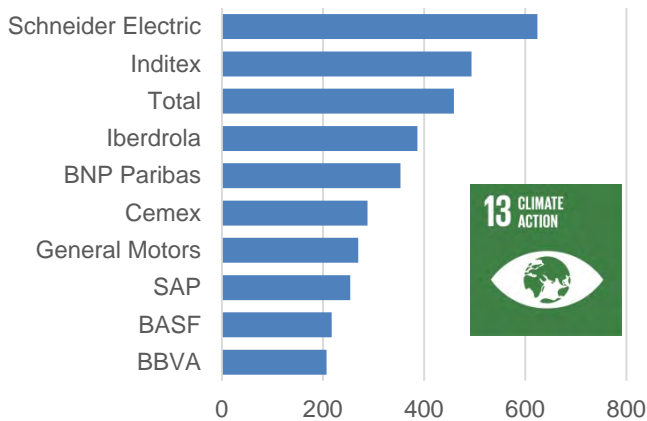
Climate action was by far the most visible of the SDGs. This was due to a combination of factors, including legal requirements in some regions to report on greenhouse gas production and control. The visibility of climate action also showcased the urgency of this topic and reflected consumer expectations 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. Good Health and Responsible Consumption are ranked second and third, closely followed by Peace & Justice and Decent Work. 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



Overall visibility of SDG-related coverage



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.



# Yes, 2019 was a good year for climate action. Here's why.

by Mafalda Duarte



Doomsday climate stories make headlines but obscure the bigger picture. As head of one of the world's largest and most experienced climate funds, I follow these developments closely, and I'm convinced that 2019 was not only a good year for climate action—on balance, it was one of our best yet.

This isn't a mere hunch, this is a conclusion drawn from data. For starters, global consensus on the urgency of climate solutions has never been so widespread. In a 2019 survey conducted in 26 countries, a majority of respondents identified the climate crisis as a major threat to their nation. These results are consistent with other polls administered this year, including a World Economic Forum study that found decisionmakers across sectors agree a changing climate is the biggest risk facing humanity. Other signs of a climate awakening abound. In September, more Americans typed "climate change" into Google than "Game of Thrones." That same month, we saw what may have been the largest climate change protest in history, the approximately 4-million-strong Global Climate Strikes, inspired by Swedish climate activist and this year's TIME Magazine Person of the Year, Greta Thunberg. By all accounts, another win for 2019.

Secondly, analyses revealed this year that renewable sources of energy like wind and solar are increasingly becoming the norm. According to a BloombergNEF forecast released this summer, because of falling costs, renewables are expected to satisfy almost half of the world's energy needs by 2050. Not to be outdone, Costa Rica announced that over 99% of its energy demand is being met with renewables—for the fifth year in a row.

Sustainable investments, too, are pouring in. These are accelerating our transition to a clean energy future.

The UN reported that global investments in new renewable energy capacity are on track to exceed \$2.5 trillion by the end of this year, capping a record-breaking decade in renewable energy investment.

The same investors are eyeing the industrialized world as well as emerging economies on the frontlines of this crisis. The world's largest multilateral development banks indicated in June that financing for climate-vulnerable developing countries had hit an all-time high of over \$43 billion. This includes funding channeled through the fund that I lead, the Climate Investment Funds, and other climate financing bodies.

Finally, despite appearances, many governments are tackling the climate emergency with ever-bolder legislation. There has been a twenty-fold increase in the number of global climate change laws since 1997, and in a first for Europe and the world, the European Union announced it would become the first carbon-neutral continent by 2050. Over 65 countries around the world have made similar pledges, many of which were unveiled this year.

These are some of the headlines from 2019 that keep me going. They serve as a reminder of what we have already achieved, and what we could still accomplish with more ambition and through sheer force of will.

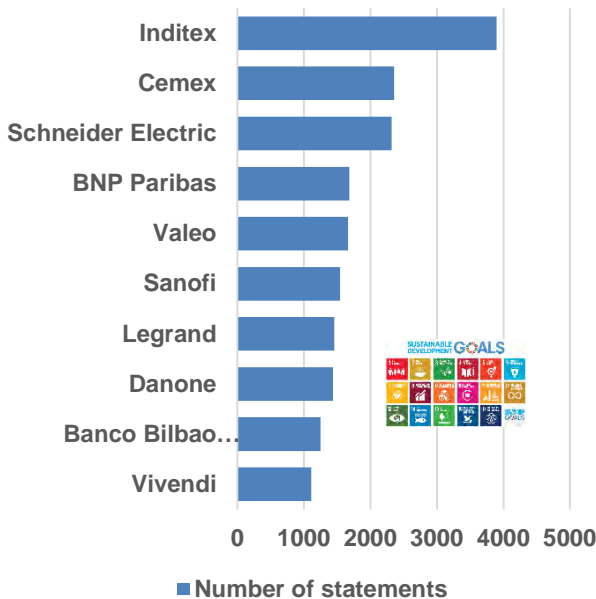
This is not a time for defeatism or passivity. We cannot afford to give up on the climate-smarter world that future generations so richly deserve. How else will we drive this all-important agenda forward, if not by knowing in our bones that wider change is possible?

So enough with the doom and gloom: climate action is already happening in a big way, it just needs to happen much faster. But we have shown what it takes to get the job done. Now let's get to it.

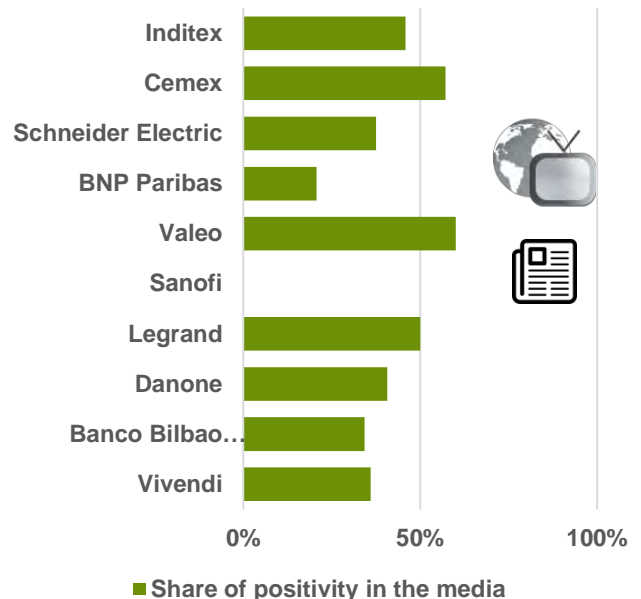
# The relationship between visibility of the SDGs and media tone



**Most visible companies on the SDGs in annual reports**



**Share of positivity on TV news and in business print media**



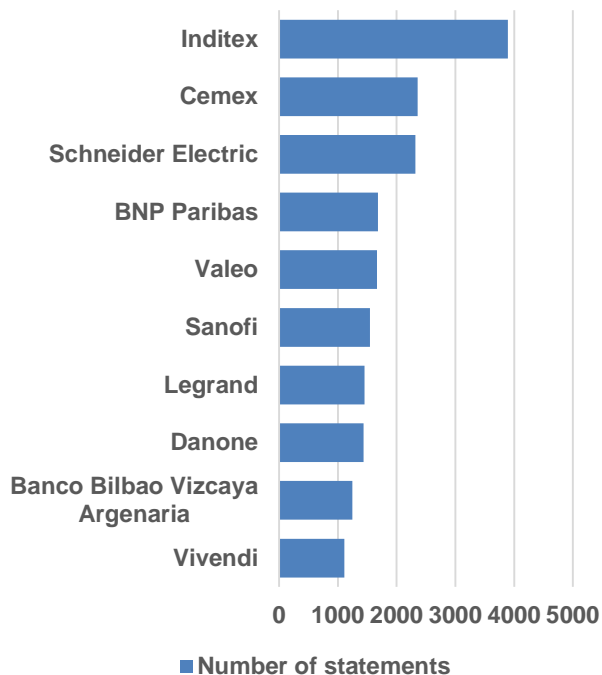
Media Tenor’s media sentiment data can serve as a control system. It allows investors to see if companies are accurately representing their commitments to the SDGs. Additionally, media sentiment data can help identify companies that are deeply committed to the SDGs but are not yet able to convey this 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.

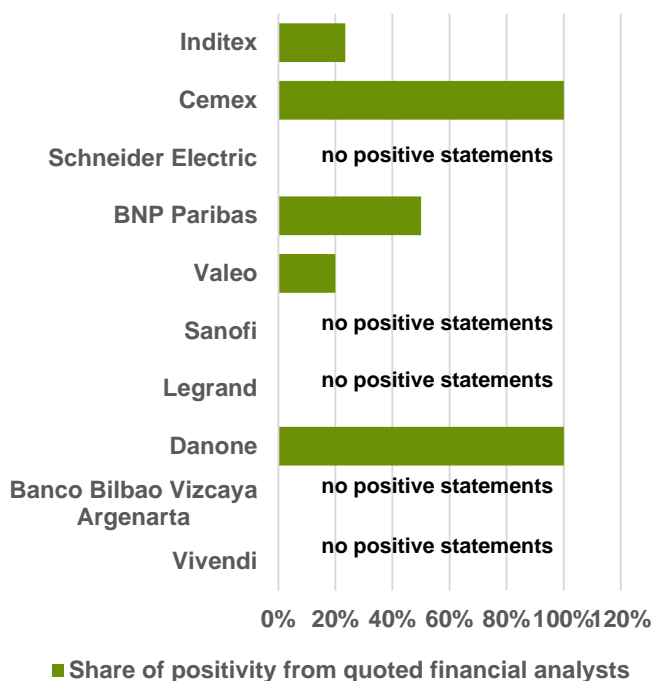
# The relationship between visibility of the SDGs and tone in quoted analyst statements



Most visible companies on the SDG



Share of positivity from quoted financial analysts



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, this data can help companies ascertain which analysts can help them achieve media visibility based on quotation frequency and themes.

# 21 SCR500 companies are strongly recognized on the SDGs/CSR by quoted financial analysts



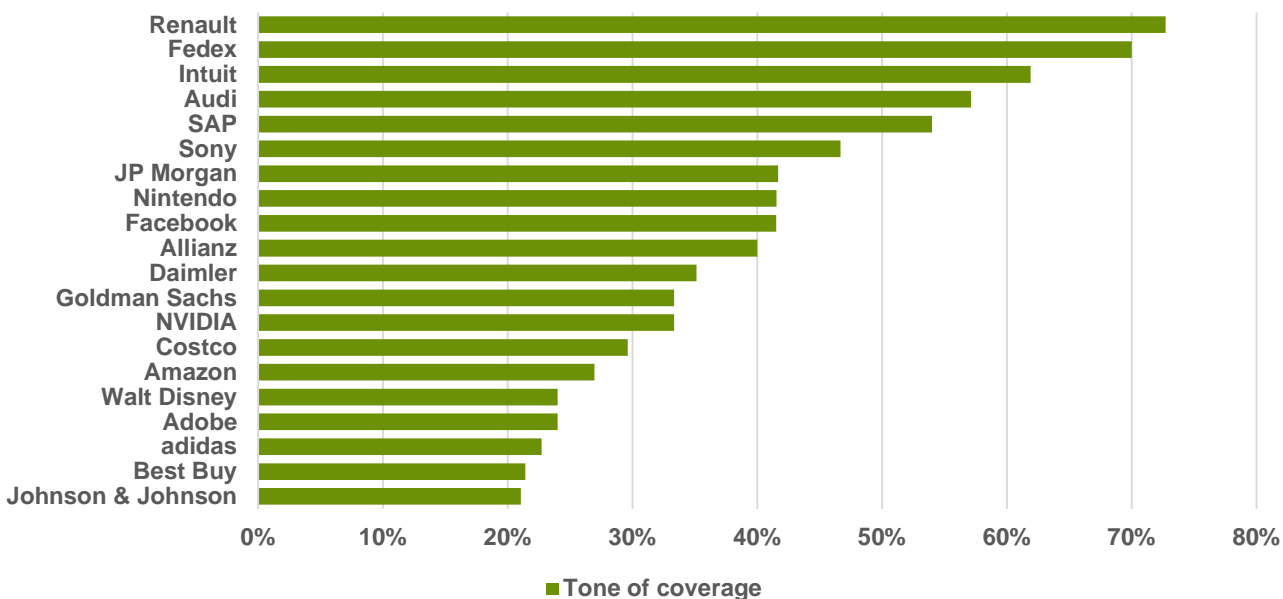
The 21 companies below are members of the SCR500 that received only positive and neutral coverage on their SDGs/CSR activities.

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.

Coverage tone for SCR500 companies with positivity on SDGs/CSR from quoted financial analysts

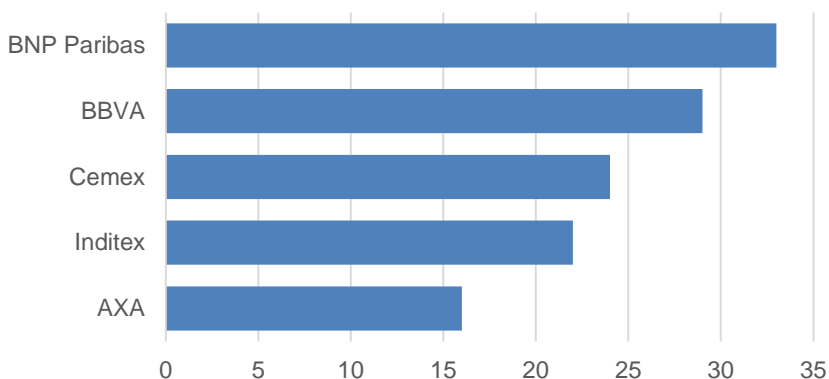


2017 / 2018

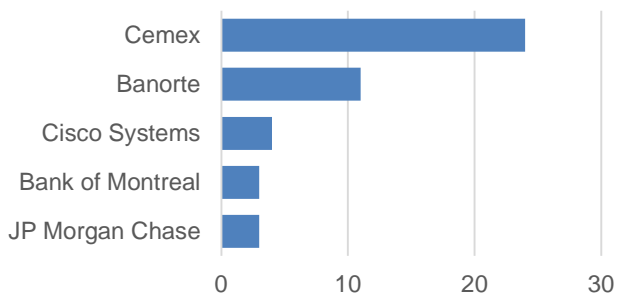
# Fund Concept: SDG 1 best performers - No Poverty



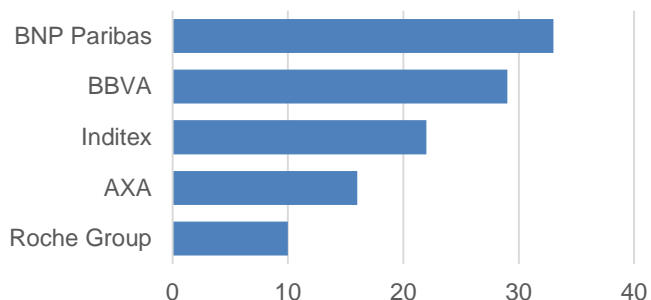
Overall



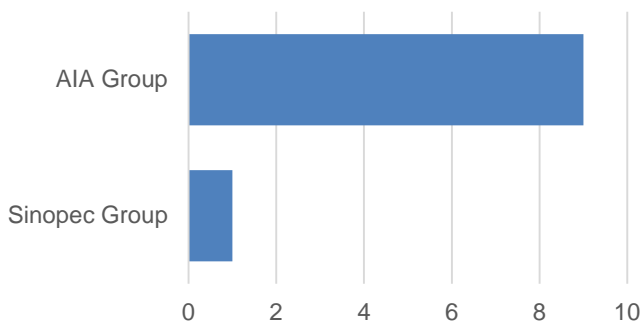
Americas



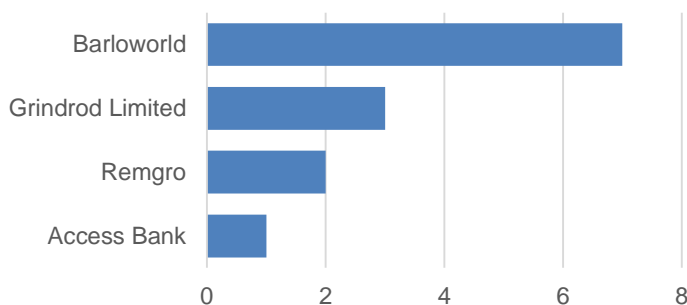
Europe



Asia-Pacific



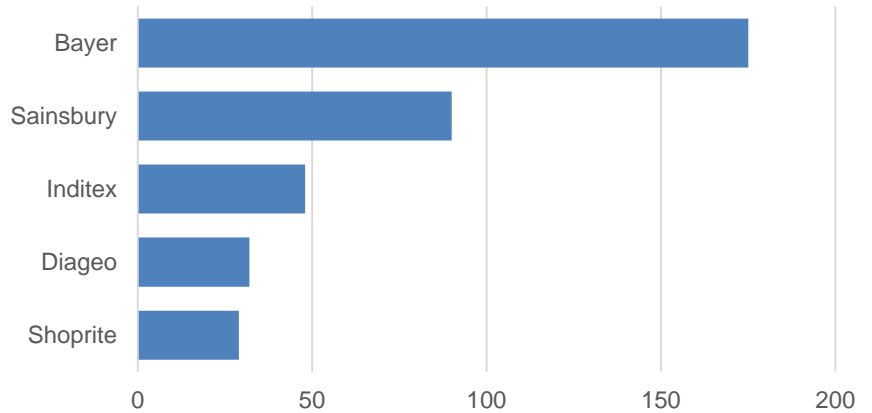
Africa



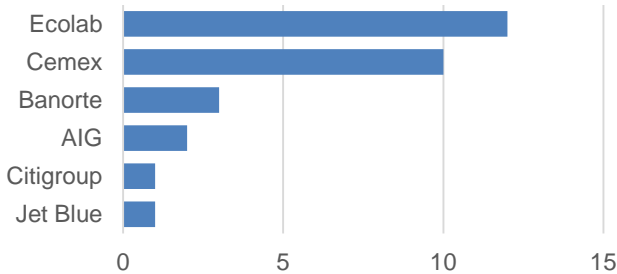
# Fund concept: SDG 2 best performers - Zero Hunger



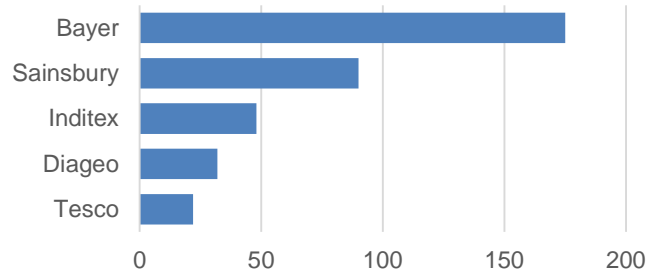
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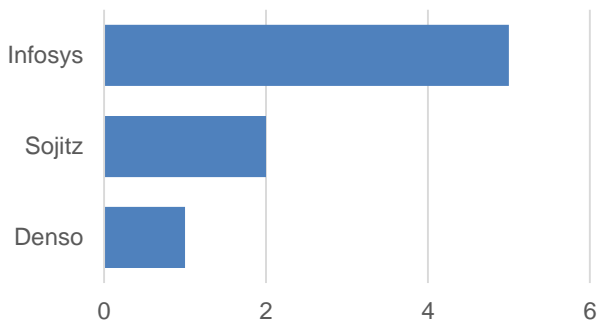
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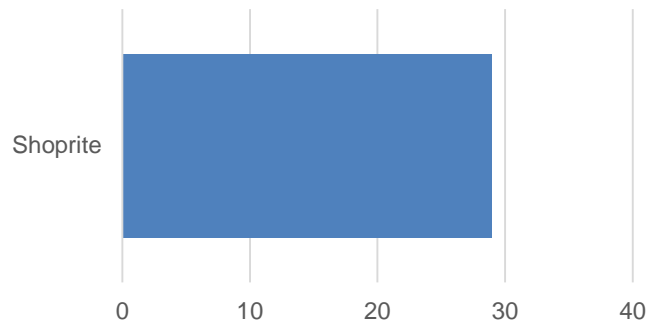
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Asia-Pacific



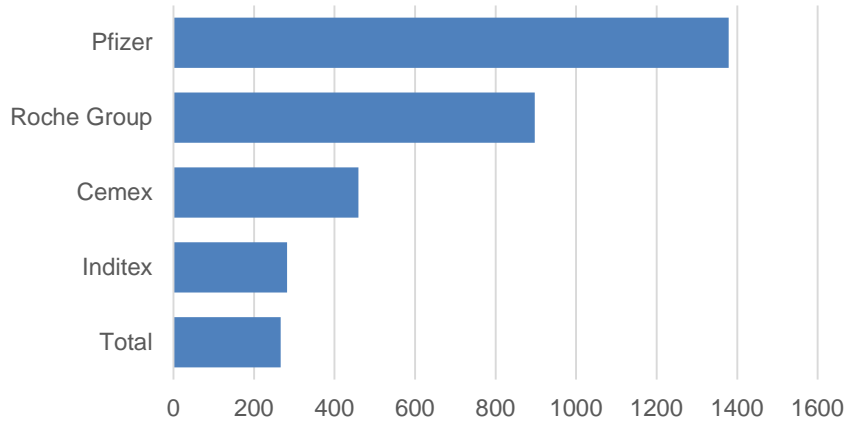
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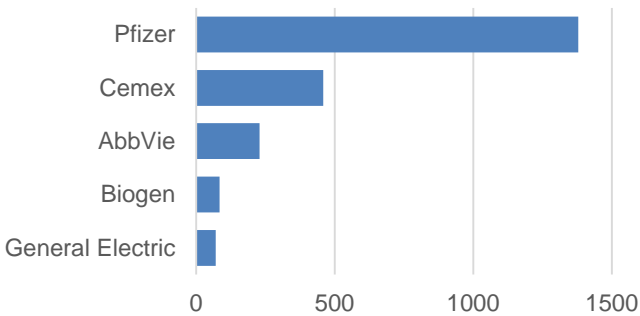
# Fund concept: SDG 3 best performers – Good Health



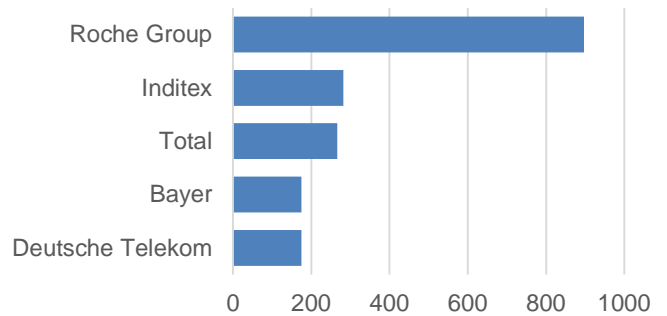
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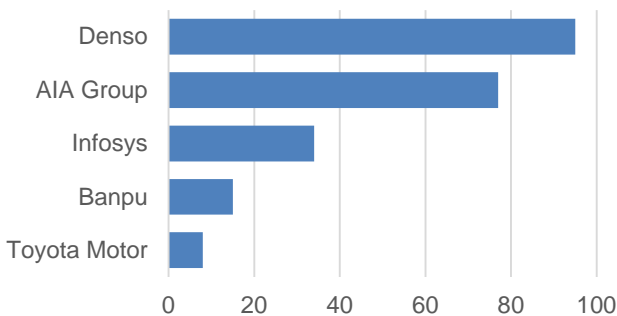
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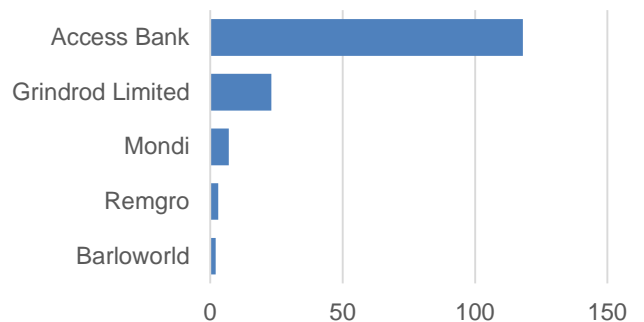
Europe



Asia-Pacific



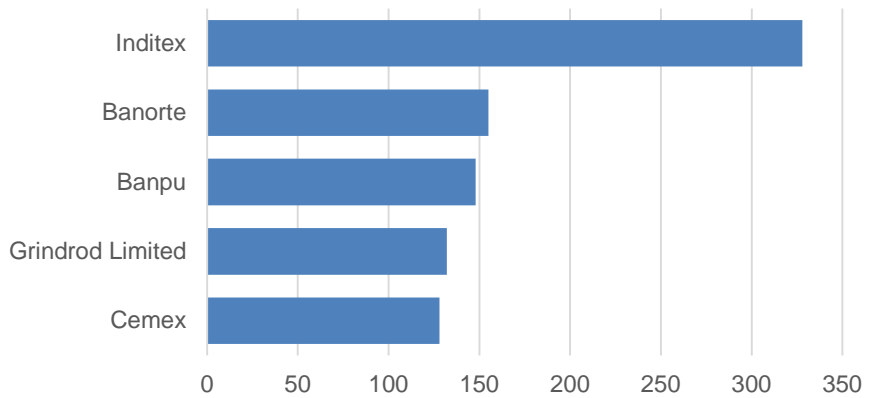
Africa



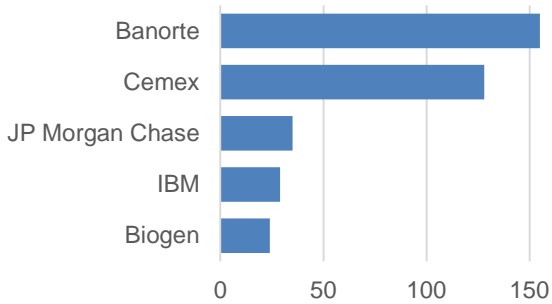
# Fund concept: SDG 4 best performers – Quality Education



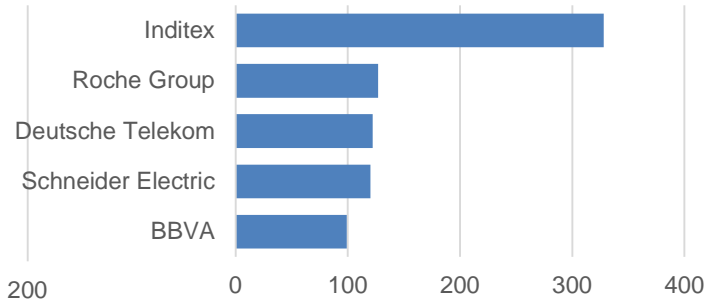
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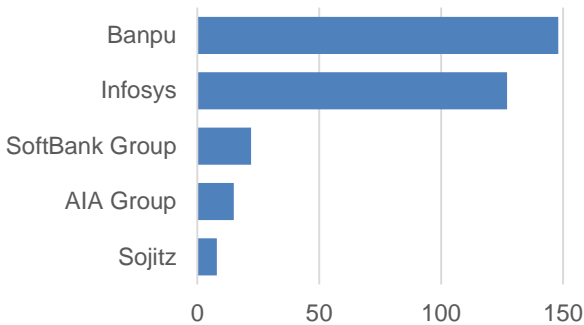
Americas



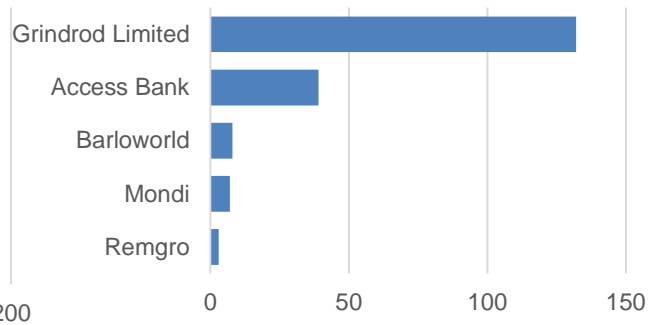
Europe



Asia-Pacific



Africa

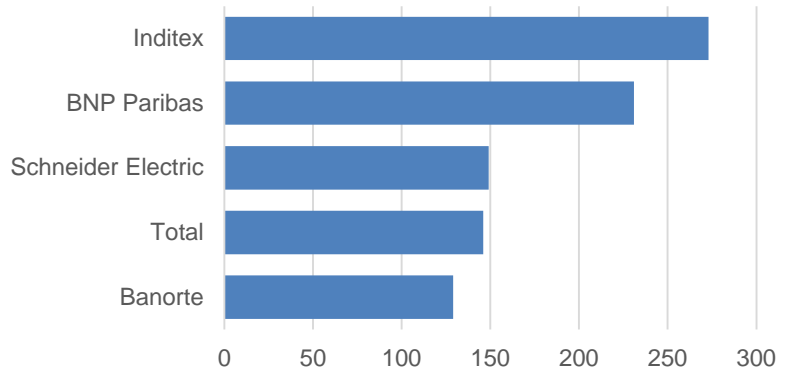




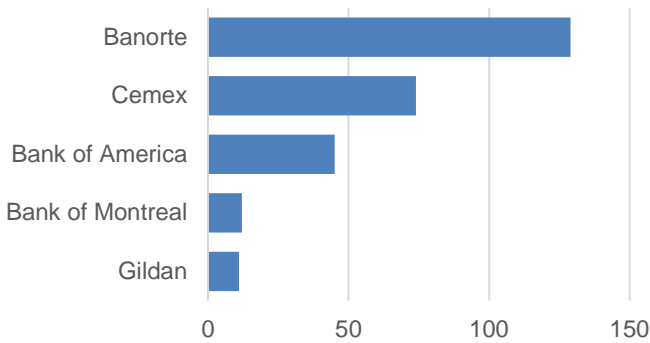
# Fund concept: SDG 5 best performers – Gender Equality



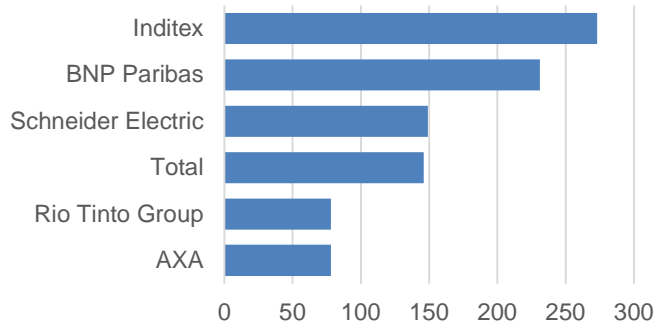
Overall



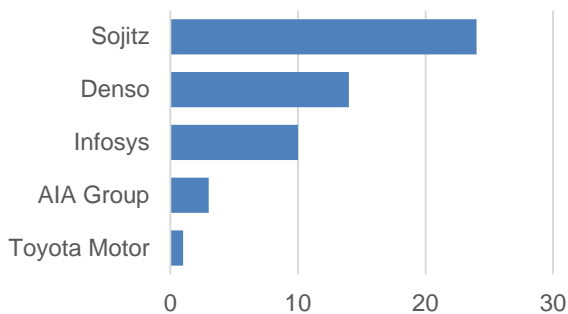
Americas



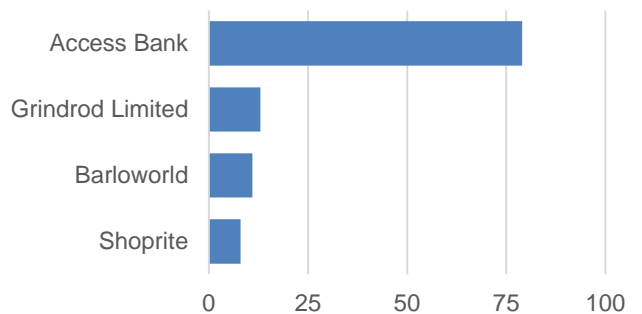
Europe



Asia-Pacific



Africa



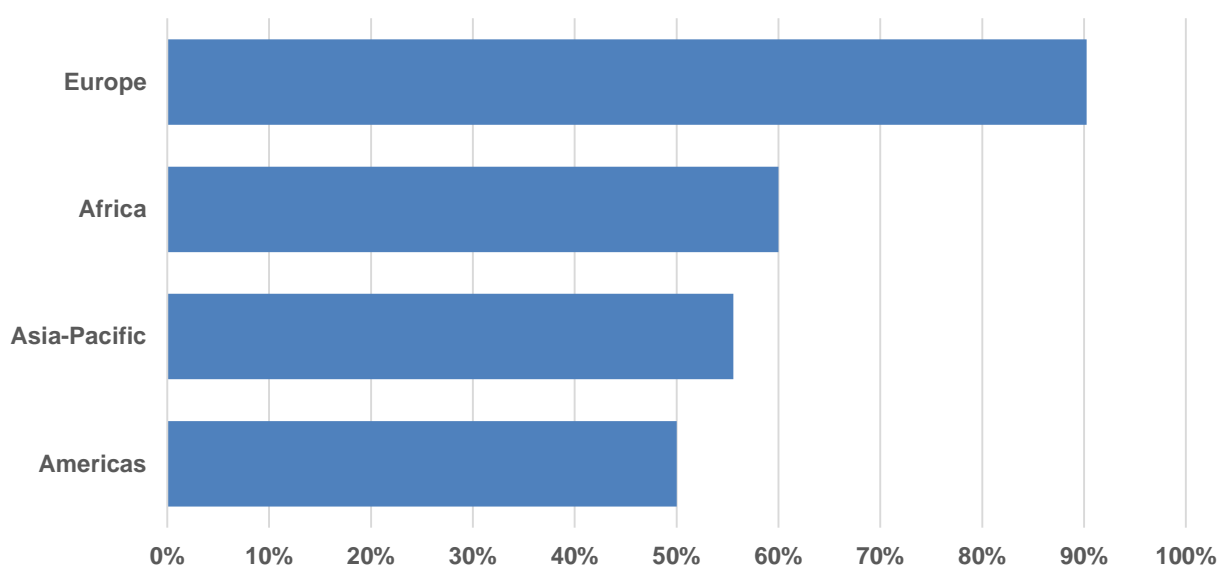
## SCR500 companies vary widely on gender equality by region



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.

Share of companies addressing SDG5 Gender Equality in most recent annual report



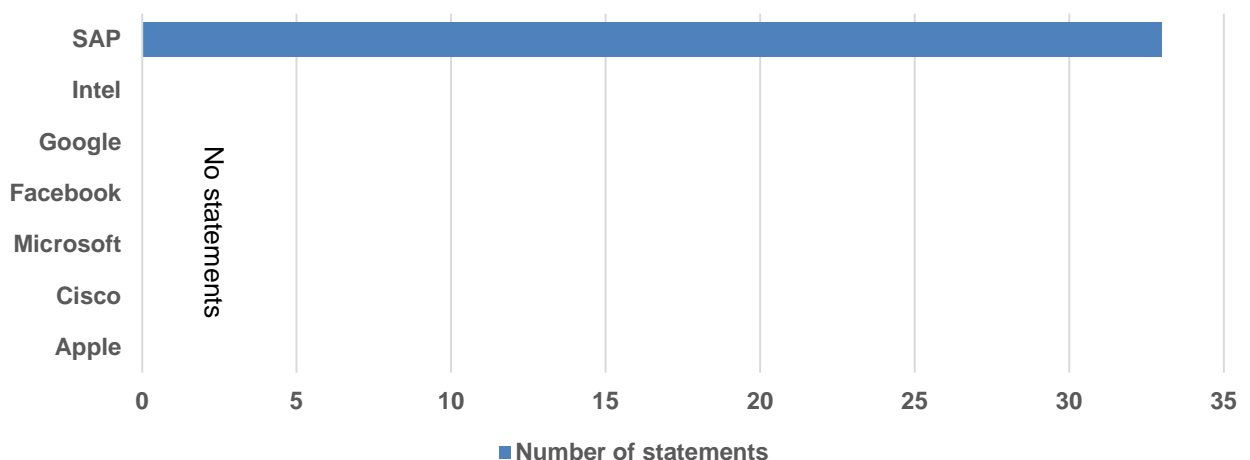
# Technology companies conspicuously absent on gender equality



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.

Technology company visibility on gender equality



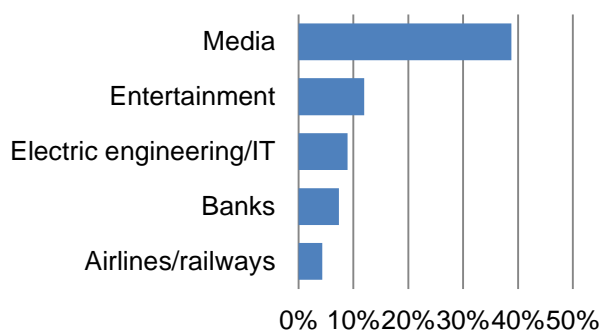
# Lack of gender equality marks a key reputational threat to tech sector



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

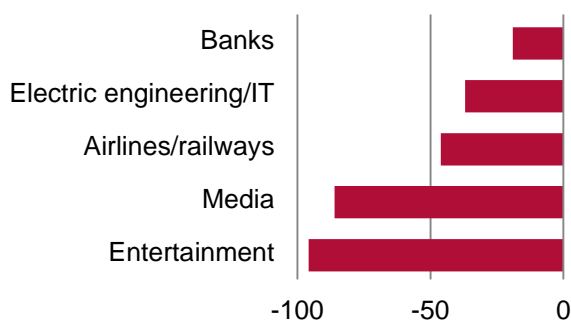
communicating on and addressing the issue. Looking at individual media tone scores of some of the largest technology companies underpins the problem: Google had a rating of -43 (balance of positive/negative coverage tone in per cent), Amazon of -67, Apple of -50 to name just a few. Twitter and Uber had 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**



■ Share of coverage; 100% = all reports on equality/discrimination

**Reports regarding gender equality and discrimination by industry 2017/18**



■ Positive ■ Negative

# Not many role models on gender equality identified yet



Drilling deeper into the global media coverage data on gender equality regarding 2017 and 2018, 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.

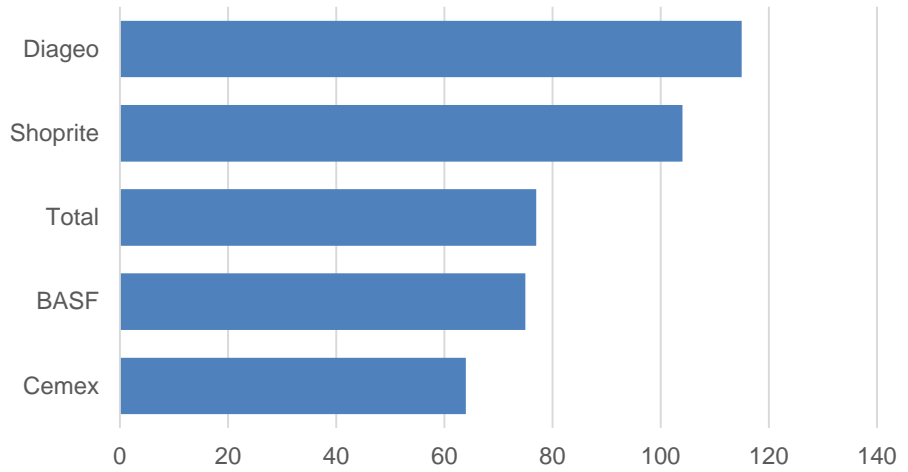
Companies with primarily negative (red) / positive (green) international media coverage on gender equality, (non) discrimination, promotion of women, sexual harassment



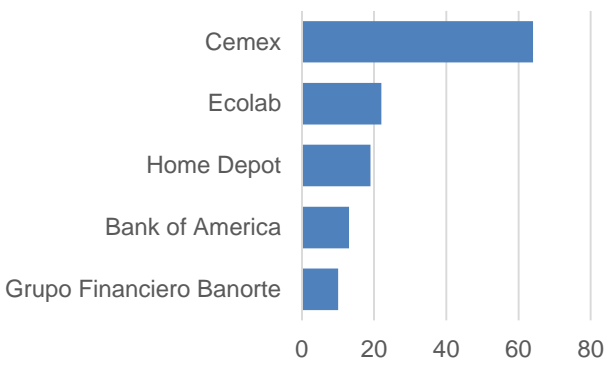
# Fund concept: SDG 6 best performers – Clean Water



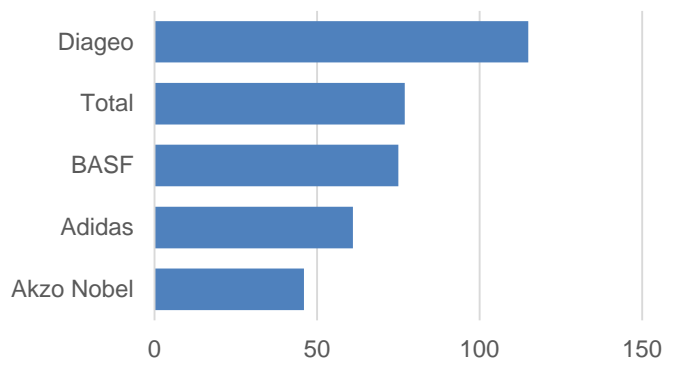
Overall



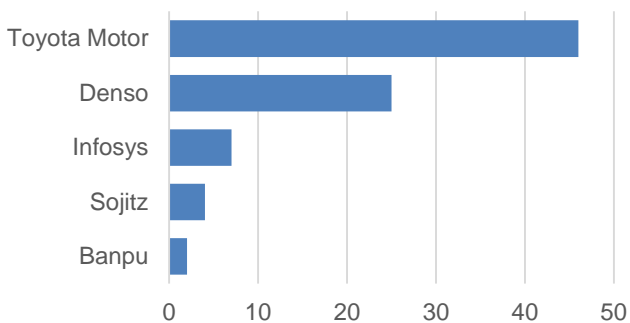
Americas



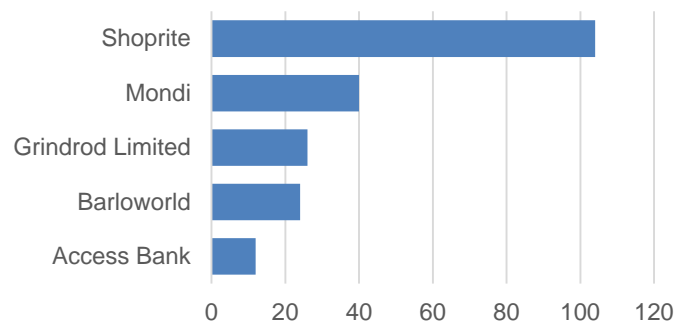
Europe



Asia



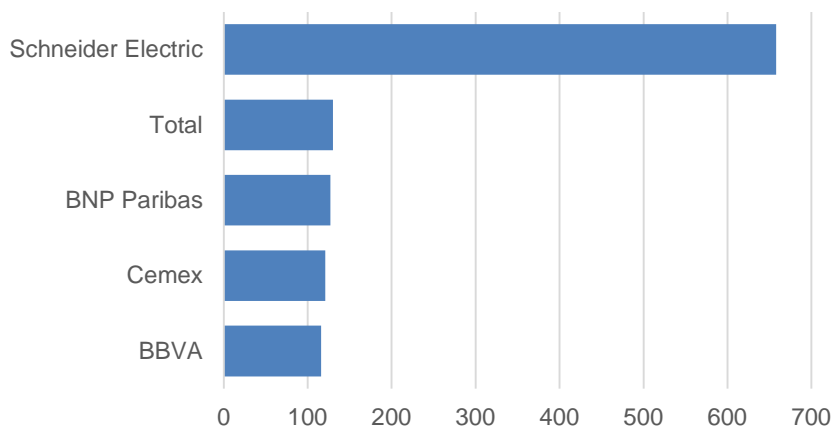
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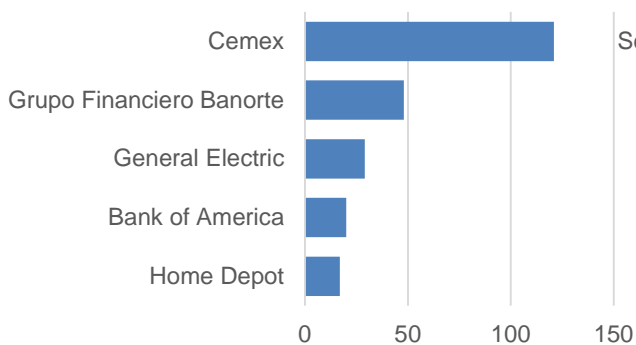
# Fund concept: SDG 7 best performers – Affordable Energy



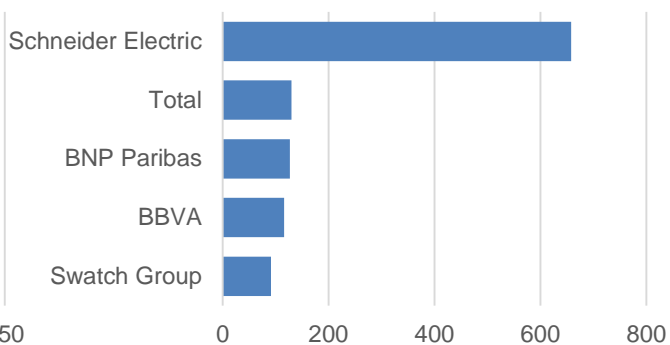
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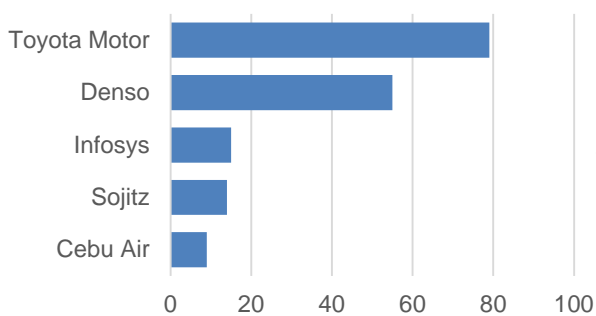
## Americas



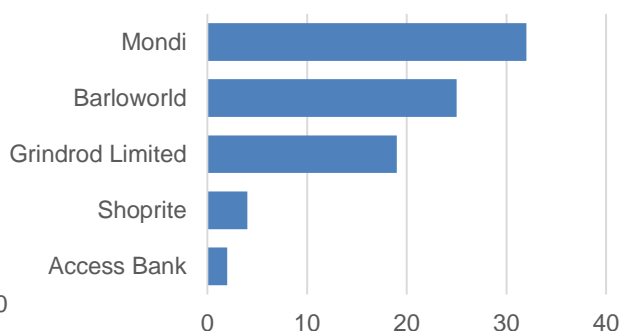
## Europe



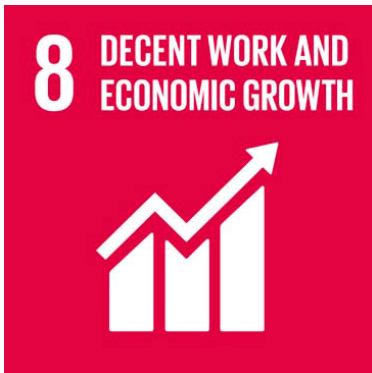
## Asia-Pacific



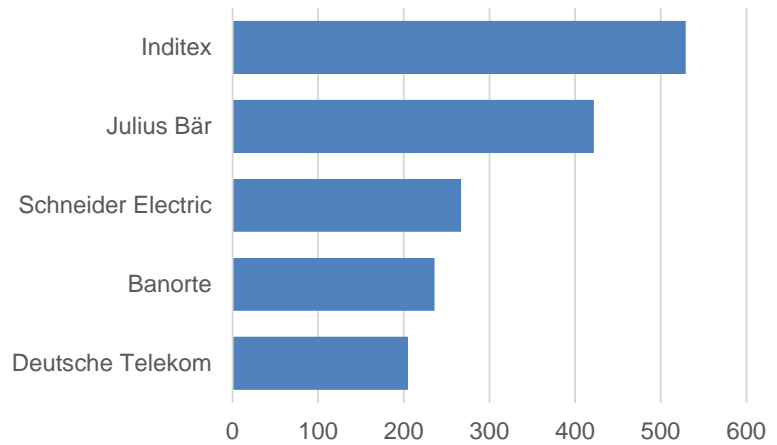
## Africa



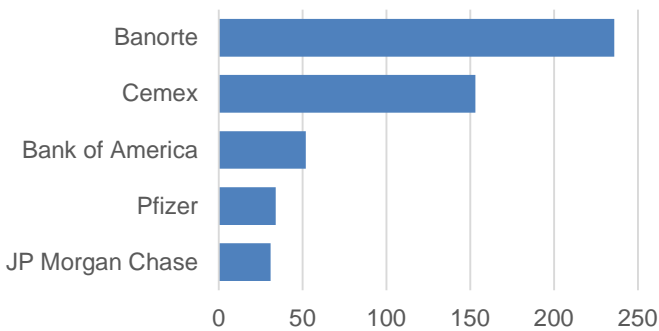
# Fund concept: SDG 8 best performers – Decent Work



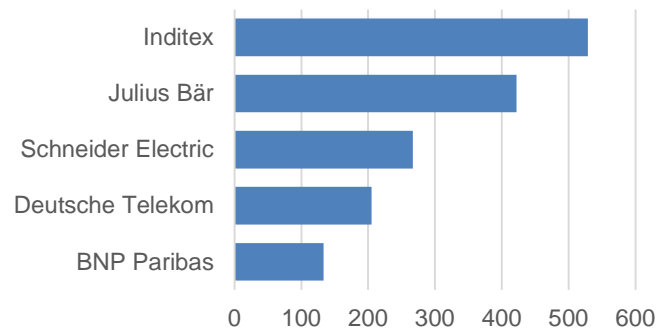
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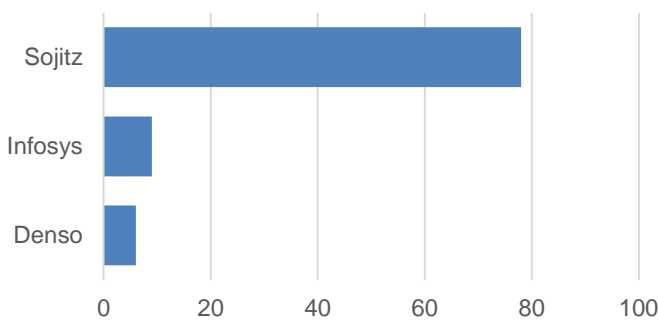
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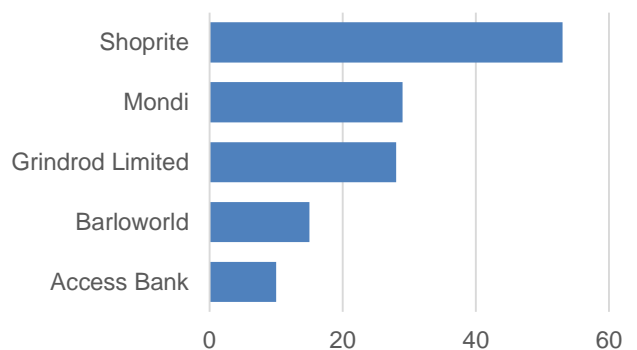
Europe



Asia-Pacific



Africa

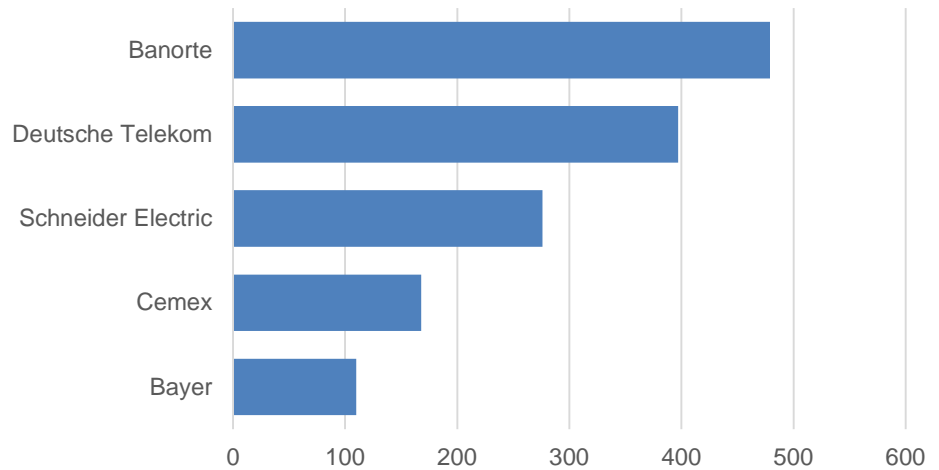




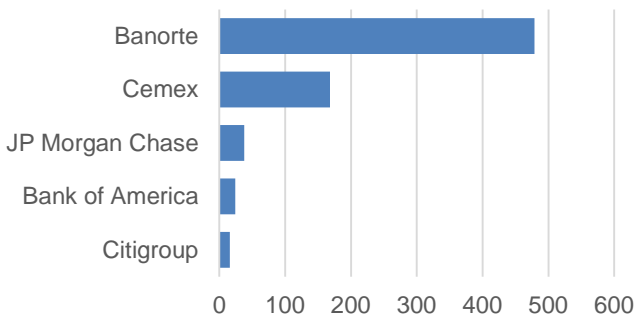
# Fund concept: SDG 9 best performers – Industry and Innovation



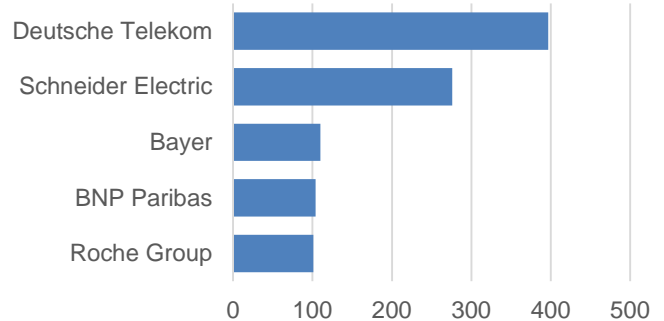
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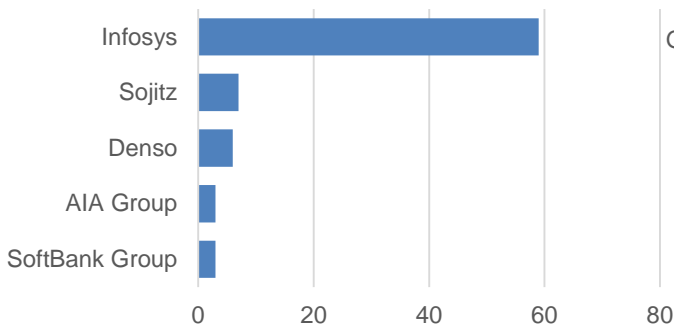
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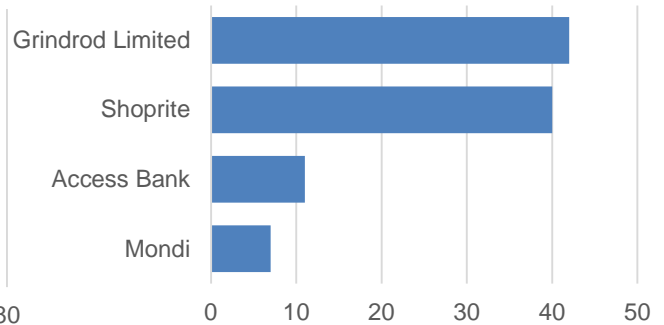
Europe



Asia-Pacific



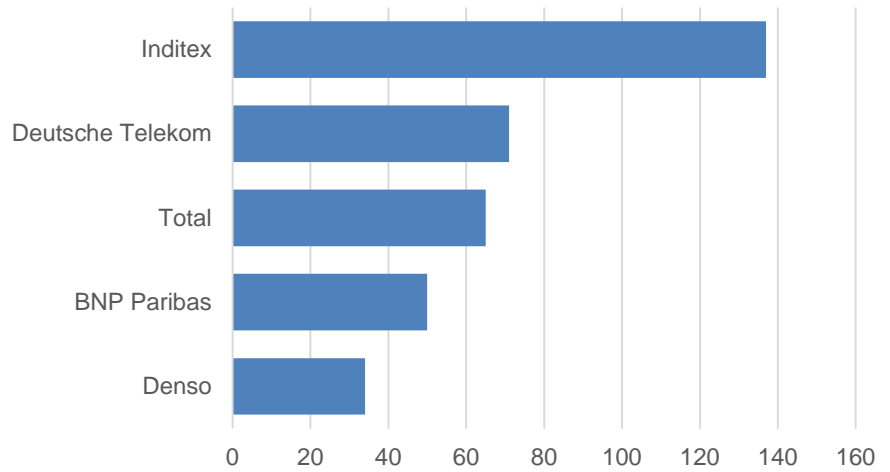
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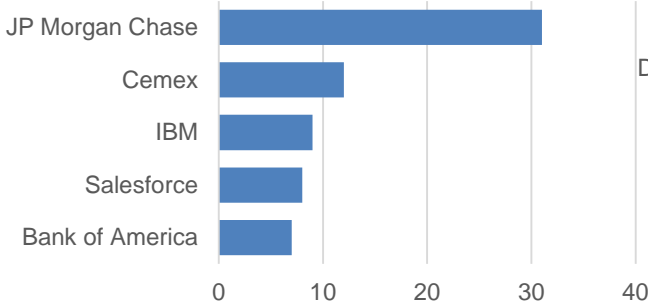
# Fund concept: SDG 10 best performers – Reduced Inequalities



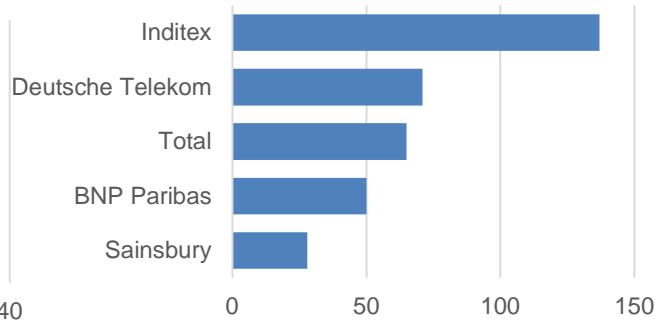
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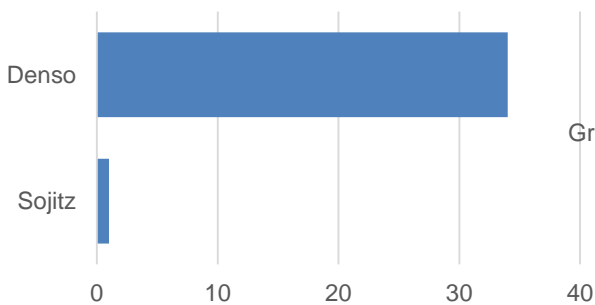
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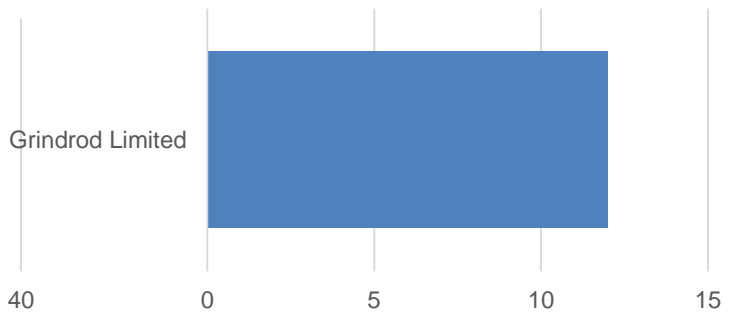
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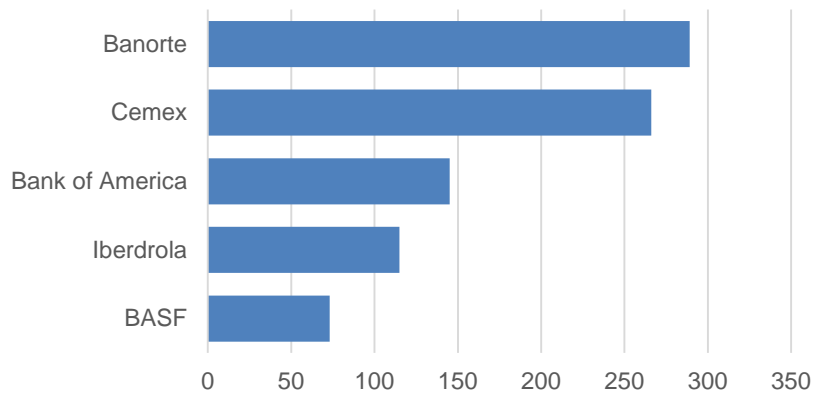
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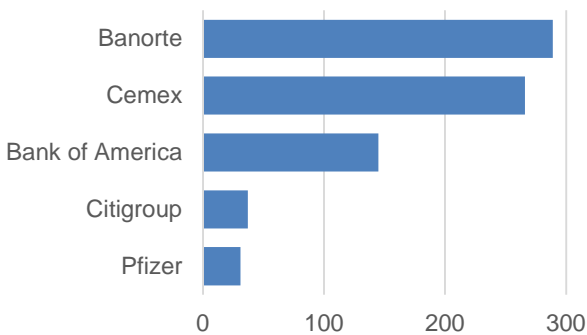
# Fund concept: SDG 11 best performers – Sustainable Communities



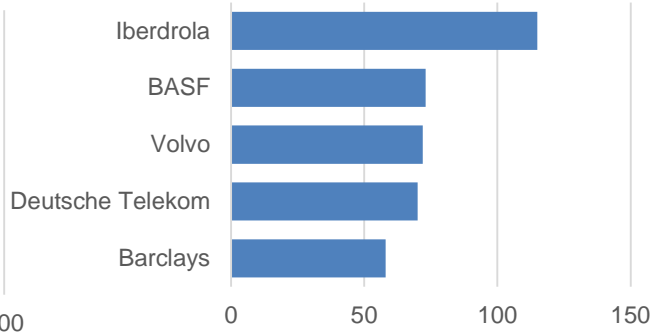
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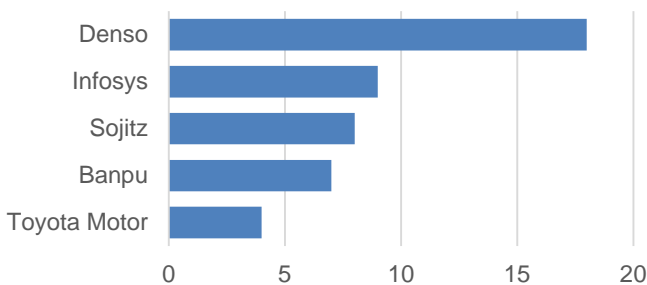
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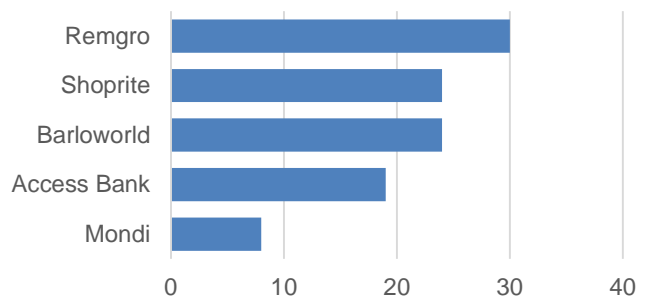
Europe



Asia-Pacific



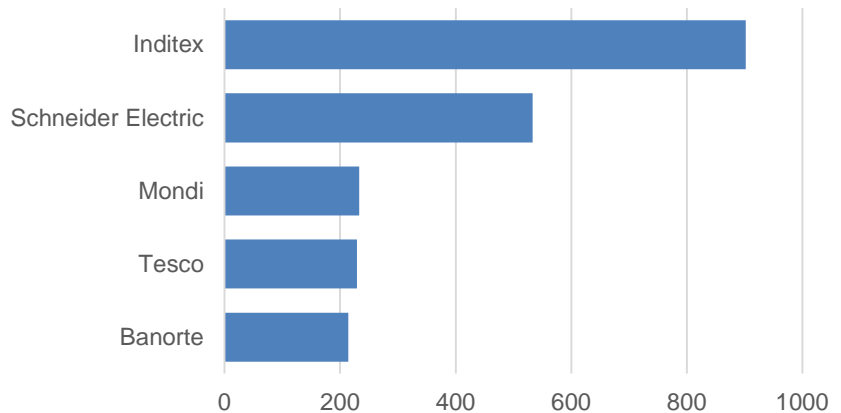
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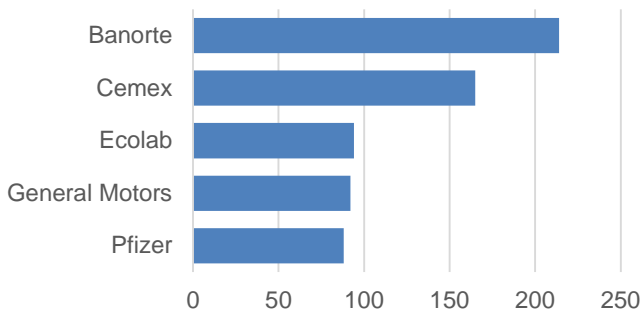
# Fund concept: SDG 12 best performers – Responsible Consumption



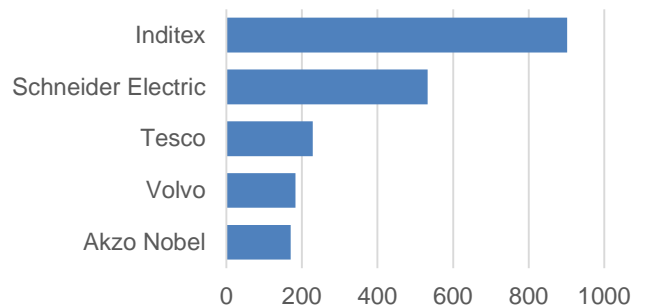
Overall



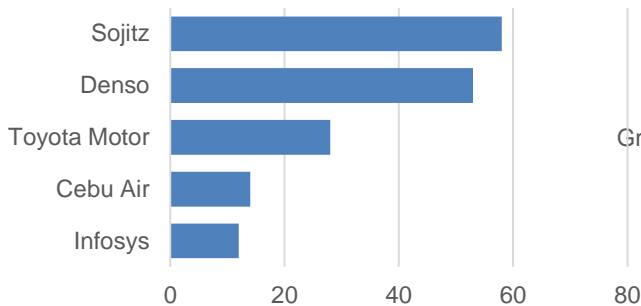
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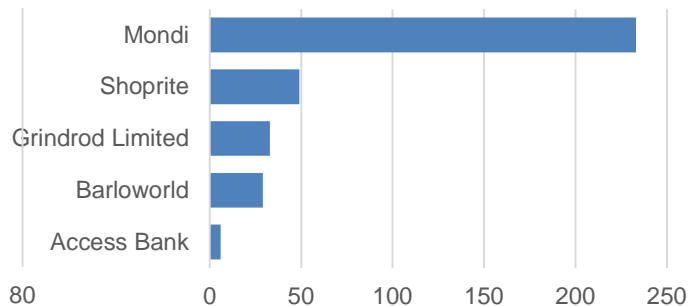
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Asia-Pacific



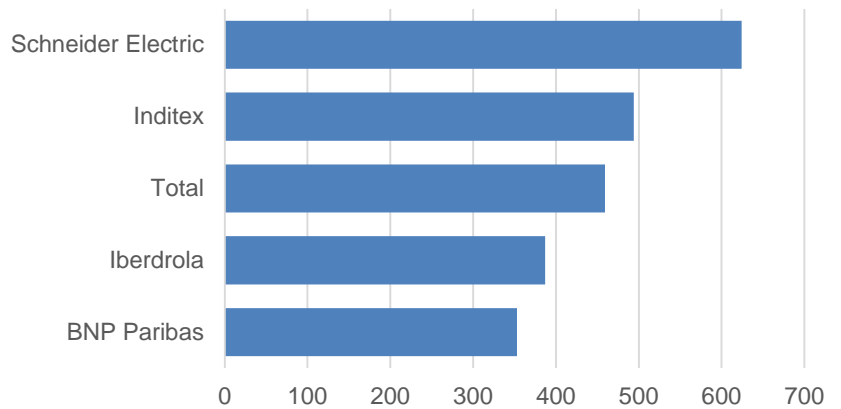
Africa



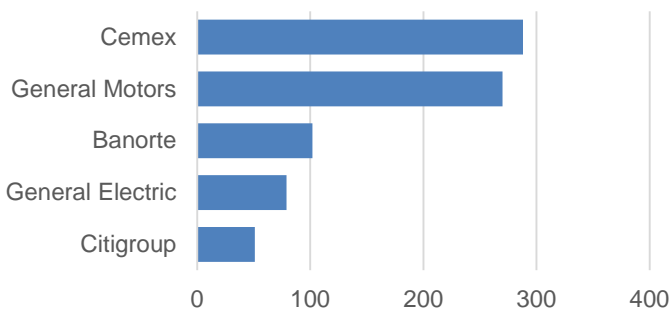
# Fund concept: SDG 13 best performers – Climate Action



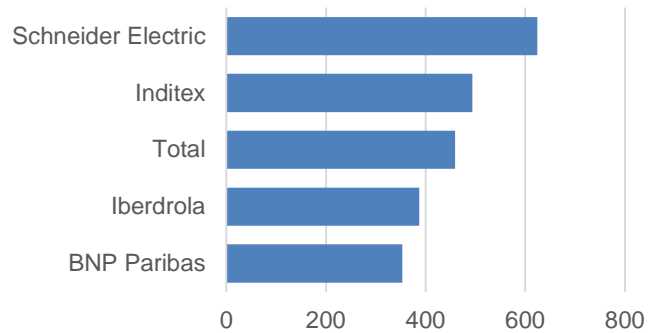
Overall



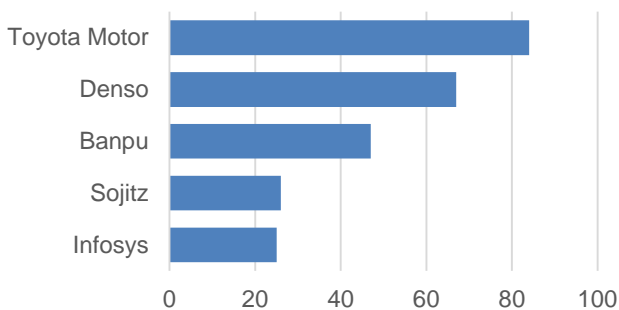
Americas



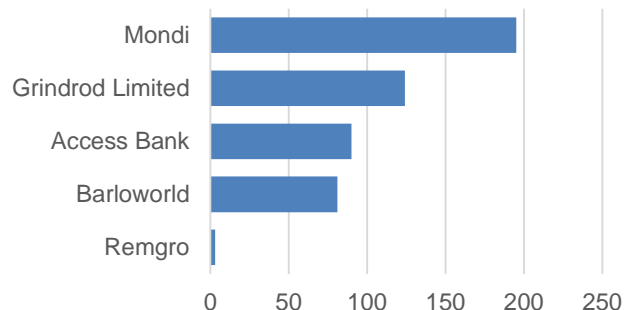
Europe



Asia-Pacific



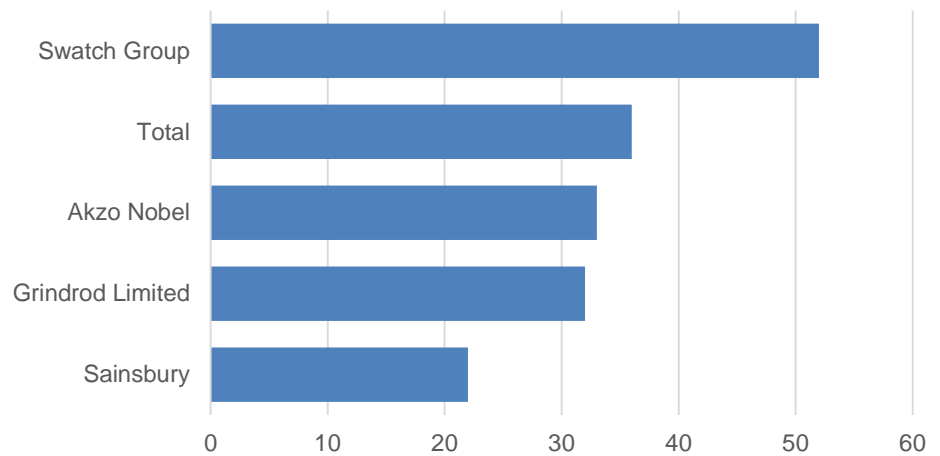
Africa



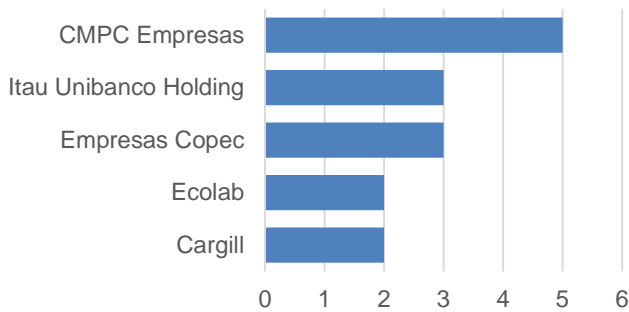
# Fund concept: SDG 14 best performers – Life Below Water



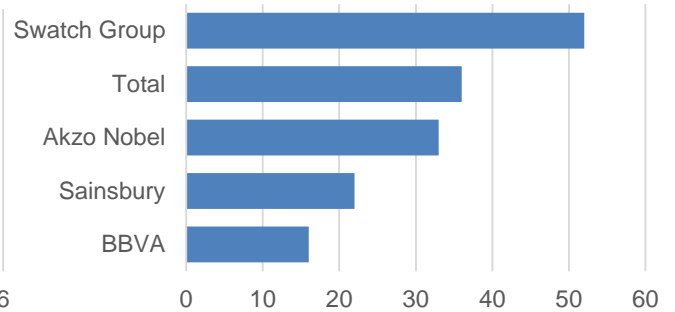
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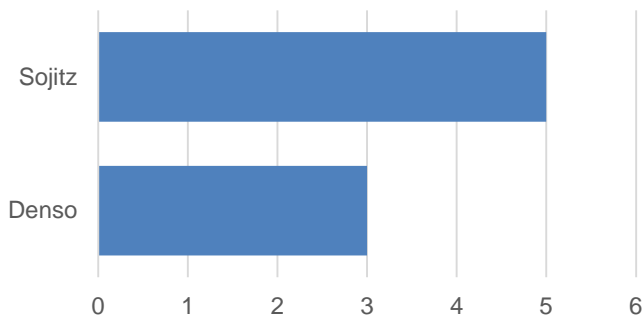
## Americas



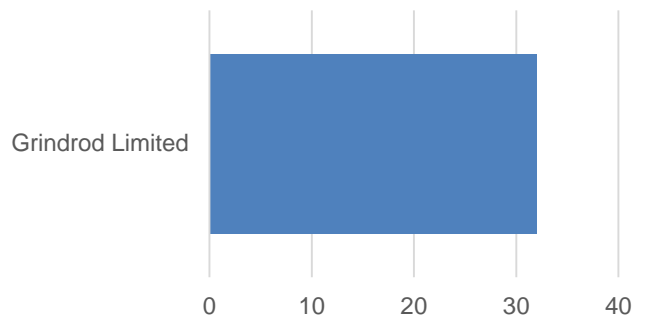
## Europe



## Asia-Pacific



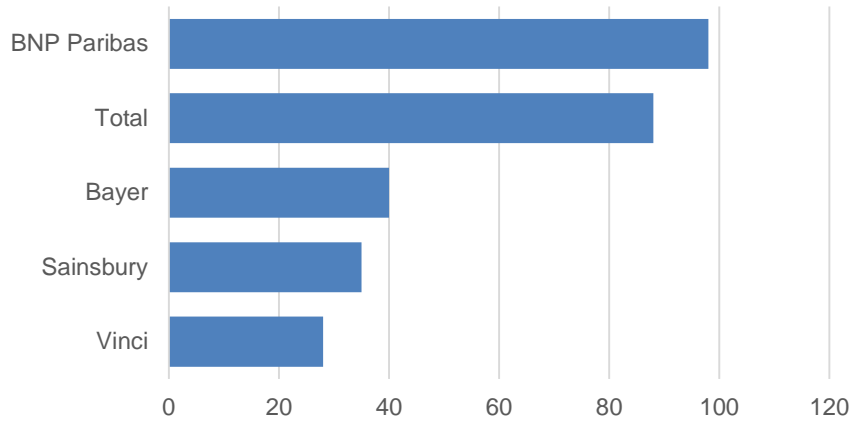
## Africa



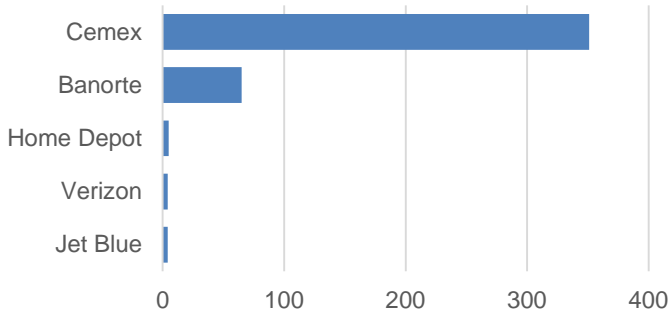
# Fund concept: SDG 15 best performers – Life on Land



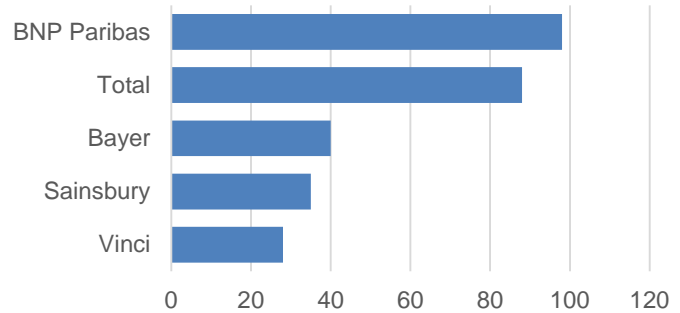
## Overall



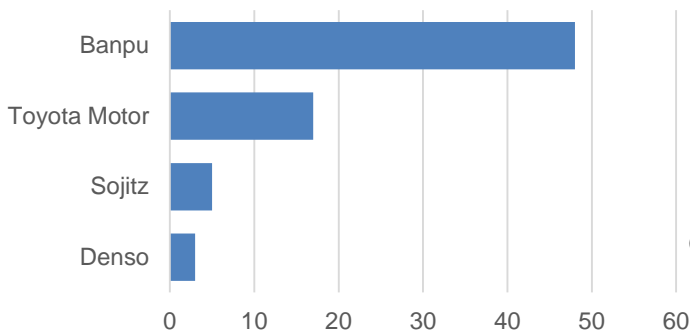
## Americas



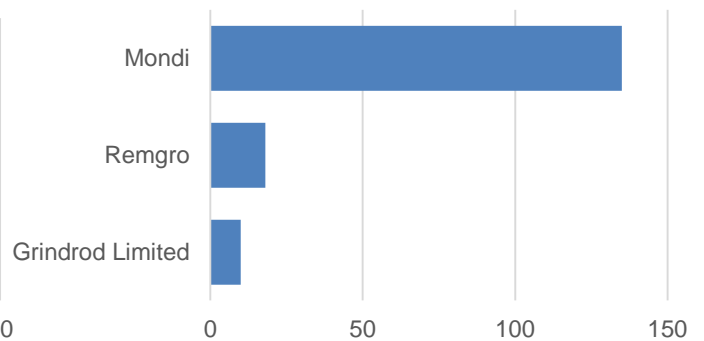
## Europe



## Asia-Pacific



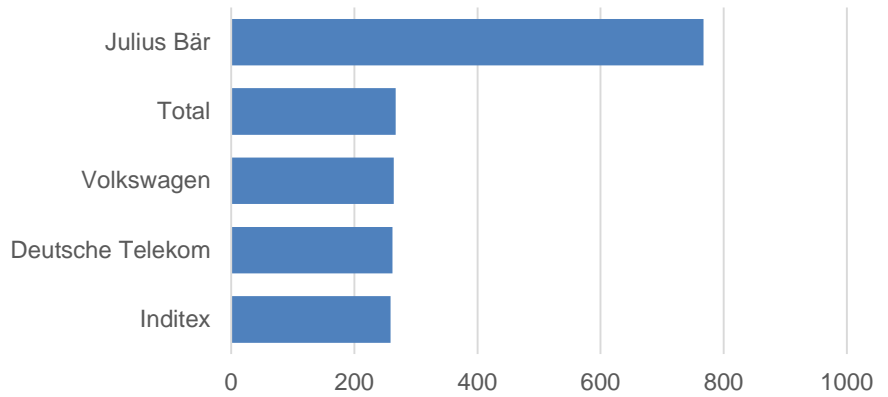
## Africa



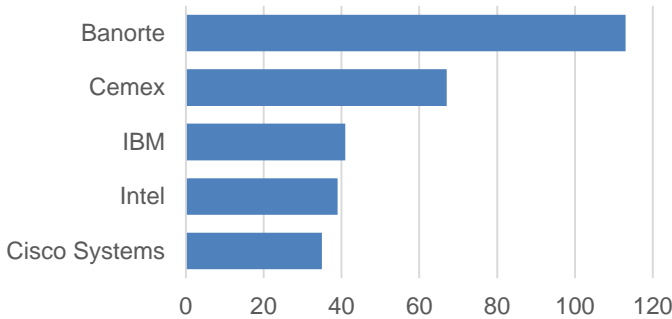
# Fund concept: SDG 16 best performers – Peace and Justice



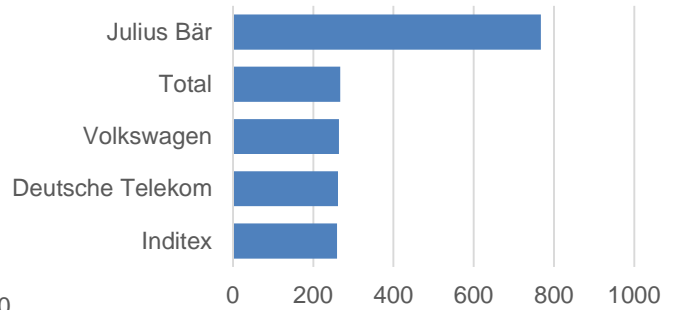
Overall



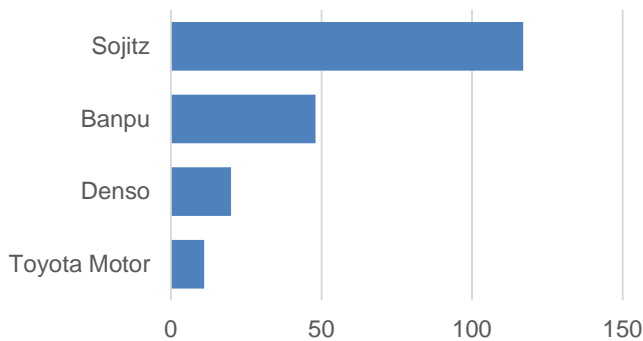
Americas



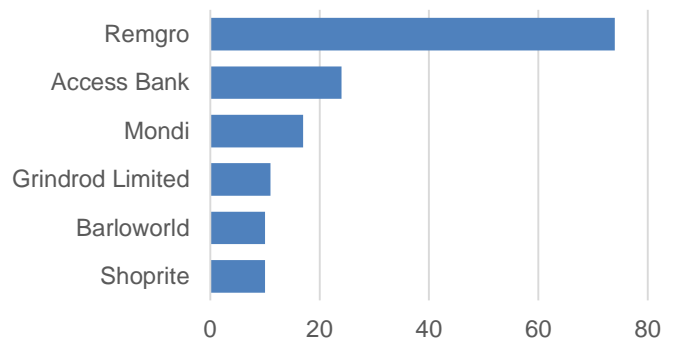
Europe



Asia-Pacific



Africa





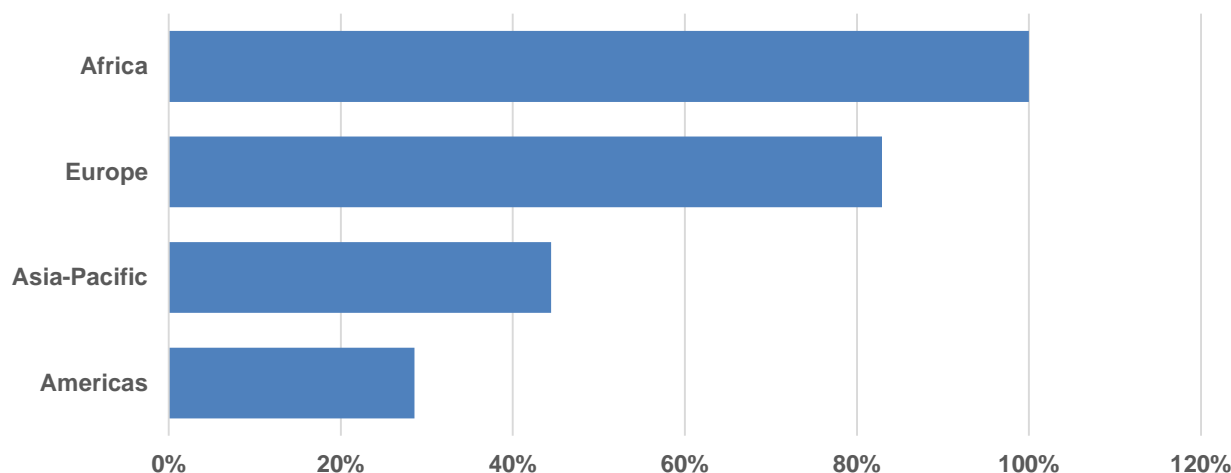
# European focus on peace & justice is more than three times that of the Americas



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.

**Share of SCR500 Companies that address SDG 16  
Peace & Justice**



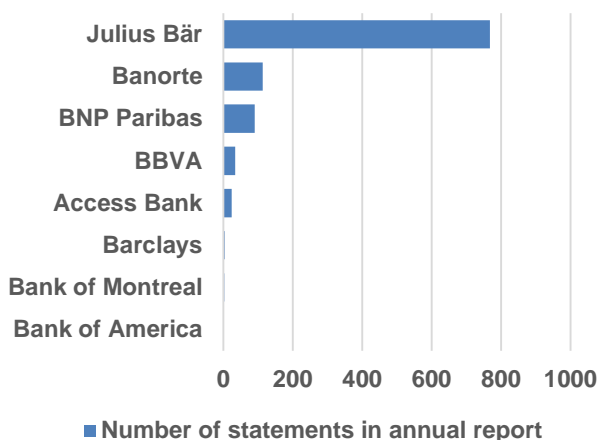
# Few companies in the industries most impacted by corruption address peace & justice (16)



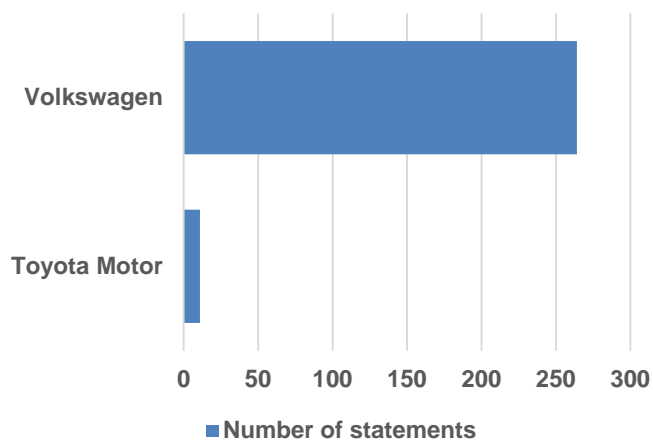
Some companies in the industries most impacted by charges of fraud and corruption were extremely active in communicating on SDG 16, Peace & Justice. Julius Bär and Banorte were standouts in the banking industry. However, many of their peers only offered limited visibility on this SDG, if they offered 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 positive 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 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.

### Banking statements on Peace & Justice



### Car industry statements on Peace & Justice



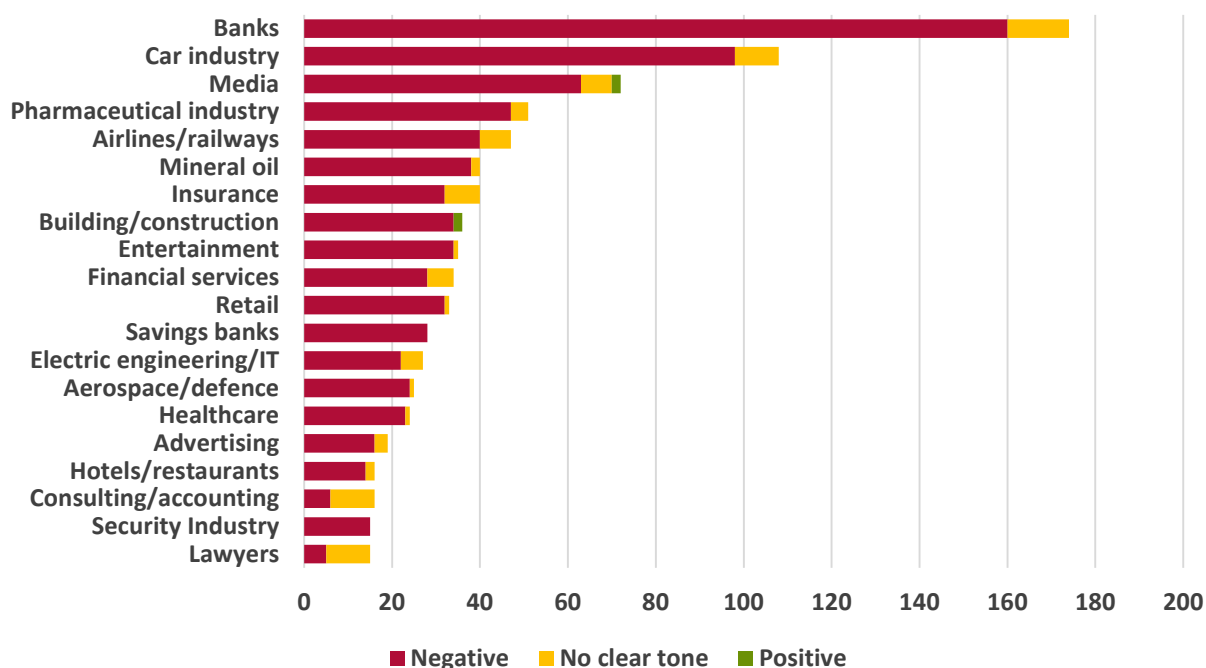
# Global media coverage shows that corruption impacts all industries



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.

Volume and tone of coverage fraud/corruption, 2013-2017 international TV News, Industries Top 20



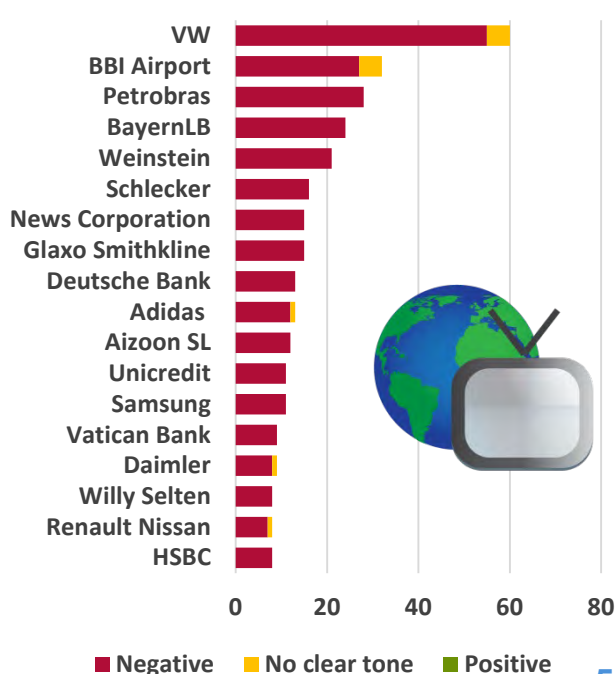
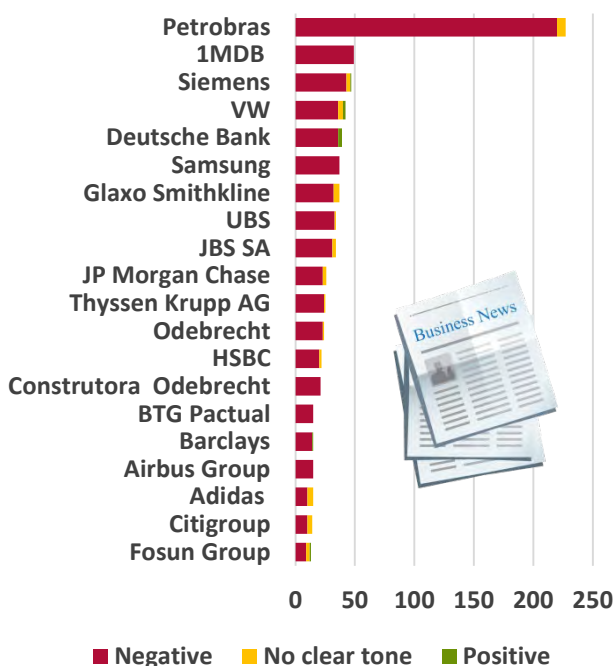
# Petrobras and Volkswagen have been most exposed to negative news on fraud and corruption



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 wrote 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.”

Volume and tone of coverage fraud/corruption, 2013-2017  
Business media / international TV News, companies Top 20



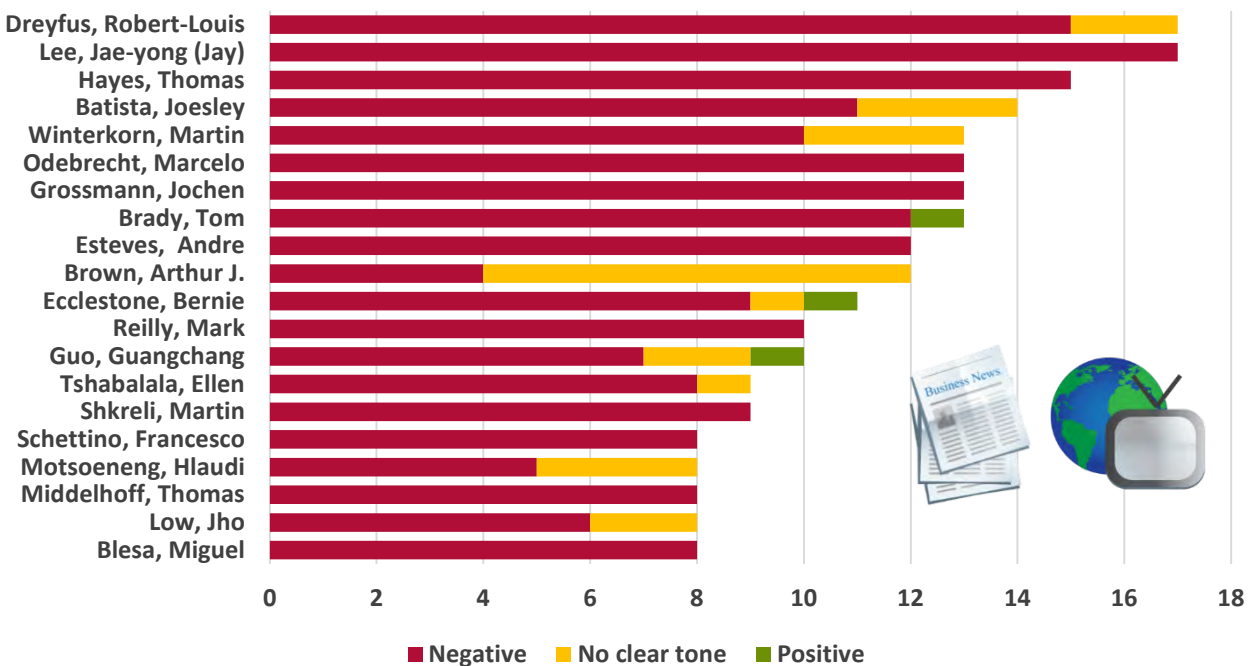
# Senior management exposed to massive reputational risks on fraud / corruption claims



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.

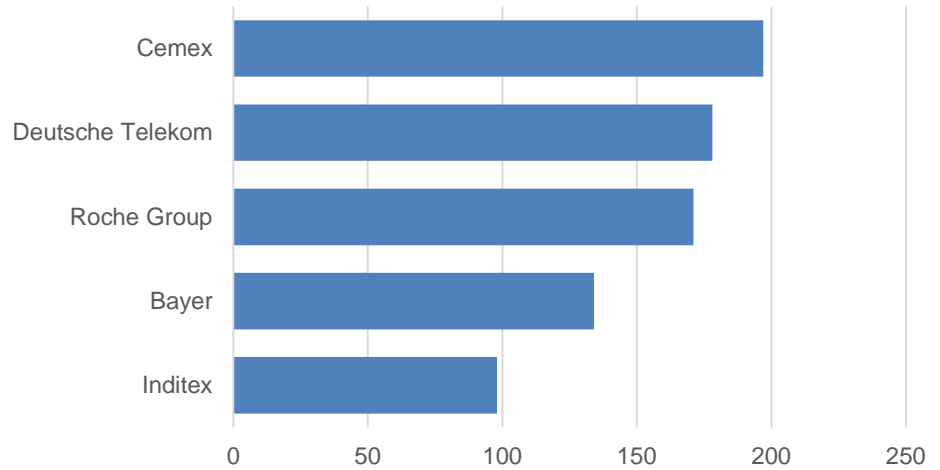
Volume and tone of coverage fraud/corruption/taxes, 2013-2017  
Business media / international TV News, managers Top 20



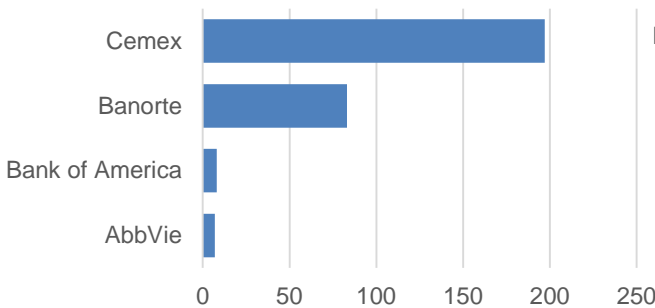
# Fund concept: SDG 17 best performers – Partnerships for the Goals



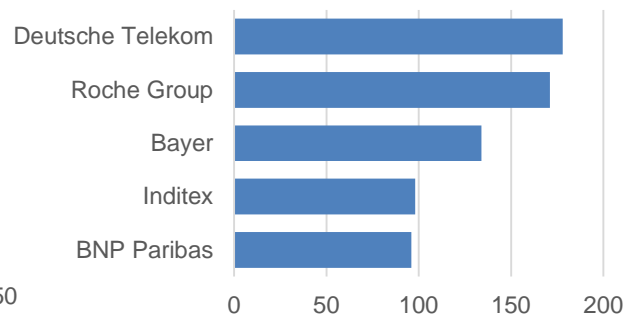
Overall



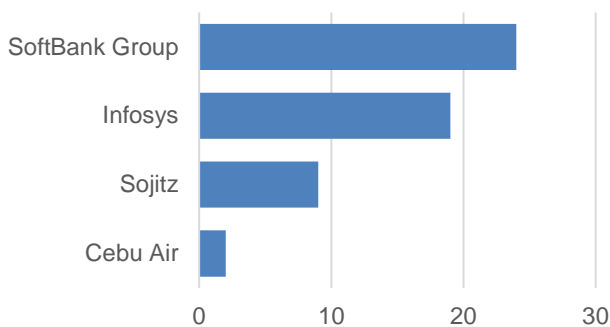
Americas



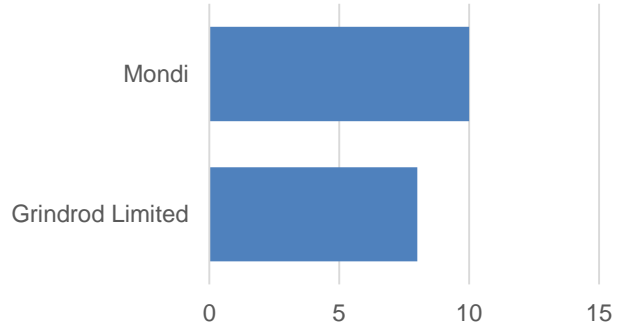
Europe



Asia-Pacific



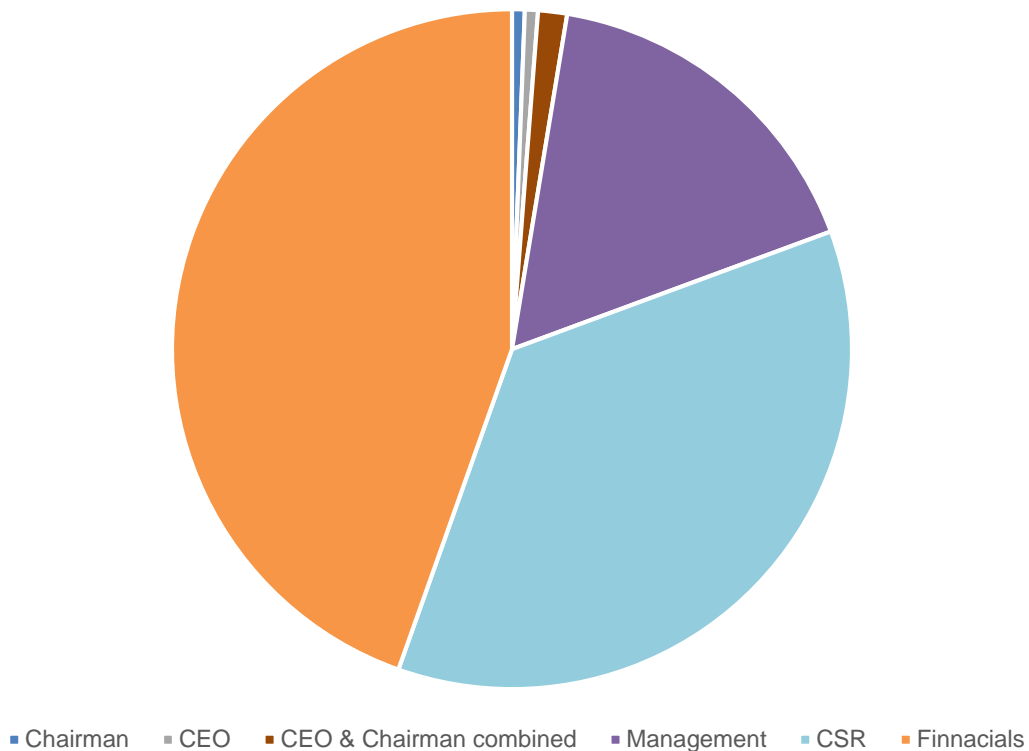
Africa



# Content from C-level executives not yet the main source of SDG mentions



Section of Annual Report Featuring SDG Content



The bulk of content on the SDGs does not appear in letters and other content from CEO-level executives in the annual report, but as part of the overall financial report, management report, or specialized CSR section.

This is partly because the number of pages allotted to these communications from C-level executives tends to be more limited.

Despite this, it is important for C-level executives to weigh in on the SDGs. Showing that the C-suite is directly, personally committed to corporate SDG focus in a key indicator of a company's desire to actively contribute to their community and demonstrates an awareness of how all stakeholders – including investors – benefit from SDG engagement.

# 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 SDGs are the result of serious soul searching by senior United Nations officials, heads of states and their advisers. There was plenty of blame to go around. Specifically, this new initiative is designed to fix those roots of failure.

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:





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## 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.



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## 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



### 1. Proactive Methodology

PrinCap employs a proactive methodology to define the most sustainable companies by industry using SDG product alignment scores from oekom.

### 2. Evaluation

PrinCap ensures that all prior-year constituents have undergone a thorough audit of their commitments to the SDGs.

### 3. Eligible SDG Universe

PrinCap creates a list of prospects for UNGSII to analyze for inclusion to the fund and provides the sustainability results of current constituents.

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

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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.



# Creating a Methodology for Investing in a Portfolio of Socially Responsible Assets

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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.



# Creating a Methodology for Investing in a Portfolio of Socially Responsible Assets

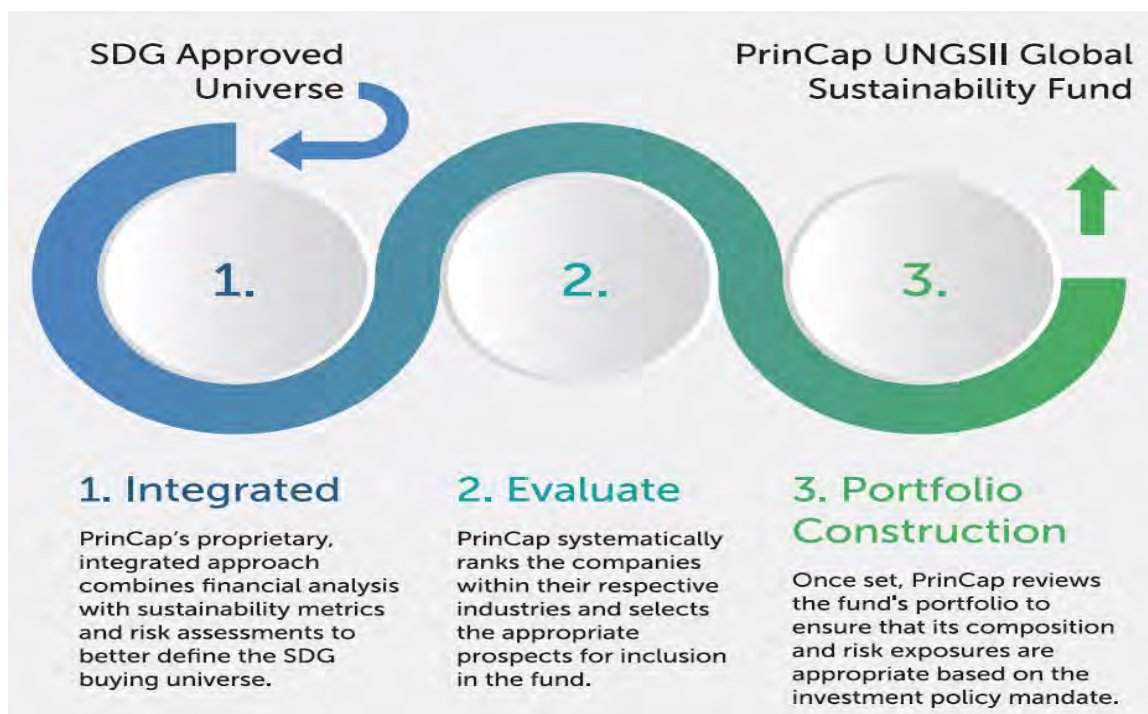
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## Final Thoughts

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

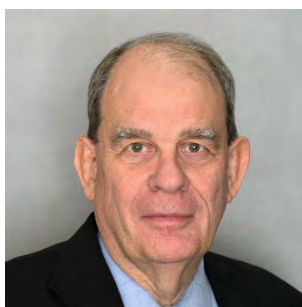
Sustainability and implement their commitment in their business. By pooling the resources of many investors, we mean to send a clear message to companies and governments that major corporations and world leaders must commit to sustainable activities and that the institutional investment community will 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.





## **ANIS ASGHAR**

Anis is the CEO of Clan Capital a family office based in London. Following a career in M&A for a US telecoms business, He was a pioneer in founding a business in China in the late eighties. Following the sale of this business, he spent time with the family foundation, investing in emerging technology including cyber security, real estate, and hospitality. Having spent over 30 years in the City of London, Anis brings a wealth of experience in managing capital and investment structures. As part of the family office he has been a director of companies in the US, Australia, India, France, Sweden, and the UK. As CFO of UNGSII, he is responsible for the acquisition, deployment, and management of the foundations capital.



## **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 Scientifics, Comshare, Cognos, Webex Communications, ACI Worldwide, Realpage, Edgar Online, The Nature Conservancy, The World Economic Forum USA and Johns Hopkins University among others.



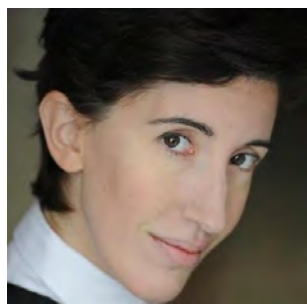
## **JOSEPH A. CAJIGAL**

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.



## **MAFALDA DUARTE**

Mafalda Duarte is CEO of the Climate Investment Funds (CIF), an \$8.5 billion multilateral fund accelerating climate action in 72 developing countries for over a decade. Since assuming her position in 2014, Mafalda has implemented with more than 300 investments a pioneering vision centered on blazing new paths in leadership and learning in scaled climate action. Mafalda is harnessing CIF's unique business model to achieve the triple win of market creation, investment returns, and social inclusion. Prior to CIF, Mafalda served in a variety of high-level positions at the intersection of climate action and international development in over 30 developing countries, working within governments and organizations such as the African Development Bank and the World Bank.



## **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.



## **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. 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 SDGs by creating transparent indices such as the SCR500 and providing data and know how to leaders from all sectors of life. Schatz teaches Constructive Disruption and Perception Change. He hosts masterclasses on 'Unlearning Intolerance' together with UN Academic Impact.



## **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	Hindustan Petroleum	Pegatron
Aditya Birla Group	Hindustan Unilever	PLDT
Advanced Card Systems	Hitachi	Quanta Computer
Aeon	Genting Malaysia Berhad	Reliance Industries
AIA Group	Hankook Tire	Samsung
Air India	Haseko	Shandong Weiqiao Pioneering Group
Alibaba	HCL	Singapore Telecommunications
Asahi Glass	HDFC	Sinopec Group
Bank Mandiri	Hindustan Petroleum	Sojitz
Banpu	Hindustan Unilever	Sompo Holdings
BHP Billiton	Hitachi	Sompo Japan Nipponkoa
Canon	Honda Motor	Sony
Cebu Air	Hyflux	State Bank of India
Central Pattana	Infosys	Swire Pacific
China Electronics	Innolux	Taiwan Semiconductor Manufacturing
China Mobile Communications	Ipex	Takeda Pharmaceutical
China Vanke	ITC	Tata Motors
Chunghwa Telecom	Itochu	Tata Steel
Ciputra Development	Japan Post Holdings	Teijin
CITIC Group	Japan Tobacco	Telstra
Compal Electronics	Jardine Matheson	Tenaga Nasional
CPC	Jollibee Foods	Terumo
Daikin	Kao	Tokai Carbon
Delta Corporation (India)	KDDI	Top Glove
Denso	Kikkoman	Toyota Motor
Dongfeng Motor Group	Kirin	Vietnam Dairy Products
East Japan Railway	Macquarie	Vingroup
Flextronics International	Mahindra and Mahindra	WH Group
Formosa	Marubeni	Wilmar International
Genting Malaysia Berhad	Midea Group	Xiaomi
Hankook Tire	Mitsubishi Electric	
Haseko	Mizuho Financial Group	
HCL	MTR Corp	
HDFC	Nan Ya Plastics	
	NEC	
	Nichirei	
	Nintendo	
	Nissan Motor	
	Noble Group	
	NTT DoCoMo	
	Panasonic	



# Companies Analyzed for the SCR500



## Africa

Access Bank  
Aspen Pharmacare  
Astral Foods  
Attacq  
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

## Oceania

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

# Companies Analyzed for the SCR500



## Europe

Ab Inbev  
ABB  
ABN Amro  
Accenture  
Adidas  
Aegon  
Air France  
Air Liquide  
Airbus Group  
Akzo Nobel  
Allianz  
Andritz AG  
ArcelorMittal  
ASML  
Assicurazioni Generali  
Associated British Foods  
Astra Zeneca  
Atlas Copco  
Audi AG  
Aviva  
Avon Products  
AXA  
Banco Bilbao Vizcaya Argenaria  
Banco Santander  
Barclays  
BASF  
Bayer  
Beiersdorf AG  
Berkeley Group Holdings  
Bilfinger  
BMW  
BNP Paribas  
British Airways  
British American Tobacco  
British Land  
BT Group  
Caixa Bank  
Carlsberg  
Christian Dior  
Coloplast  
Compass Group  
Continental  
Credit Suisse Group  
CRH  
Daimler  
Danone  
Deutsche Bank  
Deutsche Boerse  
Deutsche Post  
Deutsche Telekom  
Diageo  
DNB  
E.ON  
Electricite de France  
Electrolux  
Enel  
ENI  
Erste Group Bank  
Evonik Industries  
First Group (Greyhound)  
Fresenius  
Geberit  
GlaxoSmithKline  
Glencore  
H&M Hennes & Mauritz  
Hannover Re  
Heineken Holding  
Henkel  
Hermes  
HSBC Holdings  
Iberdrola  
Iceland Air  
Ikea  
Imperial Brands  
Inditex  
Infineon  
ING Group  
Ingersoll Rand  
Intesa Sanpaolo  
KBC Group  
Kering  
LafargeHolcim  
Legrand  
Linde  
Lloyds Banking Group  
LM Ericsson  
London Stock Exchange  
Lufthansa Group  
LvOreal  
Maersk Group  
Medtronic  
Merck  
Metro  
Michelin  
Munich Re Group  
National Grid  
Nestle  
Nokia  
Nordea  
Novartis  
Novo Nordisk  
Novozymes  
NXP Semiconductors  
OMV AG  
Orascom  
Otto Group  
Parmalat  
Pernod Ricard  
Peugeot  
Porr AG  
Prudential  
Raiffeisen  
Randstad Holding  
RBS  
Reckitt Benckiser  
RELX Group  
Roche Group  
Royal Dutch Shell  
Royal Philips  
RWE  
Sainsbury  
Saint-Gobain

# Companies Analyzed for the SCR500



## Europe (cont.)

Sampo  
Sanofi  
SAP  
Sberbank  
Scania  
Schneider Electric  
Shire  
Siemens  
Sonova  
Standard Chartered  
Standard Life  
Statoil  
STMicroelectronics  
Strabag SE  
Svenska  
Swatch Group  
Swedbank  
Swiss Re  
Talanx  
Telefonica  
Telekom Austria AG  
Telenor  
Tenaris  
Tesco  
Total  
Trafigura Group  
UBS Group  
UniCredit Group  
Unilever  
Valeo  
Verbund AG  
Vinci  
Vivendi  
Vodafone Group  
Voestalpine AG  
Volkswagen  
Volvo  
Wacker Chemie  
Wienerberger AG  
Wolseley  
WPP  
Zurich Insurance Group

## North America

3M  
Abbott Laboratories  
AbbVie  
Adobe  
Aetna  
Agilent Technologies  
AIG  
Air Canada  
Akamai  
Alcoa  
Allstate  
Alphabet (Google)  
Amazon  
AMD  
America Movil  
American Airlines Group  
American Express  
AmerisourceBergen  
Amgen  
Apple  
Applied Materials  
Arconic  
Arrow Electronics  
AT&T  
Bank of America  
Bank of Montreal  
Bank of Nova Scotia  
Baxter  
BB&T  
BCE  
Beckton Dickinson  
Berkshire Hathaway  
Best Buy  
Biogen  
Blackrock  
Blackstone  
Boeing  
Bristol-Myers Squibb  
Canadian National Railway  
Capital One Financial  
Cardinal Health  
Cargill

Carnival  
Centene  
Chipotle  
CIBC  
Cigna  
Cisco Systems  
Citigroup  
Clorox  
Coach  
Coca-Cola  
Cognizant  
Colgate-Palmolive  
Comcast  
Conagra  
Costco  
CSL  
CVS Health  
Danaher  
Deere  
Dell  
Delta Air Lines  
Disney  
Dole Food  
Ebay  
Ecolab  
Electronic Arts  
Emerson Electric  
Enbridge  
Energizer Holdings  
Equinix  
Expedia  
Express Scripts Holding  
Facebook  
Fannie Mae  
FedEx  
Femsa  
Fifth Third  
Ford Motor  
Freddie Mac  
Fuel Tech  
General Electric  
General Mills

# 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 SDGs, 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: lets have a conversation how we can cooperate.



## FINANCIAL MARKETS



## SDG CITIES LEADERSHIP PLATFORM

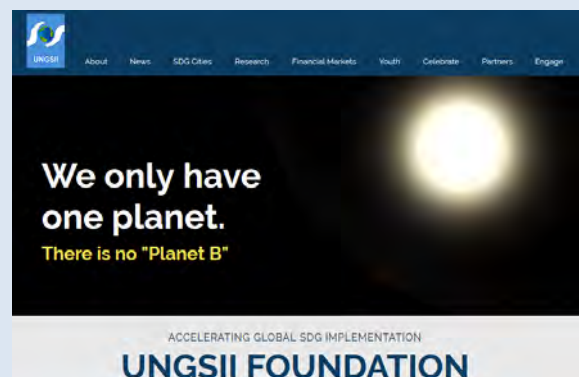
Global Initiative to reach the SDGs by 2045



### Contact Information

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**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](mailto:matthias.vollbracht@ungsii.org)**

# Taking the next generation seriously – implementing the first Global Youth Poll

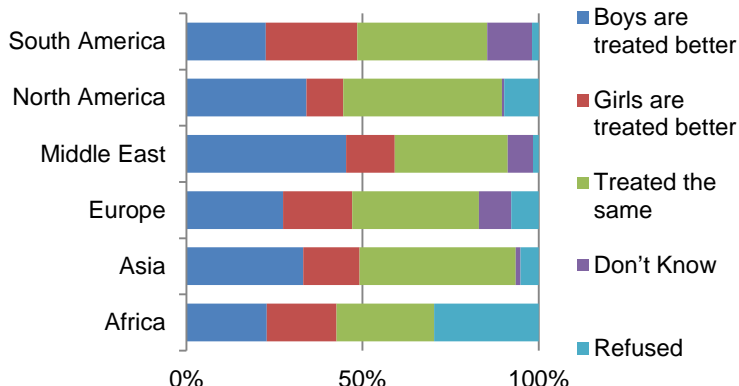
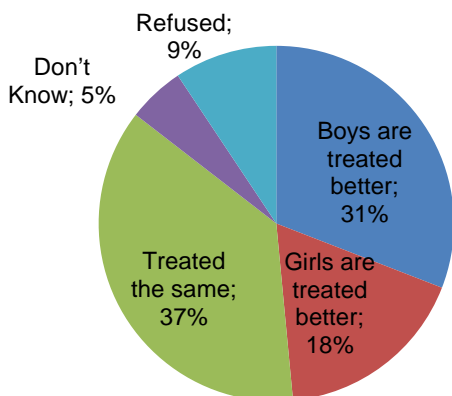
## Roland Schatz



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?





# 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.

# Supporting 25 Cities and 5 Indigenous Communities already working to implement the SDGs by 2025



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>



## Media Tenor International

MEDIA TENOR was founded in 1993 by eminent scholars within and outside of the area of communication science and public opinion research like Elisabeth Noelle-Neumann, Peter Glotz, Hans Mathias Kepplinger, Wolfgang Donsbach and Hartmut Schiedermaier. MEDIA TENOR was established as the first media research institute to focus on continuous one hundred percent media analysis of opinion-leading news outlets. Thanks to this unique approach the institute is able to define the awareness threshold. It expanded internationally serving universities, NGOs, governments, the media and the corporate sector.

As a strategic partner, MEDIA TENOR helps organizations understanding and leveraging the media. Through partnership with MEDIA TENOR, organizations are able to tailor messages to reach target audiences effectively, consequently reducing advertising cost and increasing the return on investment from an organization's external communication.

Today MEDIA TENOR is the leading media institute in the field of applied Agenda-Setting research, serving partners in the scientific, government and corporate world with strategic media intelligence. Every year experts and practitioners from media, academia, governments and NGOs meet at the International Agenda Setting Conference to exchange latest trends and improvements in the field of applied media impact analysis. Because MEDIA TENOR analyzes every single report in opinion leading media from print to TV and online media, our partners know whether their media relations activity has been relevant or not. MEDIA TENOR empowers them to create and maintain an active and strategic media presence, strengthening both credibility and reputation. The database open to the public has grown up to 90 million analysed statements – growing every day. These are now open for academia around the World in the Global Media Impact Center in Boston.

# INNOVATIO

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Data Driven Solutions

2020



January 21 - 24, 2020

## SDG Lab

**Davos 2020**  
**Hotel Meierhof**