Quantifying the Sustainability of Infrastructure Projects

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November 4, 2015
Agenda

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3. Key ESG Issues: Infrastructure Sector
4. Performance of EM Infra Companies
About Sustainalytics
Sustainalytics: Who & What

Sustainalytics is an award-winning global responsible investment research firm specialized in environmental, social and governance (ESG) research and analysis.

- Over 230 staff (120+ analysts)
- Offices in Amsterdam (HQ), Boston, Frankfurt, London, New York, Paris, Singapore, Timisoara, Bucharest and Toronto
Some of our clients

Asset Owners

- Ethical Council
- Pennsylvania Treasury
- PGGM
- Philips Pensioenfonds
- Administrationsfællesskabet
- Unipension
- Univest

Asset Managers

- Amundi
- Colonial First State
- Hermes
- ING Investment Management
- Rare
- RBC Asset Management
- Russell Investments
- Standard Life
- UBS
- WHEB Asset Management
Quantifying Sustainability Performance
Our Research Framework

Environmental
- Operations
- Supply Chain
- Products & Services

Social
- Employees
- Supply Chain
- Customers
- Community & Philanthropy

Governance
- Business Ethics
- Corporate Governance
- Public Policy

Exposure
Preparedness
Performance
Category 5 – Severe
Severe impact on environment & society, posing serious risk to company.

Category 4 – High
High impact on environment & society, posing significant risks to company.

Category 3 – Significant
Significant impact on environment & society, posing moderate risks to company.

Category 2 – Moderate
Moderate impact on environment & society, posing minimal risks to company.

Category 1 – Low
Low impact on environment & society, posing negligible risks to company.
**Key ESG Issues: Infrastructure**

### Bribery and Corruption
- **Policy** prohibiting bribery and facilitation payments
- Guidelines of **what is considered acceptable behaviour**
- **Whistleblower mechanism** that is available to suppliers, customers and other third parties
- **Non-retaliation** policy

### Emissions, Effluents and Waste
- Commitment to undertake a **precautionary approach** to environmental challenges
- **Managerial or board level responsibility** for environmental issues
- Commitment and Initiatives to reduce **Hazardous Waste** and **Air Emissions**

### Community Relations
- A **formal system** for identifying local stakeholders or communities of interest
- **Ongoing consultation** throughout the project’s lifecycle
- Mechanism to collect, record and address complaints or grievances
Performance of EM Infra Companies
Performance: Indian Infra Cos

37% companies disclose no Health and Safety Management Systems whereas 19% disclose strong systems.

Source: Sustainalytics, 2015
Performance: Chinese Infra Cos

72% companies disclose no or weak Health and Safety Management Systems

Source: Sustainalytics, 2015
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