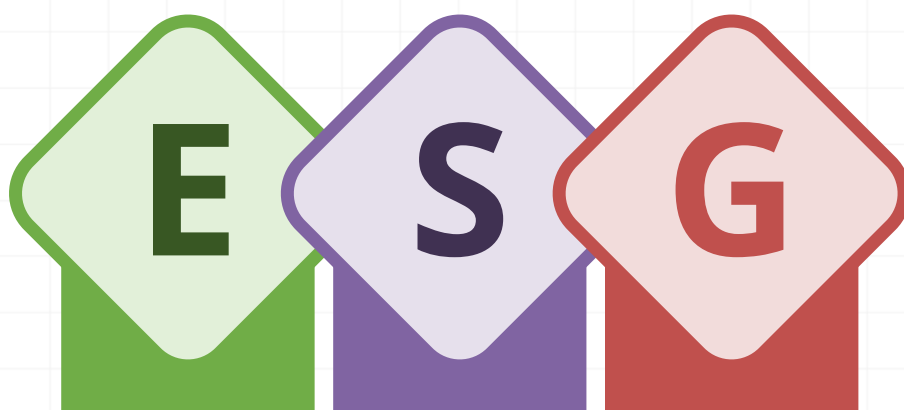


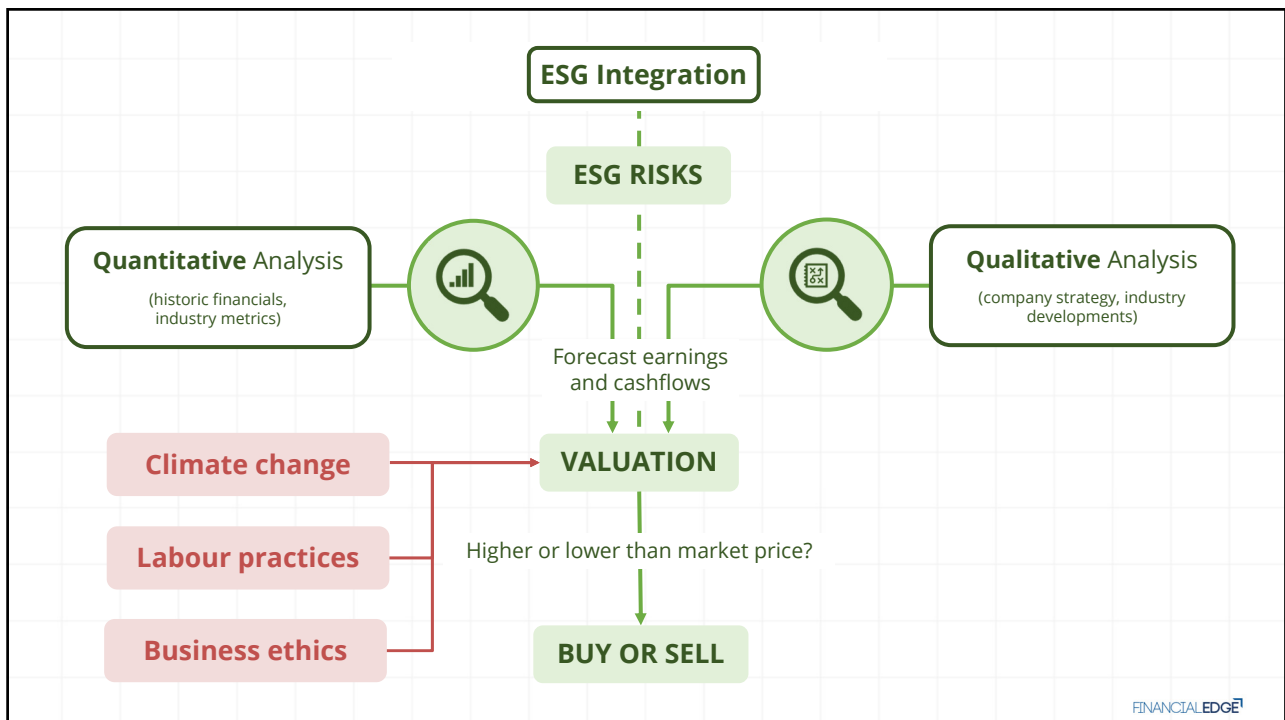
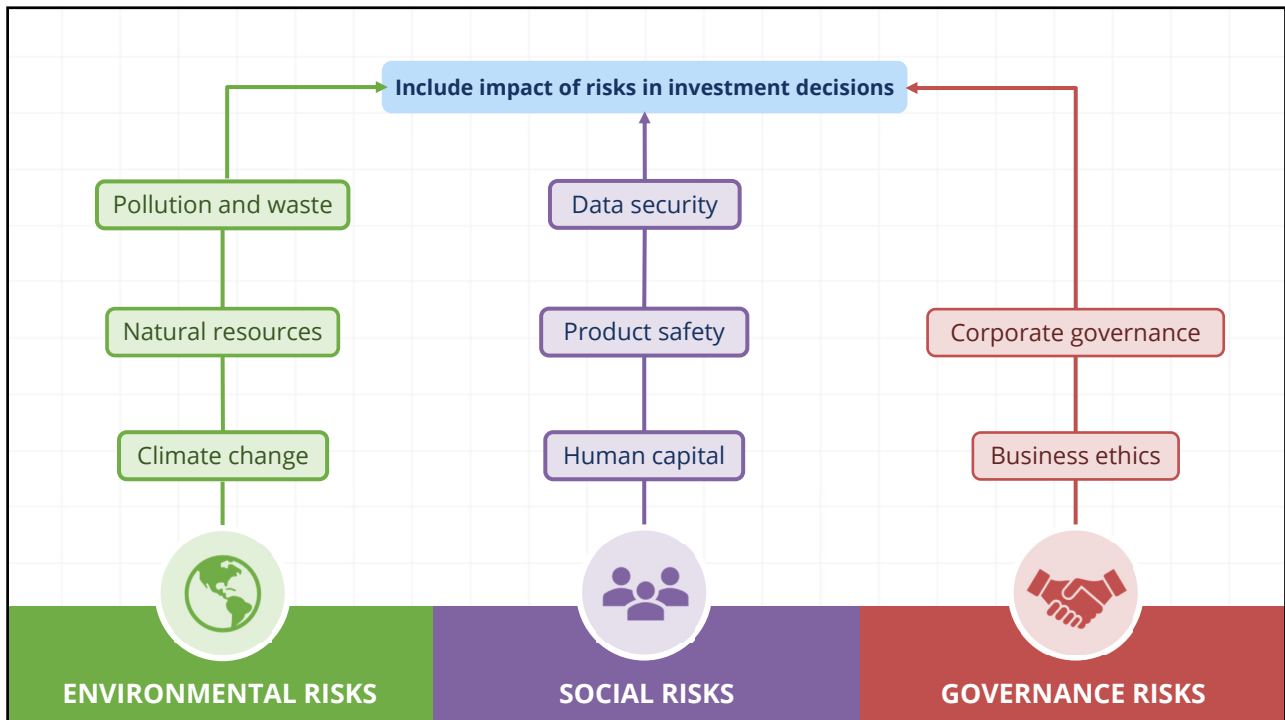


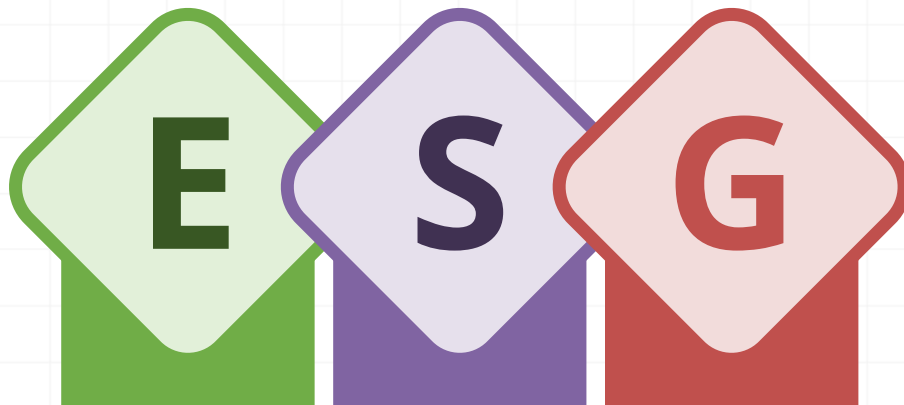
## ESG Investing

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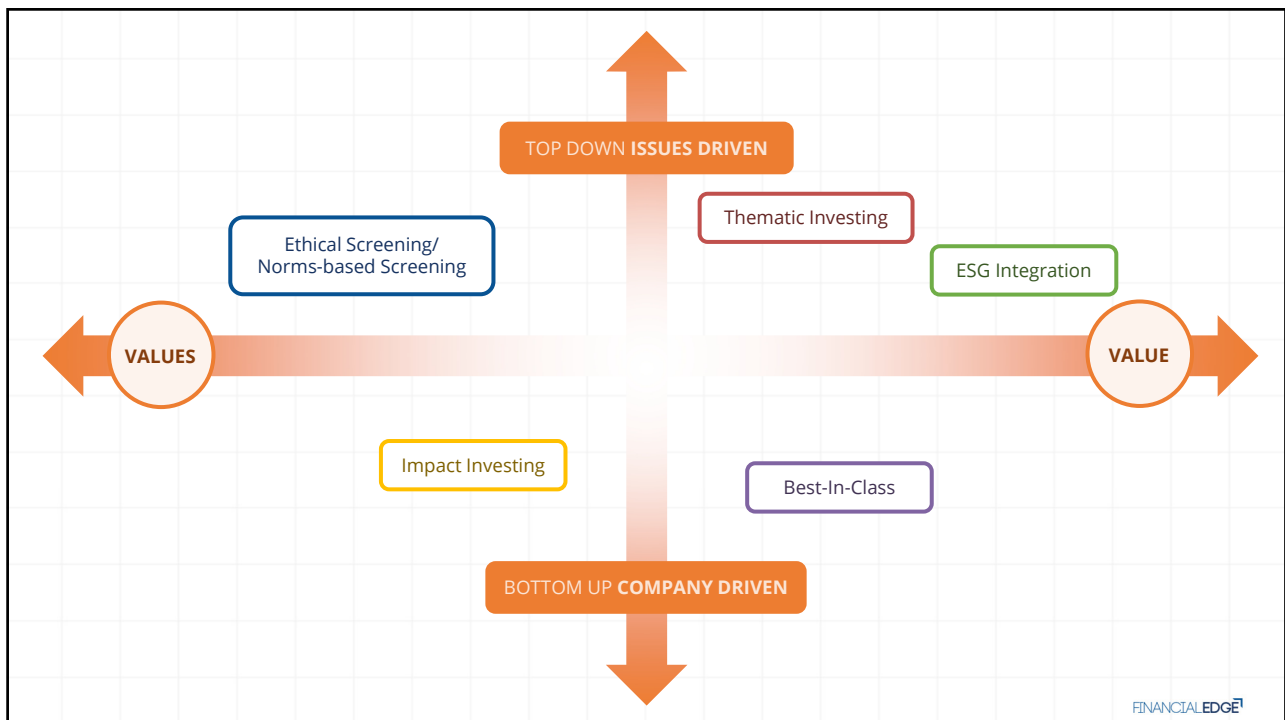
## What is ESG/Sustainable Investing?

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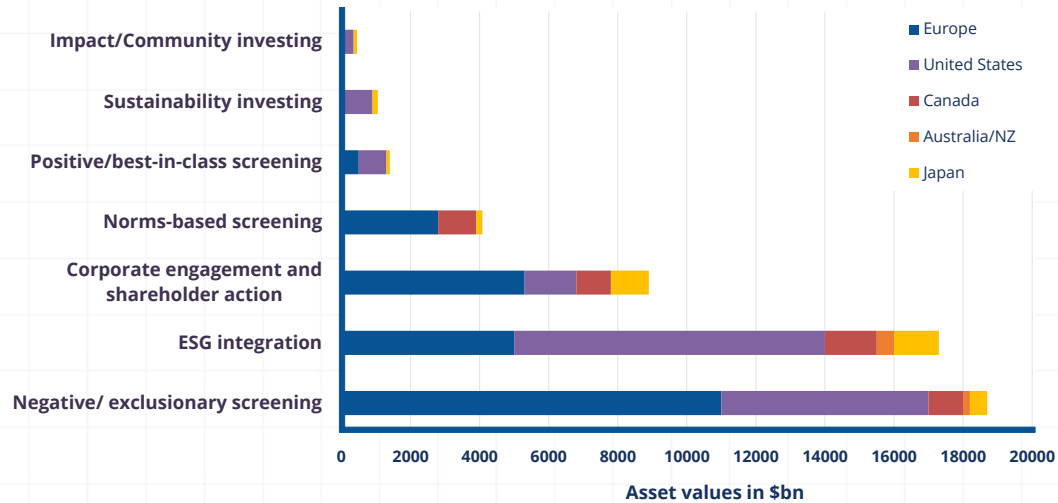




## ESG Investment Styles

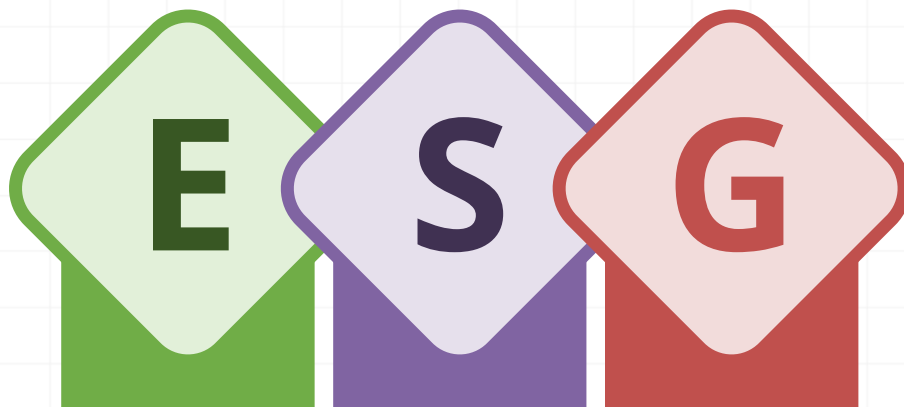
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## Investing Strategy by Region



Source: GSI Alliance, 2018

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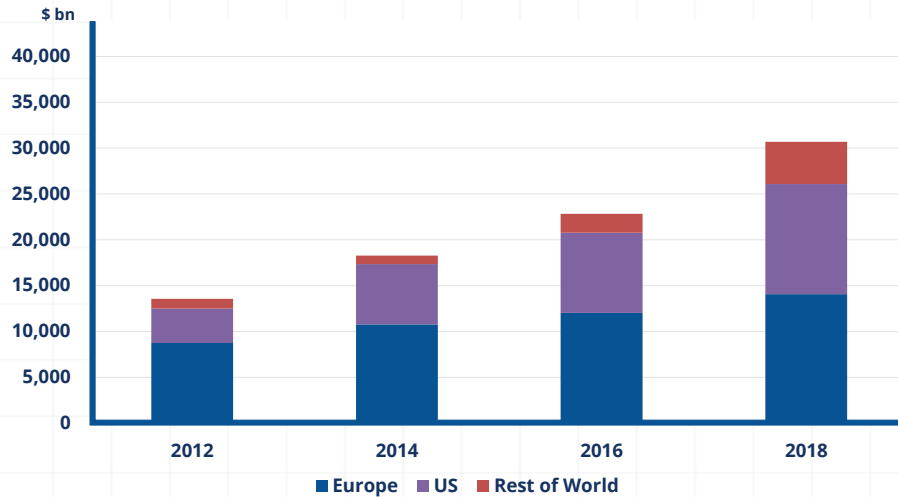


## Why ESG Matters



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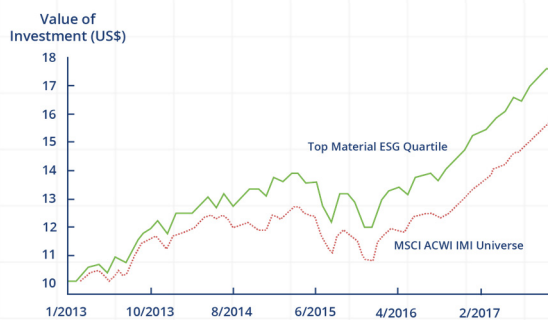
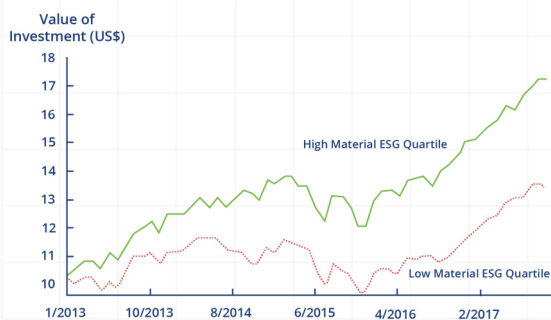
## Growth in ESG Assets Under Management



Source: GSI Alliance, 2018

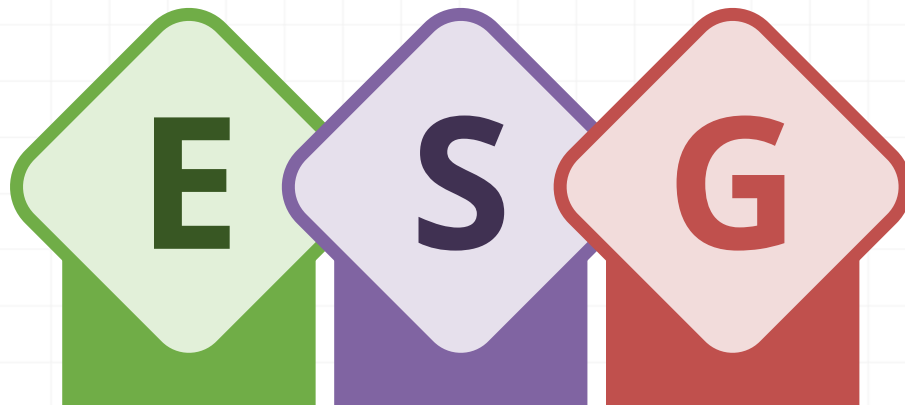
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## Emerging evidence that ESG improves portfolio returns



Source: Corporate Governance, ESG and Stock Returns around the World (Khan, 2018)

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## Concept of ESG Materiality

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DIMENSION		Consumer Goods	Extractives & Mineral Processing	Financials	Food & Beverage	Healthcare	Infrastructure	Renewable Resources & Alternative Energy	Resource Transformation	Services	Technology & Communications	Transportation
	General Issue Category											
ENVIRONMENT	GHG Emissions											
	Air Quality											
	Energy Management											
	Water & Waste Management											
	Waste & Hazardous Materials Management											
	Ecological Impacts											
SOCIAL CAPITAL	Human Rights & Community Relations											
	Customer Privacy											
	Data Security											
	Access & Affordability											
	Product Quality & Safety											
	Customer Welfare											
	Selling Practices & Product Labelling											
HUMAN CAPITAL	Labor Practices											
	Employee Health & Safety											
	Employee Engagement Diversity & Inclusion											
BUSINESS MODEL & INNOVATION	Product Design & Lifestyle Management											
	Business Model Resilience											
	Supply Chain Management											
	Materials Sourcing Efficiency											
	Physical Impacts of Climate Change											
LEADERSHIP & GOVERNANCE	Business Ethics											
	Competitive Behavior											
	Management of the Legal & Regulatory Environment											
	Critical Incident Risk Management											
	Systematic Risk Management											

Source: SASB Materiality Map

FINANCIALEDGE<sup>1</sup>

DIMENSION	General Issue Category	Consumer Goods	Extractives & Mineral Processing	Financials	Food & Beverage							
					Agricultural Products	Alcoholic Beverages	Food Retailers & Distributors	Meat, Poultry & Dairy	Non-Alcoholic Beverages	Processed Foods	Restaurants	Tobacco
ENVIRONMENT	GHG Emissions											
	Air Quality											
	Energy Management											
	Water & Waste Management											
	Waste & Hazardous Materials Management											
SOCIAL CAPITAL	Ecological Impacts											
	Human Rights & Community Relations											
	Customer Privacy											
	Data Security											
	Access & Affordability											
	Product Quality & Safety											
HUMAN CAPITAL	Customer Welfare											
	Selling Practices & Product Labelling											
	Labor Practices											
BUSINESS MODEL & INNOVATION	Employee Health & Safety											
	Employee Engagement Diversity & Inclusion											
	Product Design & Lifestyle Management											
	Business Model Resilience											
LEADERSHIP & GOVERNANCE	Supply Chain Management											
	Materials Sourcing Efficiency											
	Physical Impacts of Climate Change											
	Business Ethics											
	Competitive Behavior											
	Management of the Legal & Regulatory Environment											
	Critical Incident Risk Management											
	Systematic Risk Management											


Source: SASB Materiality Map



The graphic features three overlapping diamond shapes. The leftmost diamond is green with a white 'E'. The middle diamond is purple with a white 'S'. The rightmost diamond is red with a white 'G'. Below the diamonds, the text 'Benchmarking Analysis' is written in a large, bold, dark blue font. At the bottom of the graphic, there are three horizontal bars in green, purple, and red, corresponding to the colors of the diamonds above.

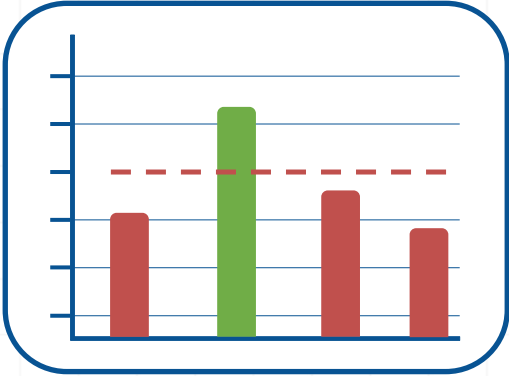
Benchmarking Analysis


Using a range of **ESG metrics** to compare a company to its peers.



**BENEFITS**

- Simple to understand
- Easy to 'refresh' analysis
- Helps identify specific weakness areas









**CHALLENGES**

- Depends on data availability
- Analyzing qualitative data
- Often backward looking
- Linking output to valuation

**Benchmarking often underpins the methodologies used by ESG rating agencies**



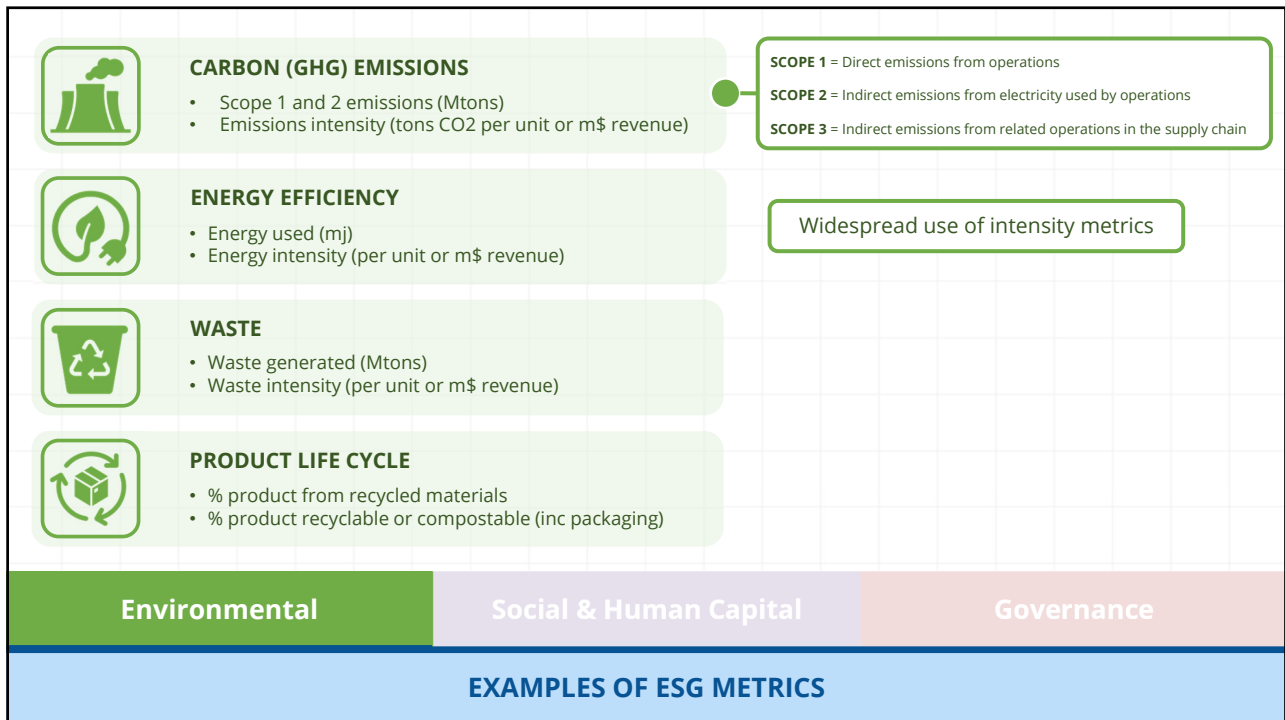


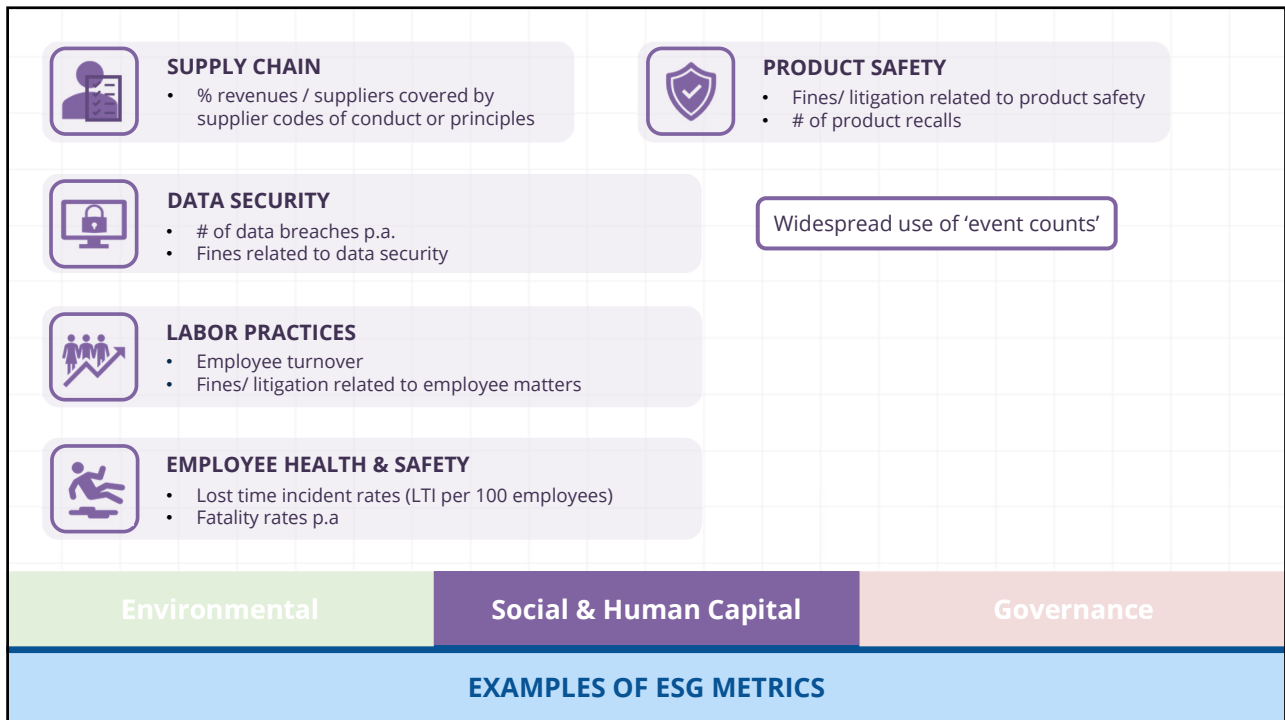
## Environmental Metrics

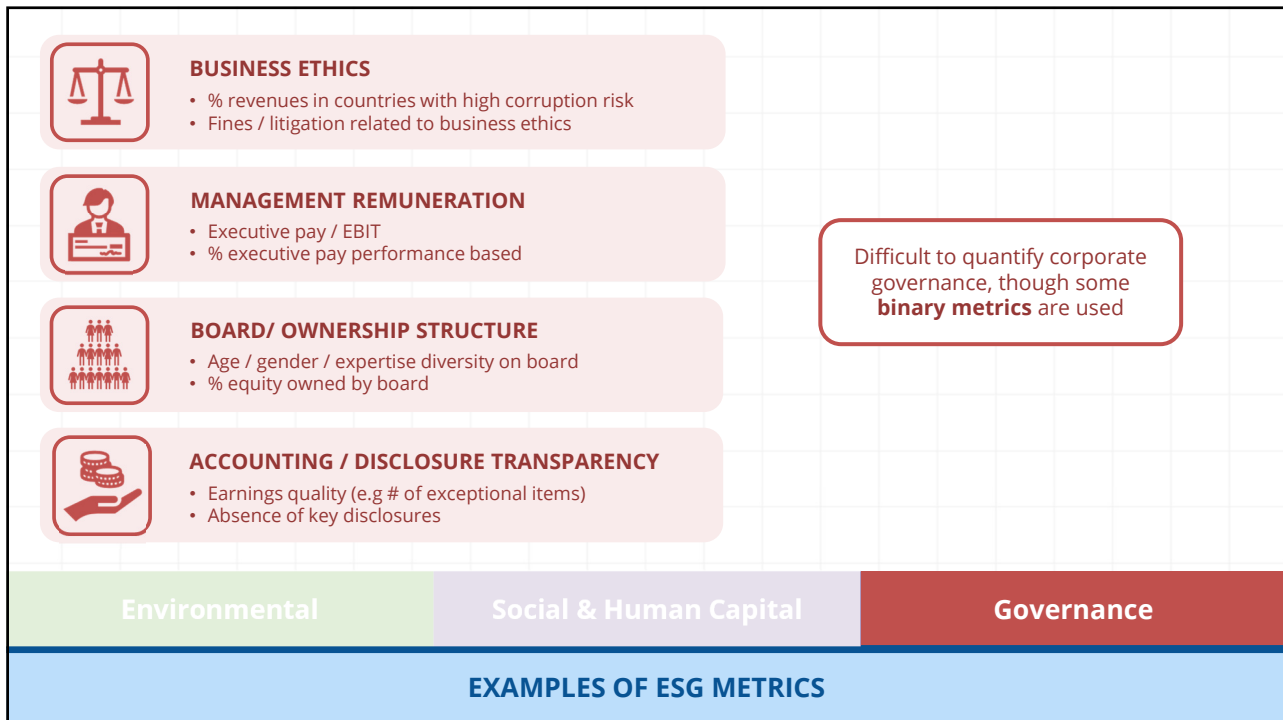


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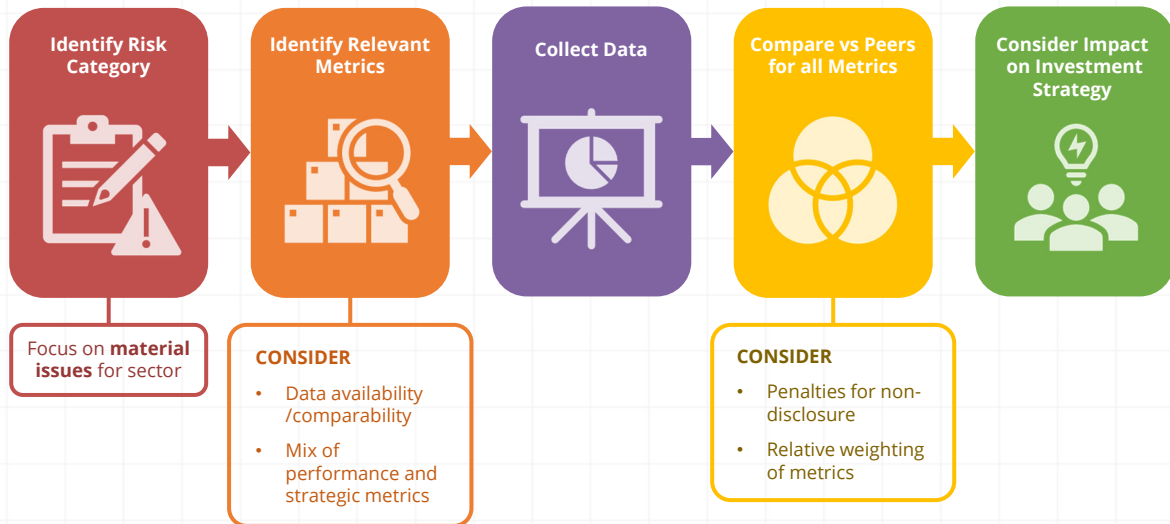
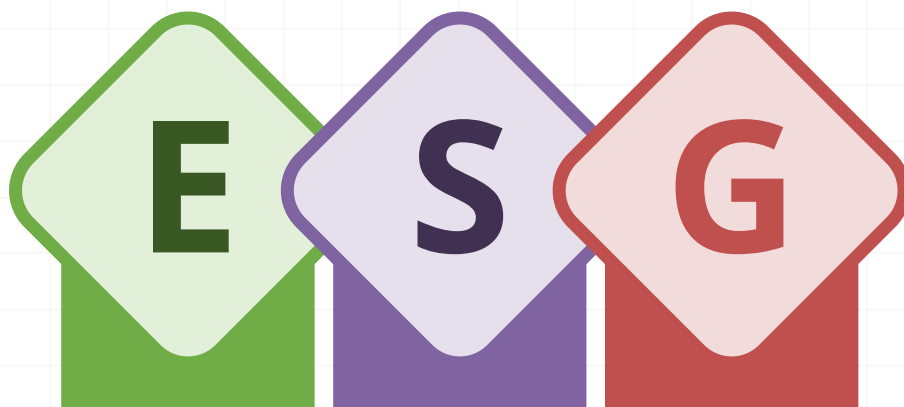






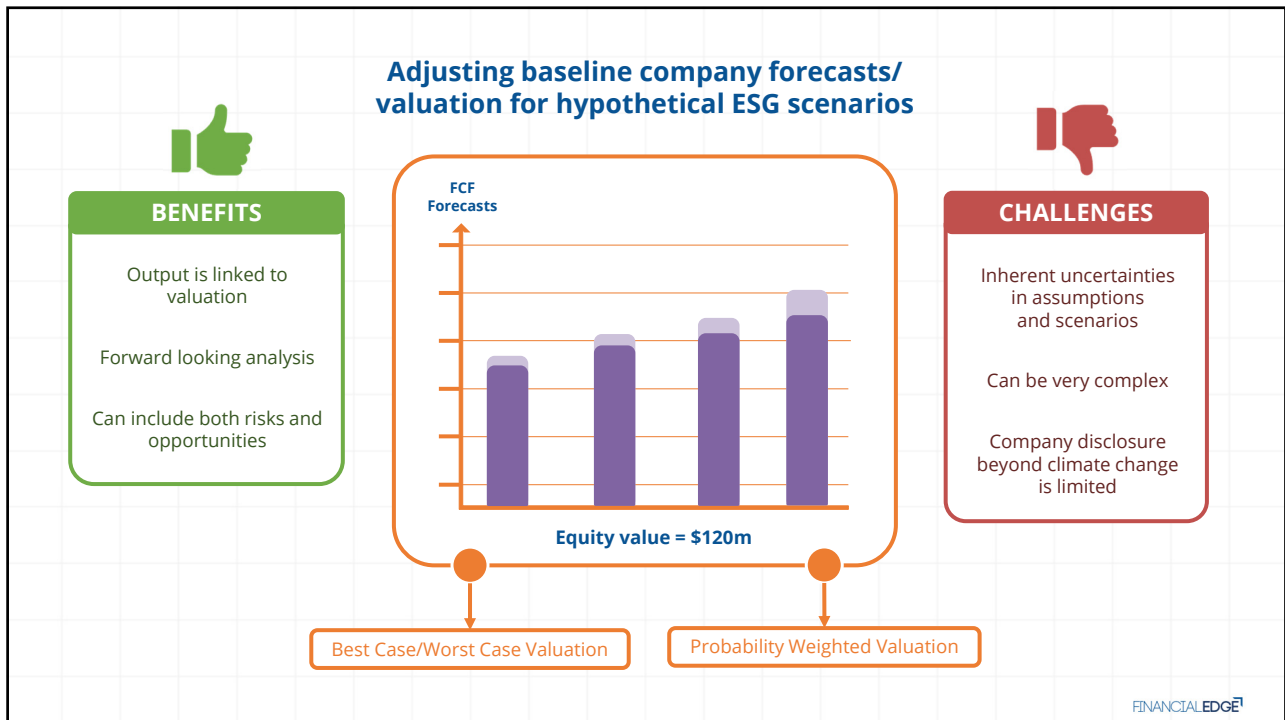


## Benchmarking Methodology

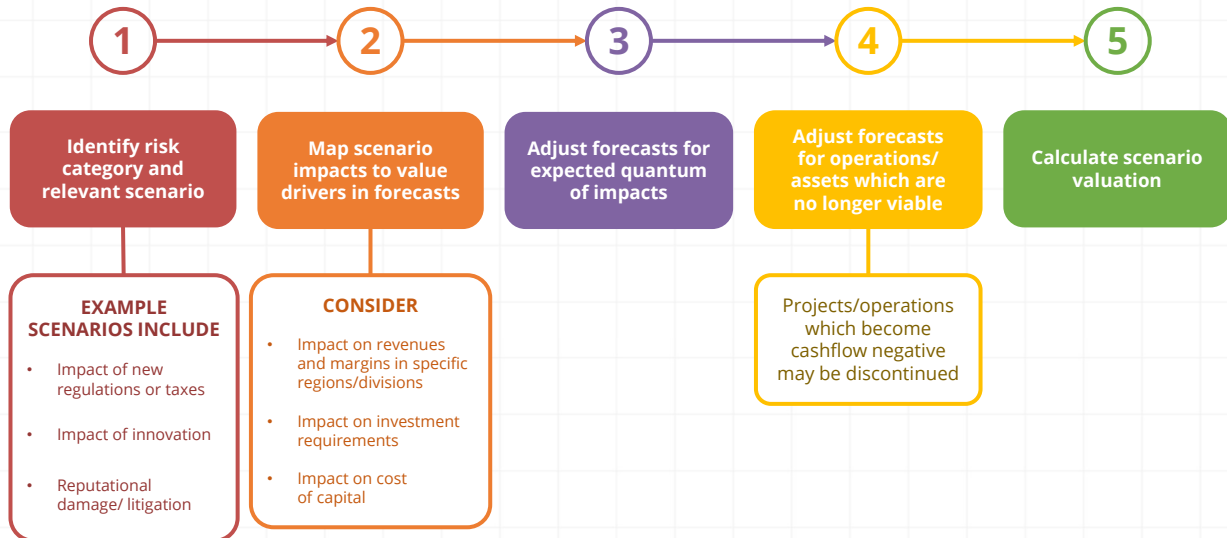
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## Scenario Analysis

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## Scenario Building Methodology

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