We are Sustainability Investing.

2016 RobecoSAM Corporate Sustainability Assessment - Annual Scoring and Methodology Review

2016 RobecoSAM Corporate Sustainability Assessment - Annual Scoring and Methodology Review

09/2016
RobecoSAM AG

www.robecosam.com/csa

Table of contents

1 Introduction

This year a record 867 companies participated in the RobecoSAM Corporate Sustainability Assessment (CSA). It was the 18th time the questionnaire was sent to the world's largest companies. For the 2016 methodology, we focused on reducing the overall number of criteria asked in each industry-specific questionnaire to align it further with our own view on the most financially material topics. This helped to streamline the questionnaire, but also gave us the opportunity to introduce new criteria to further challenge companies on new risks and opportunities.

The major updates to the methodology in 2016 that affected a majority of companies were in the areas of Human Rights, Impact Measurement & Valuation, and Materiality. All three areas have been at the center of sustainability discussions around the world as new initiatives and frameworks come into play. For example, the new reporting framework developed for the UN Guiding Principles on Business and Human Rights challenges companies to identify, address, mitigate and report on human rights issues, while initiatives like the Natural Capital and Social Capital initiatives are challenging companies to measure the true impact of their operations on the planet, people and society.

This document focuses on the major changes to the 2016 CSA methodology and shares observations on how companies performed on these new topics while further explaining RobecoSAM's view on the topics. More information about the CSA methodology can be found in our comprehensive resource center:

www.robecosam.com/csa/resource-center

We would like to take this opportunity to thank all companies and other stakeholders that continue to contribute to the development of the CSA. The invaluable feedback and expert insights that we receive are essential to maintaining a methodology that will continue to drive sustainability thinking and strategies that deliver real impact.

2 General Scoring Information

2.1 Question scoring

The maximum score for each question is 100. The various answer options within a question are scored individually or in combination, with the total sum resulting in a maximum of 100 points. As a result, removing or adding options to a question may impact the overall weight of each question component and thus the overall scoring of the question. Therefore, it is **important to carefully review each question**, as new elements may have been added, or other options removed. Examples of the major changes to questions will be discussed in the following pages.

2.2 Criteria scoring

Criteria scores are determined by the weighted sum of question scores. As already described above, adding or removing questions within a criterion will change the weight of the individual questions, and therefore impact the criterion score. Therefore, it is possible that **a criterion score may change, even if the answers provided to the individual questions have not changed from one year to the next**, given that a new question may have been added, a previous question deleted or if the underlying scoring scheme at the question level has changed.

2.3 Criteria Percentile Rankings

In addition to the absolute criterion score, companies receive their percentile ranking for each criterion. The percentile ranking represents the percentage of assessed companies that have received a lower score than the company in question. For example, if a company has a percentile ranking of 95 for a specific criterion, this means that it received a higher score than 95% of the companies in its peer group. Considering that the methodology is continuously developed and that weightings of questions and criteria may change over time, the percentile ranking is a useful tool to track performance against the industry peers as it shows the relative performance rather than the absolute performance of the company.

For 2016, the percentile ranking calculation approach has been modified to make it clearer for the reader. Previously, if a number of companies all received a score of 100 for a specific criterion, the percentile rank did not read 100 as a result of numerous companies sharing the same score. For 2016, this has been changed. Companies sharing a score of 100 at the criterion level will all receive a percentile rank of 100, indicating they had the highest possible score.

2.4 Weights

As part of our effort to increase transparency towards companies, RobecoSAM publicly discloses the criteria weights for all industries on the Corporate Sustainability Assessment website. The weightings of both individual questions and criteria are subject to annual review, based on the materiality of each topic to an industry and the introduction or deletion of questions. As a result, criteria scores may change due to a change in the underlying question weights.

2.5 Scoring variations

a. **Transparency / Disclosure vs. Performance Scoring.** Changes in scores can result from a change in scoring approaches, moving from “disclosure” scoring to “performance” scoring. “Disclosure” scoring awards points for qualitative or quantitative information without placing any value judgment on the answer. For example, if the questionnaire asks for the share of female managers, the score could be driven by the company’s ability to report the number of women in management, indicating that this is something the company is actively tracking (disclosure). Alternatively, with “performance” scoring, the score is driven by the actual number of female managers, measured against the total number of managers (performance).

When introducing new questions asking for quantitative information, the initial focus is generally on disclosure scoring, awarding points to companies that are able to disclose relevant information. As data collection and reporting mature over time, performance scoring may be introduced to capture a trend over time or measure a company's performance in relation to its peers.

b. **Public vs. Non-public information.** In line with the growing demand for accountability and transparency, the methodology increasingly focuses on information that is publicly available. When a question asks for either a public or internal document, preference is given to publicly available information.

c. **Linear Peer Group Scoring.** Introduced in 2014, linear performance scoring was added to some questions in order to measure a company's relative performance against its industry peers. Previously, a company's performance over time was measured based only on the company's own relative or absolute improvement.

Below is an overview of different types of scoring used. Please note that "transparency" and "performance" refer to the scoring approach used for that specific question. One specific question can include either transparency, performance, or a combination of the two elements, but ultimately one Total Sustainability Score will be calculated, consisting of both transparency and performance components.

Figure 1: Overview of scoring types

Scoring Type	Description	Sample Questions
Transparency	Public disclosure	• Human Rights Disclosure
	Availability of qualitative or quantitative information	• Tax Strategy • Labor KPIs - Layoffs
Performance	Scoring of qualitative or quantitative data based on pre-defined thresholds or expectations.	• Reporting – Materiality • Board Structure
	Trend scoring on company's own performance over time	• Operational Eco-Efficiency
	Linear peer group scoring	• Lost Time Injury Frequency Rate • Employee Turnover Rate

Source: RobecoSAM

3 Methodology Changes: General Criteria

3.1 Materiality

In 2016, we introduced a new criterion on Materiality. The aim of this criterion is to identify the most material issues to companies, how they are measuring these issues and linking them to executive compensation, and how transparent they are when it comes to reporting on these issues to their stakeholders. This new criterion replaces the "Materiality" questions previously asked in the Social Reporting and Environmental Reporting criteria. As a result, these two criteria now consist of 3 instead of 4 questions.

The new questions on materiality were developed based on RobecoSAM's own research, discussions with companies and inputs from the Canada Pensions Plan Investment Board (CPPIB), a leading proponent of long-term investing and long-term value creation. Working on these questions with leading companies and an investor provided us with valuable input that enabled us to develop questions focusing on the sources of long-term value creation.

3.1.1 Material Issues

The question Material Issues asks companies to list their top three material issues. RobecoSAM has provided overarching categories for these issues, which may be economic, environmental or social. After identifying these issues, we expect companies to demonstrate a clear link between their material issues and business drivers, the impact they are expected to have on the business and the long-term metrics used to measure the companies' strategies to address these issues. Finally, we expect leading companies to clearly integrate these metrics into their executive compensation schemes.

Material Issues

For the purpose of the Corporate Sustainability Assessment, we did not accept all responses at face value. We expect companies to identify material issues that go beyond traditional financial topics such as "revenue growth" or "market share growth", which are essential to any business. We expect companies to report on issues that are both relevant for investors and specific to the company or industry.

Examples of material issues that we did not accept include:

- General economic issues like revenue growth, improvement of internal or external financial metrics, etc.
- Gaining market share
- General macroeconomic conditions over which companies have little to no influence
- Mergers & acquisitions

Business Case for Material Issues

We also asked companies to provide clear links between the material issues and their business drivers – either in terms of reducing costs, increasing revenues or managing risks. Compared to 2015, we no longer require these links to be made in the public domain, giving companies the opportunity to provide us with detailed explanations on how these material issues are impacting their business. As a result, we expect the links to be clearly described and specific, and not merely implied.

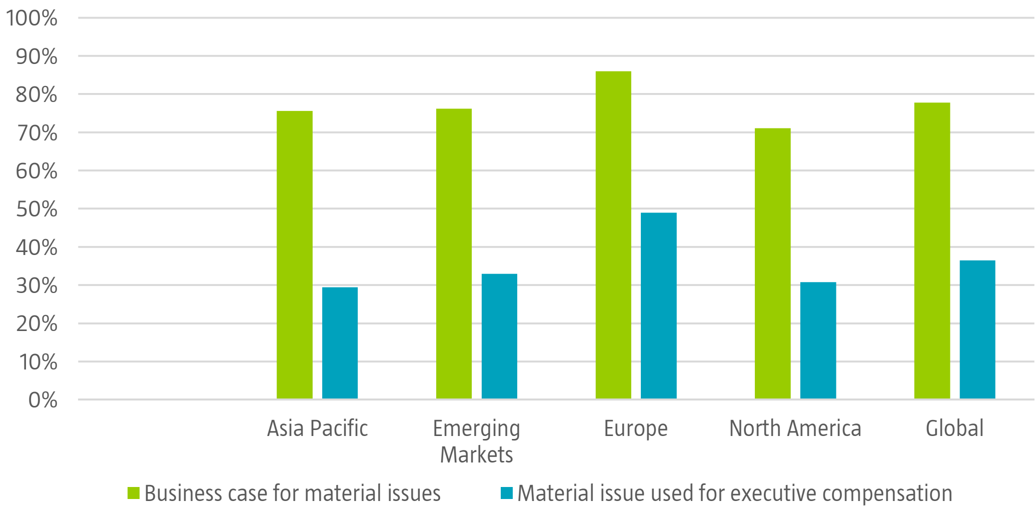
Long-term Metrics or Targets
In order to ensure that material issues are adequately addressed and effective strategies are created, clear metrics, KPIs and targets should be set to measure progress on the material issues. For the purpose of the assessment, we accepted the following responses:

- Quantitative and qualitative metrics (as long as they are specific and measurable)
- Long-term metrics set in the past with a historic baseline
- Yearly metrics set against a long-term plan for addressing the material issue

Link to Executive Compensation
In order to hold executives accountable and ensure that long-term initiatives have buy-in from top management, compensation structures need to be aligned with the material issues that companies face. Increasingly, it is insufficient to merely align compensation with traditional financial targets: long-term sustainability issues require a firm place in compensation structures. In this new question, we evaluate whether executive compensation is clearly linked to the material issue described. The description should be:

- Specific, with a clear explanation of how the material issue and compensation structure are linked
- Explicitly stating to which executives the compensation structures apply

Figure 2: Materiality



Source: RobecoSAM

The table above shows that, among the 867 participating companies, 78% are able to provide a rationale as to why their most material issues are material to their business. However, only 36% are using material issues as a variable to determine executive compensation. Companies located in Europe are clearly performing better on this topic, with almost half of the companies linking their most material issues to the compensation of executives.

3.2 Materiality Reporting

The second question in the Materiality criterion has been derived from the previous questions on Materiality in the Environmental Reporting and Social Reporting sections, but has been aligned with the new question "Material Issues". The question assesses to what extent companies disclose their process for identifying material issues as well as how comprehensive their reporting on material issues is.

By describing how they identify material issues, companies provide their stakeholders with additional context for their information disclosures and can demonstrate that they have adopted an inclusive approach to setting business priorities.

RobecoSAM Expectations
RobecoSAM expects companies to report on the following:

- A clear description of the process for identifying material issues. This should ideally include the process of engaging stakeholders and collecting and evaluating their feedback.
- Evidence that the company has also involved external stakeholders in the materiality process.
- A clear identification of the most material issues, in either a materiality matrix or some other format.
- A clear prioritization of material issues. This may change from year to year, but it should be clear to stakeholders what the focus areas are and where the most resources need to be invested.

3.3 Labor Practice Indicators & Human Rights

The Labor Practice Indicators & Human Rights criterion was expanded this year to replace the previous questions on human rights commitments and apply a more forward looking approach to assessing the strength of companies' commitments to human rights issues and how they identify and manage human rights risks. Frameworks such as the UN Guiding Principles Reporting Framework are challenging companies to systematically address any potential human rights issues in their operations.

Four new questions were added to the criterion, replacing the two previous questions that had addressed this subject. The remaining questions in Labor Practice Indicators and Human Rights are the same as in 2015.

Scoring Note: Keeping this in mind, the overall weight of questions within the criterion have changed, resulting in differences between the 2015 and 2016 scores for most companies.

3.3.1 Human Rights – Commitment

In this question, we assess whether companies have put in place comprehensive human rights policies that are applied, at a minimum, to their own operations and ideally to their joint-ventures, partnerships and supply chain. Ideally, these commitments are aligned with internationally accepted best practices as laid out in UN or ILO frameworks.

RobecoSAM Expectations
This year we saw a wide range of responses to this question, with a varying degree of understanding of human rights commitments. Overall, we expected companies to provide us with their actual policies or detailed descriptions of their commitment to human rights. Mentioning participation in global initiatives such as the Global Compact or other industry-specific initiatives was not considered a proxy for a comprehensive policy.

What we accepted:

- Human rights commitments within codes of conducts or other policy documents, as long as they were detailed and covered corresponding options marked in the question, e.g. companies' own operations, suppliers and joint ventures.
- Separate human rights commitments within suppliers' codes of conduct (although having these alone did not qualify as a commitment covering a companies' internal operations)
- Policies that were not specifically designed in line with UN Guiding Principles, but referred to internationally accepted frameworks such as the UN Global Compact, OECD or ILO labor conventions.

We did not accept:

- Brief statements of commitment to frameworks or initiatives such as the UN Global Compact without seeing an actual policy.
- UN Global Compact acceptance letters or progress updates.
- Vague statements on human rights within other policies that only touched upon single human rights topics.

3.3.2 Human Rights – Due Diligence

The human rights due diligence process is a key step that enables companies to systematically identify potential risks in their operations and supply chain. In this question we build upon the commitments discussed in the previous question and assess how company policies are translated into real action. The question asks companies whether they are currently carrying out due diligence on human rights issues, and asks about the elements of this process, including:

- The identification of potential human rights issues
- The identification of vulnerable groups
- Mitigation actions
- Ongoing monitoring

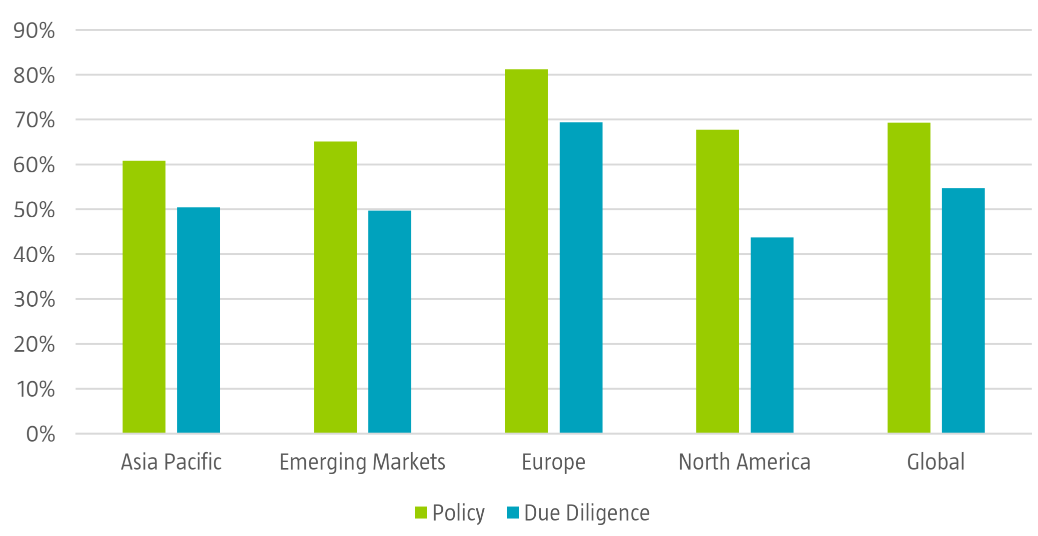
A second option within the question allows companies to describe due diligence processes that are currently being developed but that have not yet been implemented.

RobecoSAM Expectations

For each option marked, we expected companies to provide adequate documentation or detailed comments showing how this due diligence is being conducted. This could include examples of audit reports or process documentation. Simple mentions of due diligence processes without sufficient evidence to verify that they indeed covered all the marked options were not accepted. For example, a simple statement that "we conduct due diligence on an annual basis" would not have been sufficient for the purpose of this question.

For companies to receive points for marking the second option indicating that a due diligence process was being developed, sufficient detail had to be provided about the methodology or approach being used as well as the expected completion date.

Figure 3: Human Rights, Policy and Due Diligence process



Source: RobecoSAM

Among the 867 participating companies, roughly 69% have a Human Rights policy covering at least their direct activities or their value chain and 24% have a Human Rights policy in place covering their direct activities, their value *chain and their joint ventures. However, only 55% of participating companies have a Due Diligence process in place to identify, prevent, mitigate, and account for how to address their impacts on human rights. From a regional perspective, there is a clearly higher proportion of European companies having a Due Diligence process in place: 69% of European companies have such a process in place, whereas only 44% of North American companies do so.*

3.3.3 Human Rights – Assessment

The third human rights question evaluates the outcomes of the due diligence process. In some cases, companies may not have official due diligence processes in place, but have conducted some degree of assessments on their operations or supply chains in areas where human rights topics are relevant. Therefore, having a due diligence process in place was not a prerequisite for the purpose of our assessment.

We ask companies whether or not they have conducted an assessment of potential human rights issues across their business activities in the past three years. We are trying to determine whether companies have carried out systematic due diligence focusing on the areas of their business activities that have potential exposure to human rights issues. We ask companies to quantify the parts of the business that have been assessed for exposure to human rights issues and to further quantify what percentage has been determined to be at risk. Finally, we ask companies to quantify the portion of at risk areas for which mitigation plans have been developed.

Lastly, we ask companies to report the vulnerable groups that have been identified through this assessment process and to provide supporting evidence.

RobecoSAM Expectations

We expect companies to clearly describe the assessment process, to indicate the scope of the assessment and to explain the figures provided to better help us understand the accuracy of the response.

Although we have not specifically asked for supporting documents to verify the quantitative information provided in this question, we have checked the responses for plausibility and for relevant information provided in the company comment box. As we analyzed the responses, it also became clear to us that a number of companies misunderstood the question and provided data that did not appear accurate. For example, some companies reported that 100% of their operations had been assessed AND determined to be at risk. The information in this section is to be provided in a cascading manner, so that each quantitative figure represents a percentage of the previous figure provided. For example, if a company has reported that 80% of its operations with potential exposure to human rights issues have been assessed, then perhaps only 50% of those have actually shown real human rights risks. Of those determined to be at risk, it is plausible that mitigation plans have been put into place for 100%, or for only a fraction. We also did not accept answers that indicated that 100% of a company's business activities had been assessed for human rights issues if it was clear that only a portion of its areas of influence had been assessed, for example only its own operations or its supply chain.

3.3.4 Human Rights – Disclosure

In the last human rights question, we assess companies' transparency in reporting on the elements identified in the previous questions.

RobecoSAM Expectations

Companies should be precise in their public reporting, not only mentioning key themes but actually providing detailed information on the various topics.

We expect companies to publicly report on the following areas :

- Human rights policies and commitments
- Due diligence process
- Identification of key human rights issues
- Mitigation plans to address human rights issues
- Disclosure of remediation actions taken to address breaches to human rights

3.4 Impact Measurement & Valuation

The new criterion on Impact Measurement & Valuation addresses a growing area of focus in corporate sustainability. Although this criterion was not applied to all industries in 2016, we expect to roll it out to more industries in the coming assessment cycles. Companies are increasingly looking for more sophisticated ways to measure the impact that their products and services have on society and the environment. As a result, companies have begun to explore new approaches beyond the traditional corporate citizenship and philanthropy frameworks commonly associated with the traditional concept of Corporate Social Responsibility. Companies now see their products and services as sources of shared value, benefiting the companies and their capacity to innovate, while providing mutual benefits to society or the environment. The recently launched UN Sustainable Development Goals offer companies a compass to guide their own sustainability ambitions. The questions in this criterion are aligned with the concepts put forth by the Sustainable Development Goals, as well as initiatives such as "Natural Capital" and social concepts such as shared value.

This criterion comprises 6 questions, three of which focus on the mutually beneficial products and services that companies have developed, and three that focus on how companies measure the actual impact of these products and services.

Scoring note: As with the introduction of all new criteria, RobecoSAM has kept the overall weight of this criterion low in 2016.

3.4.1 Business Programs for Social Needs

The first question in the criterion assesses whether companies have business programs (which could be products or services) designed specifically to address a societal need. We have used the UN Sustainable Development Goals as a guide to define social and environmental objectives that need to be addressed on a global scale to ensure sustainable development. We look at how companies are redesigning their business models to meet societal needs.

RobecoSAM Expectations

Based on our observations, it is clear that there is still a fine line between what companies define as specific programs to address societal needs and their philanthropic activities. A key difference between the two is whether benefits are one way or two-way.

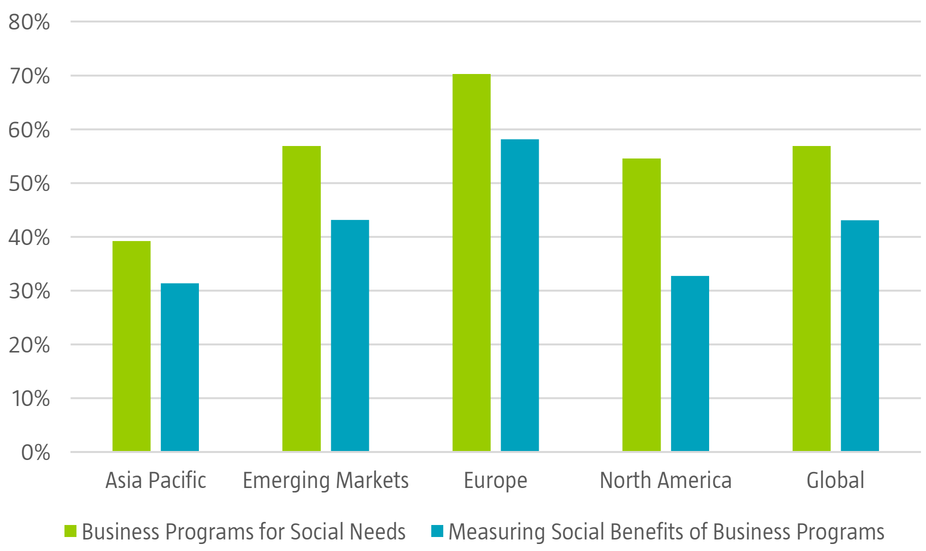
For this question, we expect companies to provide examples or programs that:

- Show clear, measurable business benefits to the company (such as developing new products, increasing sales, entering new markets, etc.)
- Address a clear societal need through its business model
- Are aligned with the company's business drivers – leveraging existing capabilities, strengths and resources
- Are currently being carried out by the company, not programs that were implemented in the past but no longer continued.

We did not accept:

- Corporate citizenship programs such as donations, charitable contributions, etc.
- Examples that provided an implied or intangible business benefit (such as a maintaining a social license to operate or improving reputation)
- Programs where an external social or environmental benefit was a side effect, and the main goal was to improve the company's own operations (for examples investments to improve energy efficiency in the manufacturing process, reduce waste, etc.)
- Programs implemented to comply with legal requirements or commitments in order to obtain needed permits

Figure 4: Business Programs for Social Needs



Source: RobecoSAM

Among the 232 participating companies having the Impact Measurement & Valuation criterion in their questionnaire, 57% have business programs addressing social needs in place but only 43% of those are able to calculate the social benefit of these programs.

3.4.2 Measuring Social Benefits

The second question in the Measuring Social Benefits criterion challenges companies to not only develop, but also to measure the external benefits of their programs. Here, we ask for specific KPIs to measure these benefits.

RobecoSAM Expectations

Overall, we expect the cited KPIs to be specifically linked to the programs described in the previous question, measurable, and current.

3.4.3 Disclosure of Programs for Social Needs

With an increasing need for transparency, we also expect companies to publicly communicate their programs for addressing societal needs and the KPIs they use to measure the effectiveness of these programs. The third question in this criterion measures their level of transparency.

3.5 Impact Valuation

Although companies have begun to adopt a more strategic approach to developing their sustainability programs to address global issues, measuring the true value of these impacts is still in its infancy. However, there is increasing momentum and companies are recognizing the importance of moving beyond measuring outputs and understanding not only the financial value, but also the social and environmental value they deliver. Through these questions, we recognize and reward leadership in this emerging area.

3.5.1 Impact Valuation

In this question, we ask if companies have measured the impact of their social and/or environmental externalities that are not currently reflected in financial accounting. An externality can be described as a cost or benefit imposed on a party that did not choose to incur that cost or benefit. A positive externality is an economic, social or environmental benefit that a company creates for society, and for which it is not directly or fully rewarded in the price of its goods and services. A negative externality is an economic, social or environmental cost that a company inflicts on society, and for which it does not directly pay a price.

We look for impact measurement and valuation programs that are systematically implemented on an enterprise, business unit, or product level, beyond single site level activities or one-off revenue generation or cost saving activities. Approaches to impact valuation include but are not limited to social / environmental profit & loss accounting, true value, total impact measurement, true price, true cost, true profit, natural capital protocol, and social capital protocol. We also acknowledge those companies that are in the process of developing or pilot testing an impact valuation approach.

RobecoSAM Expectations

Overall, we expect the listed KPIs to be specifically linked to the programs described in the previous question, and to be measurable, current and systematically implemented within the company. For companies that indicated that they were in the process of developing impact measurement tools, we expected companies to provide a clear description of the methodology being used or developed, as well as a clear indication of the expected roll-out date of the valuation framework.

For this question, we expect companies to provide:

- Information that is active and current
- An indication that it is company-wide, not limited to a single product, location, or business unit
- An explanation of the methodology or results of the analysis
- An indication that some form of impact valuation was conducted, going beyond units of output
- If in development, clear indication that testing of the methodology has begun

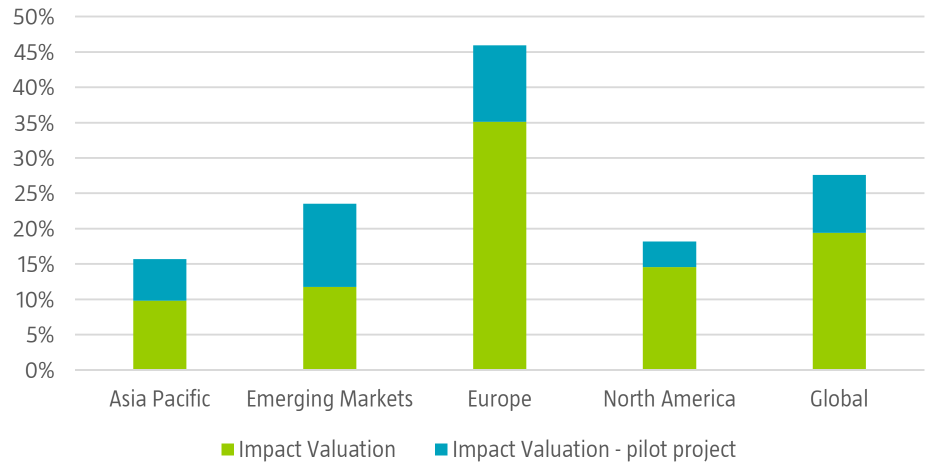
Some examples of things we accepted include:

- Social/ environmental profit loss statements
- Application of existing methodologies such as True Value, TIMM, etc.
- Pilot testing of frameworks like the Natural Capital Protocol
- Shadow pricing (for example of carbon) for internal decision making
- Environmental / social return on investment methodologies

We did not accept:

- Reporting reduced consumption, emissions (also in terms of equivalent comparisons – such as the number of cars removed from the road as a result of CO_2 emission reductions, etc.)
- Donations to social, community, or philanthropy projects
- Capital or operating expenditures to reduce environmental footprint and impacts
- Revenues from "more sustainable" products and services
- Reducing hazardous substances in products

Figure 5: Impact Valuation



Source: RobecoSAM

Among the 232 participating companies having the Impact Measurement & Valuation criterion in their questionnaire, only 28% are able to measure the value of their social and environmental impacts or are at least working on a pilot project to do so. European companies are again leading in this topic, with 46% of companies measuring the value of their social impact or working on a pilot project to do so.

3.5.2 Valuation Type

For those companies that have conducted impact valuation, we ask what valuation approaches are used. Companies may be able to qualitatively value their impact, or quantify them in a non-monetary fashion. Ideally, companies should be able to measure the monetary value of these impacts.

3.5.3 Valuation Disclosure

For those companies that have conducted impact valuation, we ask whether they are disclosing what they are doing. For this question we expect companies to publicly disclose:

- That the program is current and active
- That the program is company wide
- Which externalities have been valued

4 General Remarks

For the 2016 assessment, we primarily focused on reducing the overall number of questions within the questionnaire, removing questions or criteria we felt were no longer of material significance to companies, or that addressed topics that have become common practice over the last few years. This allowed us to introduce new general and industry-specific criteria, to ensure that our assessment continues to raise the bar and challenge companies in their thinking about long-term risks and opportunities.

Overall, we saw companies struggle with the newly introduced questions, indicating that we need to provide additional clarification on new questions, use clearer definitions and better explain our expectations. We look forward to receiving your feedback on these topics over the coming months and engaging in fruitful discussions. We hope that our analysis of the data and responses we have received will provide us with a solid starting point to fine tune these questions and extend them to additional industries.

We would like to conclude with a few general additional observations that we have made this year and suggestions for responding to the Corporate Sustainability Assessment in 2017.

4.1 Data Quality

As global reporting measurement and reporting standards develop, we adapt our definitions where necessary in an effort to capture more comparable and precise data. Increasingly, sustainability data is being used by investors to measure the impact of their investments. For example, RobecoSAM uses aggregated data from selected questions in the Operational Eco-Efficiency criterion in the CSA to measure the overall carbon, energy or water or waste intensity of an investment portfolio. This helps us show our clients how investing in a group of sustainability leaders can have a real positive environmental impact.

In order to provide investors with meaningful sustainability data to inform their investment decisions, this data needs to be precise and comparable. Therefore, we would like to remind companies to ensure that the provided quantitative data meets the definitions provided by RobecoSAM in the question information texts, and if not, that this is clearly explained in the provided comment fields. Make sure you use the specified units given in the question, and that any conversions to these units are done correctly. If you are unsure about anything please do not hesitate to contact our dedicated helpline: assessments@robecosam.com

Finally, make sure you consult the information texts each year, and read the question texts carefully to ensure that nothing has changed from one year to the next.

Reporting and collecting high quality sustainability information is the first step to ensuring that sustainability information is more widely accepted and used by the investment community!

4.2 Supporting References

Supporting documents are required in some questions so that we can verify the answers provided. We have gradually tried to reduce the overall number of references we require while at the same time asking for more references to be publicly available. This reflects the general shift in investor demand for greater transparency and more readily available information in the public domain. In many cases, we ask for comments to describe the answers that have been provided.

RobecoSAM continues to receive tens of thousands of documents each year from companies as supporting evidence, even when not required. Examples are always welcome, but we kindly ask you to carefully review the documents you attach, ensuring they are relevant to the questions being asked. For questions where we don't explicitly require evidence, you may attach documents in the document library, but we do not guarantee we will read them. Therefore, please make sure you focus on attaching the documents that you **want** us to read and **are essential** for understanding your response, and be as specific as possible in terms of the page number and sections of the documents that are of interest.

4.3 Non-English Documents

We recognize that a large number of CSA participants are based in non-English speaking countries, and that often their base of operations may also be focused in these countries. Nevertheless, the official language of the CSA is English and we rely on translations and summaries of foreign-language texts to verify your answers in some cases. In cases where we specifically ask for **public information**, we expect this to be in English, so that it is accessible by all investors globally.

5 Outlook for 2017

We continue to work on developing our methodology to ensure that our Corporate Sustainability Assessment remains insightful and challenging and allows you benchmark yourselves against your peers. For 2017, we have focused our attention on further aligning our questionnaire – where we feel it its appropriate – with global reporting standards and frameworks. For a number of years we have been internally mapping our questionnaire to standards such as the GRI G4, and continue to engage in discussions with our colleagues at CDP to ensure that we are aligned on important topics, and that we can leverage each other's expertise. As we further develop the methodology for 2017, we will keep this alignment in mind to ensure that we can benefit from the growing amount of sustainability information available in the public domain, while encouraging companies towards greater transparency and disclosure. Of course, our focus remains on financial materiality, as a result, we will endeavour to make the CSA more focused, more financially relevant and more differentiating on those sustainability topics we feel are most important.

We look forward to engaging with you in the fall, and as always, we welcome your feedback and your suggestions – this ensures that we continue to develop the CSA in a way that creates value for you and your stakeholders.

For any additional questions, please do not hesitate to contact us:

RobecoSAM
CSA Helpline
assessments@robecosam.com

Disclaimer

RobecoSAM AG
Josefstrasse 218
8005 Zurich, Switzerland
T +41 44 653 10 30 - F + 41 44 653 10 50
assessments@robecosam.com
www.robecosam.com/csa