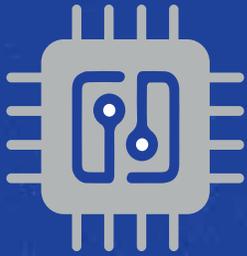


Global Impact at Scale

Corporate Action on ESG Issues
and Social Investments | 2020



CECP

Collaborative Research with CECP's Global Exchange Partners

About Chief Executives for Corporate Purpose®

Chief Executives for Corporate Purpose® (CECP) is a CEO-led coalition that believes that a company’s social strategy—how it engages with key stakeholders including employees, communities, investors, and customers—determines company success. Founded in 1999 by actor and philanthropist Paul Newman and other business leaders to create a better world through business, CECP has grown to a movement of more than 200 of the world’s largest companies that represent US\$11.2 trillion in revenues, US\$23 billion in total community investment, 14 million employees, 30 million hours of employee engagement, and US\$21 trillion in assets under management. CECP helps companies transform their social strategy by providing customized connections and networking, counsel and support, benchmarking and trends, and awareness building and recognition. For more information, visit cecp.co.

About The Global Exchange

CECP Global Exchange (GX) is an international network of leading organizations committed to advancing the corporate sector as a force for good around the world. With partners in 15+ countries, the GX serves companies by building a body of knowledge on locally relevant corporate citizenship best practices through information sharing and collaborative research. The GX acts as a catalyst to enhance and advance corporate social investment strategies.

The 15+ GX country partners encompass more than 800 companies and countries that represent 73% of the world’s GDP and 55% of its population. The partners include: [Business in the Community](#) in the U.K., [CECP](#) in the U.S., [Cemefi](#) in Mexico, [Comunitas](#) in Brazil, [The Conference Board of Canada](#) in Canada, [CSRone Reporting](#) in Taiwan, [CSR Turkey](#) in Turkey, [Dynamo Academy](#) in Italy, [Fundación SERES](#) in Spain, [Gestión Social](#) in Chile, Kansai Economic Federation in Japan, [Korea Productivity Center](#) in the Republic of Korea, [Maala](#) in Israel, [Russian Donors Forum](#) in the Russian Federation, [Samhita](#) in India, [SynTao](#) in Mainland China and Hong Kong, [Triologue](#) in South Africa, and [Wider Sense](#) in Germany.

The GX provides an invaluable forum for GX country partners’ affiliated companies to advance their work and tap into a thriving and collaborative network by:

- Leveraging country-specific resources, local insights, and global trends to support companies’ strategy decisions.
- Accessing the GX network research and standardization efforts related to corporate social engagement around the world.
- Forging peer connections with GX country partners and the companies within their corporate network.
- Receiving global strategic counsel on specific questions or topics.

GX-affiliated companies also benefit from the network’s insights, trends, research, event information, conference invitations, and a shared public voice on how companies and CEOs can be a force for good in society globally.



Preface

Publication of this inaugural edition of *Global Impact at Scale* marks a new dawn for advocates and practitioners of Environmental, Social, and Corporate Governance (ESG). The measuring, tracking, and evaluating of sustainability and societal investments matter now more than ever. Companies thrive when they embrace, reflect, and actively validate the values and expectations of their employees, partners, and communities.

2020 Global Impact at Scale provides insights into how companies from all around the world integrate ESG considerations in their internal strategies and how they strive to have an evermore positive impact beyond their physical offices and boardrooms. The detailed, cross-country data presented here offers a one-of-a-kind opportunity to compare and contrast how companies headquartered around the world are measuring and reporting on their ESG endeavors and investments. In particular, the report underscores the growing influence that the United Nations' 17 Sustainable Development Goals (SDGs) and private sector partnerships are having on companies' societal strategies.

The data reported for this edition is from 2019, when global movements had an increasingly profound effect on how companies do business. Perhaps none of these movements was more significant than the demonstrations demanding emergency action on climate change. Thousands of people including young students in dozens of countries insisted on tangible climate-change accountability from world leaders and corporations. Participation in, and support of, the Global Climate Strike helped progressive companies stand out. These included companies that decided to speak out after years of corporate silence on environmentalism and instead encouraged their employees to join the strikes, helped to amplify climate-related messaging, and launched corporate climate initiatives that made clear their commitment. Also in 2019—even before awareness of racial discrimination and other forms of inequality spread and intensified in 2020—corporations were already allocating more resources to issues including Diversity and Inclusion, Human Rights, and the Future of Work. And in 2019 the notion of “corporate purpose” was reevaluated and given greater due in executive agendas worldwide after BlackRock’s CEO Larry Fink published a letter asking companies not merely to sit on the sidelines when it comes to social and political issues, but rather to be leaders in improving society. Increased interest from investors in ESG metrics and a shift from mainstream investing toward purpose-driven enterprises also signaled that respect for stakeholder-driven corporate purpose is here to stay. As ever, fueling all of this progress were the continual technological advancements that impact every aspect of how the global business sector makes its decisions and acts.

Notably, this first edition of *Global Impact at Scale* reflects ESG trends from before humanity was dealt the unprecedented global health and economic crisis of COVID-19. And yet, if anything, the report is even more relevant and indeed urgent as a result. Its data and insights provide us with a comprehensive snapshot of where companies stood on ESG just prior to the pandemic—and will enable us in subsequent editions to measure precisely the pandemic’s effect on how resources are deployed and on how companies act upon their societal roles and responsibilities going forward. We are deeply grateful to the Global Exchange partners whose efforts to distribute the questionnaire and collect responses during the especially challenging year of 2020 made this debut issue of *Global Impact at Scale* possible. We are proud to present you with this unique resource for sharing and appraising ESG strategies around the globe and in turn for advancing the corporate sector as a force for societal good.



Laura Galindo
ASSOCIATE MANAGER, CORPORATE STRATEGY & IMPACT

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HOW TO USE THIS REPORT: Leaders working inside a corporation can benchmark their company’s progress and performance against the data-driven insights throughout the report. Benchmarking is one important input to strategy-setting and decision-making. Media can draw proof points into their articles on how capitalism is changing around the globe. NGO leaders can find opportunities to deepen or initiate partnerships with companies. Consumers can supplement the specific details they know about brands they love with how companies are changing at a sector-wide level.

What's Happening Now



59% of companies consider private-sector partnerships sufficiently important to be included in reporting to their CEO/senior executives



81% of companies are acting on the SDGs, including using them frequently as a framework for reporting and/or integrating them into company strategy



52% of companies are providing an incentive for employees to give



48% of companies are pursuing and having an impact internationally



59% of companies predicted that responsibility for ESG strategy will move to more senior levels



70% of companies reported having a corporate foundation



22% is the average participation rate in volunteering programs



8 hours (one day) is the most common number of hours that companies offer to employees for volunteer service

What's on the Rise

85% of companies report that resources for the "E" in ESG work are on the rise

59% of companies predicted that responsibility for ESG strategy will move to more senior levels over the next 2 years

68% of companies report that resources for the "S" in ESG work are on the rise

72% of companies increased their amount of ESG reporting over the last year

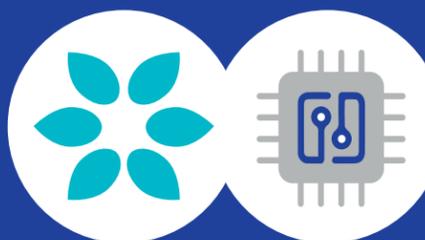
7 out of 10 companies are integrating ESG metrics into performance (and remuneration) indicators for many or some staff across the company



Community investments increased for 58% of companies over the last 3 years

Companies prioritizing the use of SDGs are on the rise by more than 20% compared with last year

30% of companies predict community investments will increase over the next 2 years



Healthy Lifestyles and Future of Work stand out as the areas for which companies are presenting increased resources (61% of companies, for both areas)

Respondents' Information

Companies' revenue ranged from **US\$0.58 billion to US\$129 billion**

Aggregate revenues across companies: **US\$2.75 trillion**

Number of companies: **168**

Median revenue: **US\$8 billion**

Headquartered countries: **23**

Reporting Lines

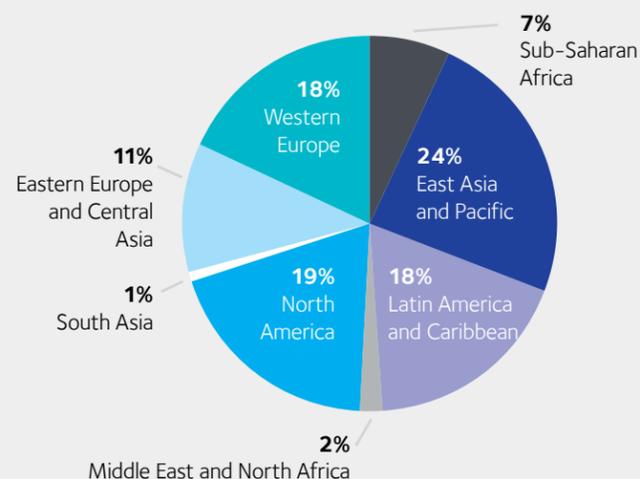
Reporting lines (most common departments respondents reported to were):

- Sustainability (23% of respondents)
- Communication (15% of respondents)
- Human Resources (10% of respondents)
- Community Affairs/Relations/External Affairs (6% of respondents)
- Strategy (6% of respondents)

Employees:

- Median number of Full-Time Equivalents: 8
- Top quartile of Full-Time Equivalents: 16.5

Region Distribution



Revenue¹

REVENUE TIER (IN US\$)	NUMBER OF COMPANIES	PERCENTAGE OF COMPANIES
Over \$50 billion	11	6%
\$30+ to \$50 billion	21	13%
\$15+ to \$30 billion	21	13%
\$10+ to \$15 billion	22	13%
\$5+ to \$10 billion	25	15%
\$2.5+ to \$5 billion	25	15%
Under \$2.5 billion	38	23%
NA	5	2%
TOTAL	168	100%

Industry²

INDUSTRY	NUMBER OF COMPANIES	PERCENTAGE OF COMPANIES
Communications	11	6%
Consumer Discretionary	18	11%
Consumer Staples	16	10%
Energy	10	6%
Financials	37	22%
Health Care	7	4%
Industrials	17	10%
Materials	27	16%
Technology	15	9%
Utilities	10	6%
GRAND TOTAL	168	100%

¹ Revenue: 2019 revenues for survey participants ranged from US\$0.58 billion to US\$129 billion. Privately held companies were not required to submit revenue data. The median revenue among participants was US\$8 billion.

² Industry: The Global Exchange Survey uses ten sectors ("industries") from the Bloomberg Industry Classification Standard (BICS) to classify companies into distinct industry groups. To be included in an industry-specific figure, an industry must be represented by at least five company responses.

Importance of SDGs and Partnerships

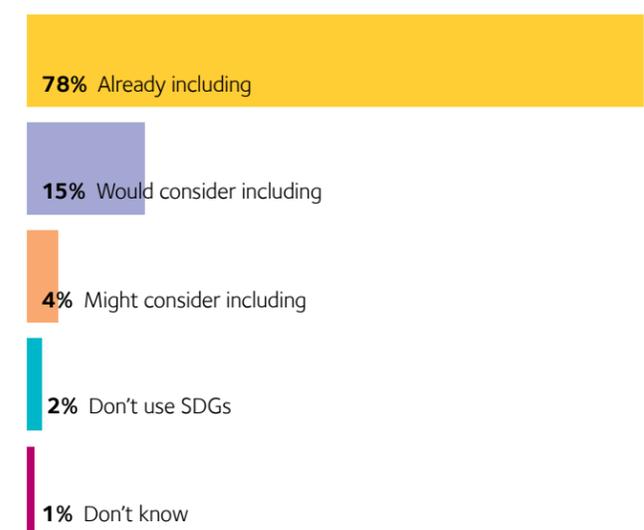
Social investment strategies are influenced by the Sustainable Development Goals (SDGs) and private-sector partnerships. The unprecedented global health crisis of the COVID-19 pandemic has made social inequalities starker, in turn increasing the urgency and relevance of the SDGs. With ten years left to achieve the 17 SDGs and their 169 targets, the goals are gaining traction as a policy framework. While the sustainability/corporate social responsibility (CSR) space did not adopt these goals as quickly as governments did, the SDGs have now evolved from being a buzzword to becoming a framework for sustainability conversations at the global level. Governments are the main drivers toward achieving the goals, however the corporate sector is recognizing its own responsibility and the likelihood that the goals will not be met without effective engagement and mobilization of private-sector capital.

The research that contributed to this report demonstrates that a vast majority of companies are attributing great importance to the SDGs and frequently integrating them into overall business strategy. The data also attest to the increasing value of private-sector partnerships as a strategy for advancing social investment work within companies. A majority of respondents are collaborating with other companies. Private-sector partnerships translate into a unique collaboration exercise that can bring together a broader set of skills, talents, and experience as well as innovative and creative ways to solve societal problems. The development and reinforcement of regional private-

sector networks have proved to be a source of collaboration and understanding among companies working together to solve societal issues.

As a proxy method for gauging influence and importance, companies were asked if they would consider including each of these SDGs and private-sector partnerships in a presentation or materials to their CEO and/or senior executives. This approach was chosen because typically the time spent with senior executives is limited and therefore department heads are judicious about presenting only top-priority information.

Companies Considering Including SDGs in Executive Level Materials, 2019



N = 155

In 2019, 78% of global companies considered the SDGs sufficiently important that they engaged senior executives on how the goals relate to business. The previous year, when a similar profile of global companies answered the same question, this figure was 51%. This substantial increase, and the fact that approximately 8 out of 10 companies reported already including SDGs in materials to executives, reflects the SDGs' growing influence as a framework for advancing and evaluating companies' social investment strategies.

Of those companies that reported attributing prominent importance to the SDGs, a majority (55%) reported frequently integrating SDGs in the companies' overall strategy. Approximately 4 out of 10 companies reported that the SDGs serve as a framework for reporting and measuring their social investment work.

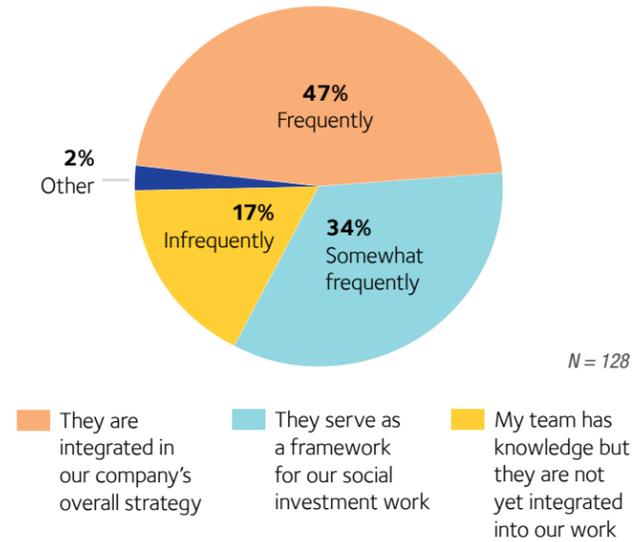
Of the companies that reported integrating SDGs into overall strategy (55%), more than a third identified Sustainability (27%) and Communications (13%) as the departments to which survey respondents direct their reporting. (See the full breakdown of respondents' organizational structures and reporting lines on page 8.) A high percentage of those companies that reported SDGs serving as a framework for reporting and measuring social investment work (37%) also indicated that a significant amount of respondents' reporting is directed to the Sustainability department (28%).

INDUSTRY	AVERAGE % OF COMPANIES WITH A QUANTITATIVE TARGET FOR ACHIEVING SDGS
Communication Services (n=16)	5%
Consumer Discretionary (n=39)	11%
Consumer Staples (n=51)	15%
Energy (n=20)	6%
Financials (n=51)	15%
Health Care (n=11)	3%
Industrials (n=49)	14%
Information Technology (n=25)	7%
Materials (n=61)	18%
Utilities (n=25)	7%

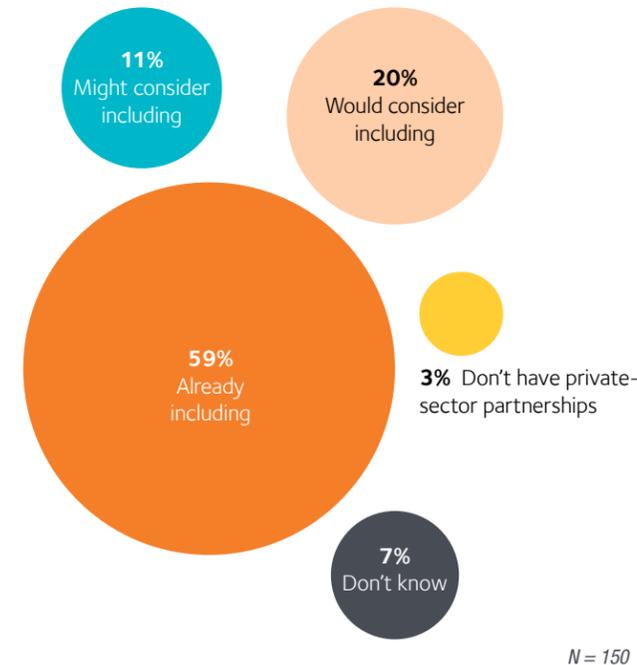
Source: Bloomberg ESG database, 2019 data, CECP analysis.

A majority of companies (59%) are already including partnerships with other private-sector companies in a presentation or materials to the CEO and/or senior executives. This is up 23 percentage points from last year's figure of 36%.

How SDGs are Integrated in the Department/Company, 2019

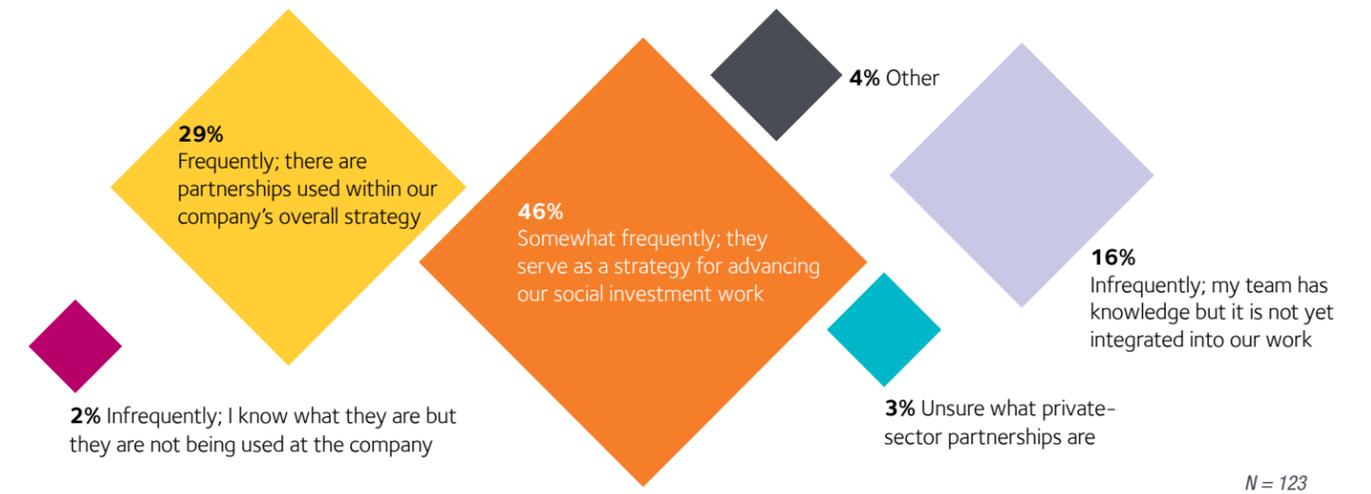


Percentage of Companies Considering Including Private-Sector Partnerships in Executive-Level Materials, 2019



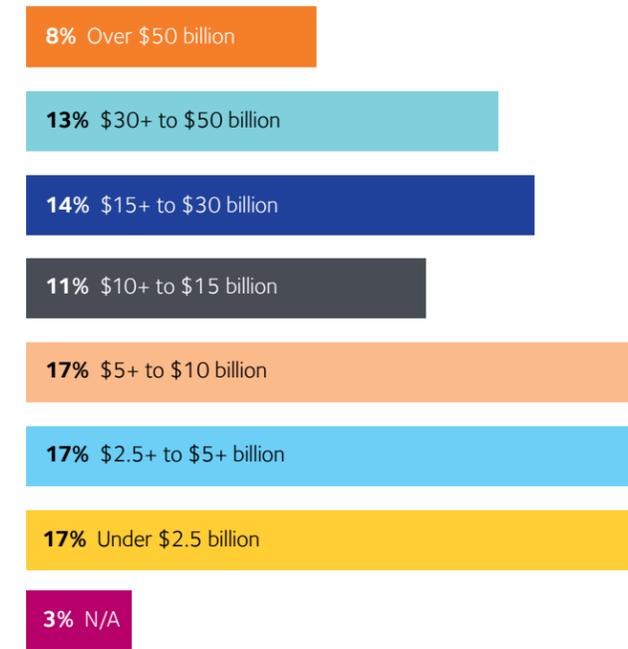
Seventy-five percent of companies indicated that partnering with other private-sector companies is either a "frequently" employed part of their companies' overall strategy (29%) or that it "somewhat frequently" serves as a strategy for advancing social investment work (46%).

How Private Sector Partnerships are Integrated in the Department/Company, 2019



A closer look at the revenue breakdown of the 59% of companies that reported already including these types of partnerships in presentations to executives reveals that larger companies include fewer private partnerships in such materials than smaller companies do. Only 8% of companies that reported doing so have revenues of over US\$50 billion, while 51% of those reporting doing so have revenues ranging from less than US\$2.5 billion up to US\$5 billion.

Distribution of Companies Already Including Private Partnerships in Executive Materials by Revenue Tier in US\$, 2019



Of the 59% of companies already including partnerships with other private-sector companies in a presentation or materials to their CEO/senior executives, 43% reported that private-sector partnerships are a strategy employed within their companies' overall strategy, 49% reported that private-sector partnerships serve as a strategy for advancing social investment work, and only 7% acknowledged that their team has knowledge of the benefits of partnering but said it is not yet integrated into their work.

The companies that reported already including these partnerships in executive materials also reported that their departments' responsibilities cover a wide range of areas besides community investments and volunteer activities, areas that vary from strategic sustainability planning to initiatives promoting the measuring and strengthening of corporate reputation.

ESG PERFORMANCE: SDGS

Nineteen percent of companies have set a quantitative target for achieving at least one of the 17 SDGs (n=1842).

Median community spend of companies that have set a quantitative target for achieving one or more of the SDGs (n=200) is US\$10.4 million, four times higher than the median community spend of those that have not set a target for achieving a SDG: US\$2.6 million.

Source: Bloomberg ESG database, 2019 data, CECP analysis.

Global Exchange partners are leading the way in advancing specific SDGs in their countries and contributing to reporting on the goals.



Maala (ISRAEL)

One of the standard-setters in the Israeli CSR and sustainability community is the Maala Index.³ The 2020 index was reconstructed to connect to the SDGs and links various criteria to specific goals. This is a strong example of how to boost the familiarity of the SDGs at a market level and help bridge global-local barriers. Based on the reporting level from companies to the index, it is possible to get a broader picture of the Israeli market's contribution to the SDGs.



³ Index criteria: <http://www.maala-en.org.il/wp-content/uploads/2020/10/maala-index-questionnaire-2020.pdf>.
⁴ <https://csrone.com/reports/3662>.

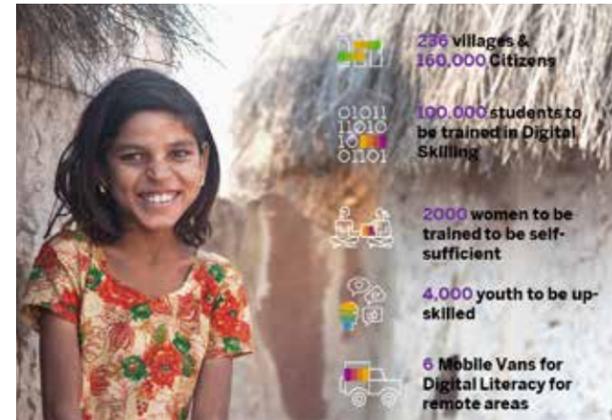


Russian Donors Forum (RUSSIA)

The Russian Voluntary National Review reflects the country's achievement across all SDGs. This review highlights the contribution of Russian businesses to sustainable development and features over 40 case studies of Russian companies and NGOs. For example, PhosAgro, a member company of the Russian Donors Forum, is highlighted on the 2020 review document as a successful sustainable development project that advances SDG2 (Zero Hunger). The company's unique partnership with the Food and Agriculture Organization of the United Nations has improved farmers' skills in soil management and expanded the capacity of soil laboratories in regions like Latin America, the Middle East, and Africa.

CSRone (TAIWAN)

Every year CSRone publishes the report "Trends of Sustainability Reporting in Taiwan and APAC,"⁴ a trusted source providing stakeholders with a comprehensive outlook on corporate sustainability performance in the region. The report highlights how, among a universe of 556 analyzed organizations, 328 organizations (59%) are already mentioning or linking their activity to the SDGs. The top three prioritized SDGs are: Decent Work and Economic Growth (SDG8), Climate Action (SDG13), and Quality Education (SDG4).



Wider Sense (GERMANY)

Software company SAP focuses on Quality Education (SDG4), with programs designed to promote digital inclusion and 21st-century skills. Working with partners from various sectors, SAP is committed to providing access to technology and digital education through projects such as Africa Code Week and ASEAN Data Science Explorers, but also to improving the employability of underserved people through technical certification and bootcamps. In 2019, SAP programs benefited 56,000 teachers and 4.5 million underserved people, including youth, in 105 countries.

CASE STUDY

South Korea | DB Insurance's Environmental Protection and Climate Change

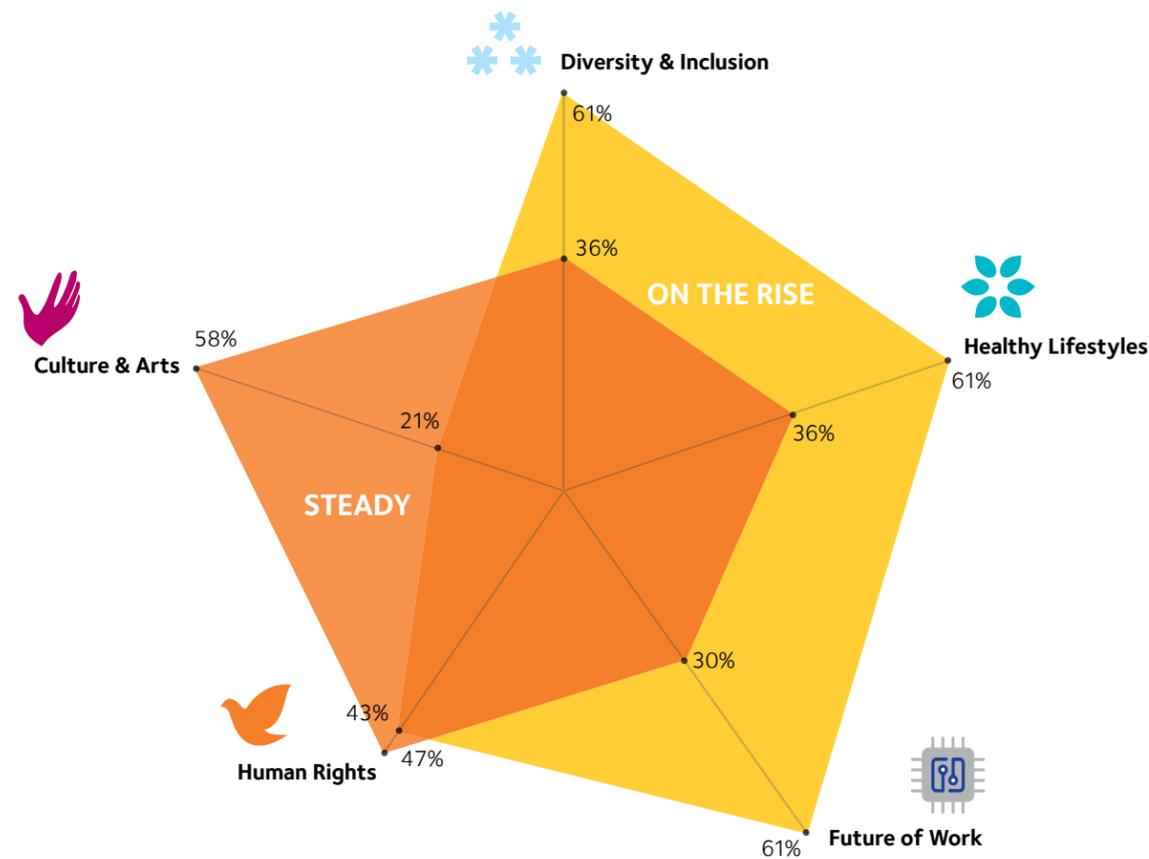
DB Insurance offers an Environmental Responsibility Insurance product, which provides mandatory insurance coverage for environmental pollution liability in accordance with South Korea's Act on Liability for Environmental Damage and Relief. Developed to help prevent corporate bankruptcies and to provide swift compensation and relief to victims of environmental pollution, this product covers physical disabilities, property damage, decontamination costs, and other legal expenses that may be incurred by a third party, where legal costs are significant and damage is difficult to prove.



To address environmental risks further, DB Insurance also developed a product that guarantees additional compensation for damages that exceed the mandatory insurance coverage limit. Professional consulting services and training programs are provided on a regular basis to improve awareness of, and enrollment in, non-compulsory insurance that covers excessive damages.

DB Insurance has signed a Memorandum of Understanding with the United Nations Environment Programme (UNEP) to share global environmental policy trends and the environmental management practices of leading companies, as well as to allow outstanding cases of Korean environmental policy to be promoted and shared with developing countries. DB Insurance participated in the Environmental Protection Management Innovation Forum and International Seminar on Environmental Responsibility Insurance that was held in Nanning, China, and presented its development and operational processes for environmentally responsible insurance.

Moreover, DB Insurance was the first private financial institution in Korea to declare an end to financing and bonds related to the construction of domestic and overseas coal-fuelled power plants. As the only private financial institution (with KRW37 trillion in assets under management) to do so, DB Insurance participated in a Declaration Ceremony for the Phase-Out of Financial Investments in Coal Power Projects, hosted by KoSIF (Korea Sustainability Investing Forum) and sponsored by the United Nations Global Compact (UNGC) and UNEP FI. Moving forward, DB Insurance will continue to promote a low-carbon economy by expanding sustainable investments in renewable energy and eco-friendly power generation.



Responding to Major Issues

With labor markets evolving quickly on a global scale, companies must consider very carefully how they invest resources in cause areas including Diversity and Inclusion, Healthy Lifestyles, Future of Work, Human Rights, and Culture and Arts. To achieve intentionality in resource allocation and investment across companies, corporations must be proactive in developing better metrics. Global companies are expressing greater urgency with respect to issues like Diversity and Inclusion and their vitality for building successful and sustainable companies. However, metrics and reporting in this area fall short. Employees are demanding ever-more persuasively that their companies go beyond merely announcing commitments and actively bolster workplace inclusion so that it becomes a genuine business standard with visible results in operations, public disclosures, and benchmarks.

When presented with a list of focus areas, Global Exchange partners identified Diversity and Inclusion, Healthy Lifestyles, Future of Work, Human Rights, and Culture and Arts as the most important such areas at the global level.

Overall, 70% of companies saw either an increase or steadiness in the resources allocated to all focus areas, with 5% citing an increase in resources for all five of the focus areas listed above. Healthy Lifestyles and Future of Work stand out as the areas for which the most companies cited an increase in dedicated resources (61% of companies cited increases in both areas), followed by Diversity and Inclusion (59% of companies). Half of the companies reported a steady level of resources dedicated to Human Rights and Culture and Arts.

Companies are reporting minimal declines in the amount of resources allocated to the four areas selected for analysis. Only 2% reported a decline in resources for Future of Work, 1% for Human Rights, and 6% for Culture and Arts. No company reported a decline in the amount of resources for Diversity and Inclusion or Healthy Lifestyles.

Human Rights

In recent years, Human Rights have been increasingly perceived as an integral aspect of corporate compliance and responsibility. While companies do not have binding legal obligations in this respect, the United Nations' Guiding Principles on Business and Human Rights,⁵ unanimously endorsed by the Human Rights Council in 2011, have served as a non-binding legal framework encouraging businesses to respect and protect Human Rights in their operations. While there is still a long way to go before legal enforcement holds companies accountable for actions across their supply networks, there have been advancements at regional and local levels. The European Union requires importers of some conflict-affected raw minerals and metals to carry out supply-chain due diligence in accordance with the OECD Due Diligence Guidance, while on the national level countries like the United Kingdom and France have begun to publish action plans on Human Rights in business.

ESG PERFORMANCE: HUMAN RIGHTS

More than three-quarters of companies (n=1997) had a Human Rights policy in 2019.

The analysis shows that the median community spend of firms with an explicit Human Rights policy was US\$3.6 million in 2019, much higher than that of those that did not have such a policy (US\$2.8 million).

Six percent of companies in a three-year matched set between 2017 and 2019 developed a Human Rights policy, reflecting a growing trend among businesses in all regions toward making a public commitment to respect and support Human Rights.

Utilities was the industry with the highest percentage (92%) of companies adopting a Human Rights policy in 2019. Among revenue tiers, companies with annual revenues from US\$30 billion to US\$50 billion accounted for the largest percentage of companies adopting such a policy in 2019.

Source: Bloomberg ESG database, 2019 data, CECP analysis.

Diversity and Inclusion

As global companies continue to embrace purpose-driven leadership, corporate social responsibility professionals have increased their attention to Diversity and Inclusion. While this trend is encouraging, companies must also take urgent action to embed Diversity and Inclusion as an integrated and strategic approach across all business functions and levels, from the most senior down to entry-level employees. An empowered

workforce who can bring their authentic selves to work every day translates into employees contributing their best ideas, skills, and talents, while also reflecting their employer's diverse customer base.

A closer look at the increase in resources for Diversity and Inclusion (an increase cited by 59% of companies) reveals that the Financials industry represented 28% of the companies citing an increase, followed by a spread across all other industries ranging from 13% to 5%. Bloomberg data supports the idea that large global companies urgently need to embrace systemic changes if they are to move more women into management positions and increase the diversity and number of people with disabilities in their workforces.

INDUSTRY	MEDIAN % OF WOMEN IN MANAGEMENT
Communication Services (n=31)	30.00
Consumer Discretionary (n=36)	27.00
Consumer Staples (n=36)	25.35
Energy (n=37)	21.05
Financials (n=114)	31.15
Health Care (n=17)	34.80
Industrials (n=88)	19.40
Information Technology (n=26)	19.00
Materials (n=67)	20.00
Utilities (n=24)	20.63

Source: Bloomberg ESG database, 2019 data, CECP analysis.

Future of Work

Companies are intensifying their focus on developing the future workforce. Their incentives are both a desire to ensure a robust talent pipeline and a focus on middle-skills job development to help address income inequality and the wealth gap. The evolution from traditional workforce development and the changing dynamics in the employer-employee relationship suggest that unlocking the value of human potential should be a priority. To harness this potential, corporate leaders are increasingly put in a position of making tough choices that can affect generations to come, like shifting talent from areas of decline to upgrading their workforce's skills to meet new demand.⁶

Of the 61% of companies that cited an increase in resources for Future of Work (61%), the Financials industry again represented the highest percentage (24%) of these companies, followed by a spread between 14% and 1% across the other industries.

⁵ https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf.

⁶ http://www3.weforum.org/docs/WEF_Future_of_Jobs_2020.pdf.

CASE STUDY

Brazil | Neoenergia's School of Electricians

To encourage greater participation by women in the labor force of the electricity sector, Neoenergia, through its State of Bahia-based energy distributor Coelba, developed the School of Electricians. Aimed exclusively at women and promoted in partnership with the National Service of Industrial Training (SENAI) Bahia, the project develops and strengthens technical training with a focus on safety. Participating women are trained in building electrical installations and energy-distribution networks, professional activities predominantly performed by men. The project is unprecedented in the north and northeast of the country and represents part of the company's commitment to the Sustainable Development Goals (SDGs), which include Gender Equality (SDG5) as one of the major global goals to be achieved by 2030.⁷



To participate, candidates must have completed high school or the equivalent, be at least 18 years old on the date of enrollment in the selection process, and reside in or near the city of Salvador. The course has a workload of 596 hours. The selection process includes a written test (in Portuguese and mathematics), psychological assessment, a practical test, and an interview to assess the applicant's technical profile. Selected candidates receive financial aid for transportation during the course.

In addition to SENAI, the School of Electricians for Women has a partnership with the Government of the State of Bahia, through the Secretariat of Administration of the State of Bahia (SAEB), which offers, free of charge, the National Driver's License for women who complete the electrician course. In addition, there is the support of several third-sector organizations and civil society (Pracatum, Fábrica Cultural, Bloco Afro Olodum, the Association of Mata Escura and Calabetão Communities (ACOPAMEC), and the Movimento Cultural do Subúrbio).

Photo: Neoenergia External Communication

ESG PERFORMANCE: GENDER EQUALITY

Eighty-nine percent of companies (n=2149) had an equal opportunity policy in place in 2019, representing a commitment to non-discrimination against any type of demographic group within the company. Utilities and Health Care were by far the industries with the highest average percentage of companies having an equal opportunity policy (95% of companies in both industries).

Regarding gender equality, women's representation in the workforce has improved, albeit marginally, with 32.5% of employment being filled by women in 2019 (n=1086). Women's representation in managerial positions had an average of 24%, reflecting a lamentable increase of only 2% between 2017 and 2019 (n=343).

Health Care and Communications industries stand out as leaders when it comes to the median percentage of women in management (34.8% and 30%, respectively) in 2019. Technology and Industrials, on the other hand, remain dominated by men: women hold fewer than one-fifth of senior management positions in these industries (19% and 19.4%, respectively).

In 2019, there was an increase of just 2% in the median percentage of minorities in the workforce across all industries, from 8.13% in 2017 to 10.15% (n=111).

An even smaller increase was seen with respect to people with disabilities in the workforce across all industries: from 1.61% to 1.65% in a three-year matched set between 2017 and 2019.

Source: Bloomberg ESG database, 2019 data, CECP analysis.

⁷ <https://www.neoenergia.com/pt-br/sala-de-imprensa/noticias/Paginas/neoenergia-lanca-primeira-turma-exclusiva-para-mulheres-da-escola-de-eletricistas.aspx>.

CASE STUDY

Japan | Shionogi's Initiatives to Remove Communication Barriers for Sight- and Hearing-Impaired People

Shionogi, a large Japanese pharmaceutical company, believes in managing its business in a way that helps all members of society, including the physically challenged, achieve their full potential—and that doing so sustainably supports the company's policy to "supply the best possible medicine to protect the health and wellbeing of the patients we serve." Shionogi promotes internal and external initiatives for disability inclusion and has also joined the international initiative The Valuable 500.

For customers: Shionogi recognizes the importance of all patients—regardless of ability—having access to the information they need to use medication properly. To that end, Shionogi has instigated the Communication Barrier-Free Project, which seeks to improve the way information is conveyed and to eliminate communication barriers when people with disabilities receive medication instructions.

People with disabilities—in particular those with hearing or visual impairments—sometimes do not take medications as prescribed if they have not received sufficient information. While people with disabilities may struggle to take in information, this problem can also stem from the way information is conveyed. Shionogi conducts activities aimed at educating various parties about the existence of such communication barriers.

In fiscal year 2019, Shionogi held awareness-raising seminars targeting medical professionals for people with hearing impairments and their helpers in each region. These awareness-raising activities contributed to greater understanding and have resulted in changes in the behavior of medical practitioners.

In addition, aiming for a "drug that is easy for people with visual impairments to use," Shionogi Healthcare and Shionogi Pharma worked to improve the packaging of the over-the-counter (OTC) Sedes series and launched new packaging in April 2020. The package is designed with an upper section that opens wide so that the outer box can be opened easily, the usage and dosages are shown in large letters on the underside of the lid, and an accessible code (QR code) has been added for compatibility with the multilingual reader functions on smartphones and other devices. As a result, Shionogi's universal design is easy to use for the visually impaired and for the wide range of people who take this drug, including non-Japanese populations.

For employees: Shionogi is actively engaged in creating an environment where people with and without disabilities can work vigorously. Specifically, the company is working on ways to guarantee appropriate access to information so that anyone can participate in meetings independently. Using voice-recognition applications to convert speech to text and inserting subtitles into video presentations are among the measures whose introduction is making it the norm for all employees to have guaranteed access to information. Meanwhile, as part of in-house training activities, Shionogi uses simulations and other methods to give employees an understanding of the unique experience of hearing impairment.



ESG PERFORMANCE: TRAINING

In 2019, 89% of companies (n=1941) offered a training policy for new and existing employees on career development, education, or skills.

In 2019, Utilities and Materials were the industries with the highest average percentage of companies with an existing training policy.

Three percent of companies in a three-year matched set between 2017 and 2019 set up a training policy, with the median employee training cost increasing by 7%, from US\$56.3 million in 2017 to US\$60.3 million in 2019.

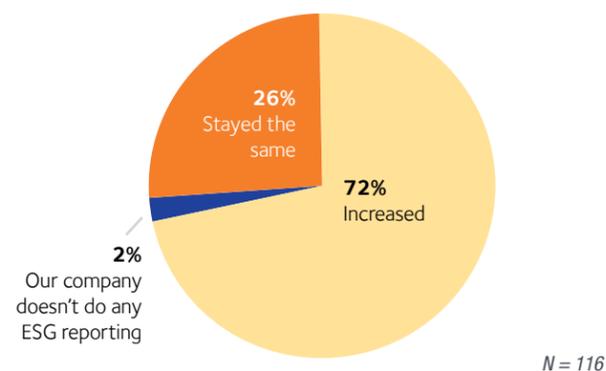
The median average number of hours spent on employee training in 2019 was 24 hours (n=667).

Source: Bloomberg ESG database, 2019 data, CECP analysis.

Reporting

Mandatory non-financial reporting in Africa, Europe, and Asia, combined with a growing reliance on ratings and rankings around the globe, attests to how external influences on corporate reporting are gaining force. The research herein examines a year in which significant progress was made in terms of increased commitment to ESG issues. It will be important to monitor whether that momentum is sustained and implemented despite the market's disruption by COVID-19. Seven out of 10 companies are expanding their ESG reporting, while only 2% of companies indicated having no type of ESG reporting.

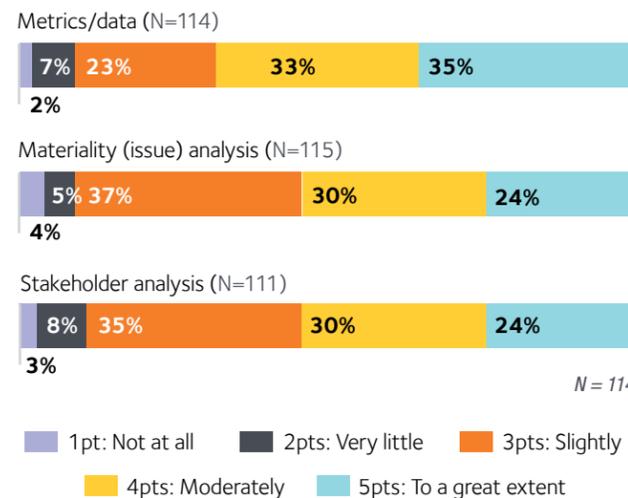
Publicly Released ESG Reporting Companies, 2019



Of the companies that reported an increase in ESG reporting, 63% have increased resources in both the "S" and "E" in ESG, meaning that 37% of companies increased reporting without additional resources. In other words, these companies added reporting to efforts already funded and underway.

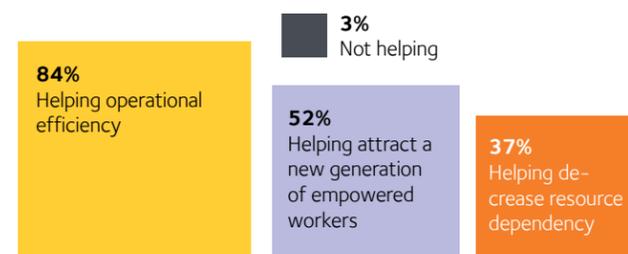
Companies have made major strides in identifying the issues most important to their business and to engaging with stakeholders. Metrics remain a perennial challenge. Companies predicted the extent to which they will seek to improve on three areas: stakeholder analysis, materiality (issue) analysis, and metrics/data. Using a scale of improvement from 1=Not at all to 5=To a great extent, 35% of companies predicted a major improvement in data and metrics, followed by 24% that cited major improvements also on the materiality (issue) analysis, and 24% that expected to improve stakeholder analysis significantly.

Companies' Issue Assessments, 2019



Companies use ESG data to help with operational efficiency, decreasing resource dependency, and attracting a new generation of empowered workers. An overwhelming majority of companies (97%) reported that ESG data is helping in at least one of the three areas. The area in which ESG data seems to be helping most is operational efficiency (84%), followed by attracting a new generation of empowered workers (52%).

Percentage of Companies Agreeing on the Importance of ESG, 2019



CASE STUDY

Mexico | Newmont Peñasquito Mine and its Contribution to the Education of the Zacatecano Semi-Desert in Mexico⁸

Newmont is a company with more than 100 years of experience in the mining industry. One of its main assets is Peñasquito, a mine that began operations ten years ago in the Municipality of Mazapil, the State of Zacatecas. There, the company is interested in the promotion of education as a fundamental human right and one of the guiding principles of the Sustainable Development Goals (SDGs) adopted internationally.

In Mexico, 56.2% of public schools are located in highly marginalized areas, which represent a serious challenge regarding lack of infrastructure, educational materials, and pedagogical resources.⁹ Aware that its neighboring communities are immersed in this educational reality and with absolute conviction in the importance of contributing to the region's development, Newmont Peñasquito created a strategy to support education.



Educational strategy based on five lines of action:

1. Improve the educational infrastructure and school equipment (furniture and teaching materials).
2. Promote skills-development programs for children and youth.
3. Generate annual training programs for elementary and upper-secondary-level teachers.
4. Provide financial support to students and their families through a scholarship program.
5. Build and equip the first Technical Baccalaureate in the region.

Newmont enacts this strategy along with 25 rural communities that neighbor the Peñasquito operation and have more than 5,000 inhabitants combined.

A legacy that transcends for future generations

As part of its commitment, Newmont has equipped 61 basic and upper-level educational institutions with new school furniture. It has also supported more than 12 educational infrastructure projects such as the construction of classrooms and teachers' accommodations. More than 16,800 hours of science, art, sports, and life skills were taught to 2,032 students. To strengthen their pedagogical skills, 122 teachers trained annually. Four out of 10 students receive an economic incentive, equivalent to 867 scholarship recipients annually. In addition, Newmont Peñasquito promotes gender equality in all its programs, ensuring that boys and girls have the same opportunities.

The Conalep Experience: Plantel Mazapil

Until 2010, the Zacatecano semi-desert did not have a higher secondary education institution. With its firm conviction that it should help to increase educational opportunities, Newmont Peñasquito and some of its business partners launched the construction and endowment of a Technical Baccalaureate. With an investment in excess of MXN25 million, Conalep-Plantel Mazapil is the most equipped higher education institution in Zacatecas and offers three technical careers. During its ten years of operation, 409 students have graduated and 70% now work for the company or for its suppliers or contractors.

8 • INEE (2019). Mexico Educational Panorama 2018. Indicators of the National Educational System in Basic and Upper Secondary Education. First edition.
• UNESCO (2020). Bulletin on the Right to Education in Mexico.

9 INEE, 2019.

ESG Regulation and Reporting Standards

JAPAN: In Japan, it is anticipated that Japanese companies' efforts to disclose information will move increasingly in the direction of embracing the SDGs and ESG investment. The need to disclose not only financial information but also a wide range of non-financial information is also growing in Japan. Guidance on the Task Force on Climate-Related Financial Disclosures (TCFD) was announced in July 2020 and 303 Japanese companies have indicated their intention to follow it.

CANADA: The Canadian Business Corporations Act now requires corporations to report on diversity at senior levels. In 2019, 89% of the companies on the S&P/TSX Composite Index disclosed gender metrics and 18% disclosed metrics around disabilities, visible minorities, and indigenous peoples. This number is expected to increase as a result of revisions to the act.

GERMANY: In 2016 the German government adopted the National Action Plan for Business and Human Rights (NAP). It is the government's first effort to anchor responsibility for a commitment to Human Rights in the corporate sector. Based on the United Nations' guiding principles and conceived as a voluntary commitment, the NAP is to be adopted by German corporations by 2020. To monitor implementation, the Ministry of Foreign Affairs commissioned a study spanning the years 2019-2020. The study found that 13 to 17% of corporations are "NAP-committers" while another 10 to 12% were on their "good way" to becoming so.¹⁰

ISRAEL: In Israel, there is no overall regulation enforcing sustainability reporting apart from banks and state-owned companies.¹¹ The Maala ESG Rating and Index on the Tel Aviv Stock Exchange (TASE) is considered the main ESG framework in Israel. Participation is voluntary, however the companies listed on the TA Maala SRI Index constitute around 40% of the total market value of all listed companies on the TASE.¹² Two recent developments are: 1) a call by the Israel Securities Authority (ISA)¹³ for proposals on corporate responsibility and ESG risk disclosures and 2) a new initiative of the Israeli Ministry of Strategic Affairs,¹⁴ offering grants to businesses for publishing ESG reports.

TAIWAN: In Taiwan, key sustainability reporting requirements are guided by the mechanisms and regulations proposed by the Financial Supervisory Commission (FSC)¹⁵ in its Corporate Governance Roadmap documents. This first edition of the document was launched in 2013; subsequent editions were published in 2018 and 2020. The purpose of the roadmap is to strengthen corporate governance and stewardship practices among Taiwanese companies to meet international standards. To compliment the FSC requirements, the Taiwan Stock Exchange and Taipei Exchange set out detailed reporting requirements in their Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports.^{16,17} Both exchanges require listed companies with share capital at NT\$5 billion or more (starting in 2023 this requirement will be extended to companies with share capital at NT\$2 billion or more) as well as listed companies in the food industry, the chemical industry, and the financial and insurance industries, to submit sustainability reports in accordance with the latest GRI sustainability reporting guidelines. Starting in fiscal year 2022, the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD) frameworks are also expected to be referenced in companies' reporting cycles.

Additionally, Taiwan is subject to reporting regulations established by the Taiwan Environmental Protection Administration, the Taiwan Bureau of Energy, and the Occupational Health and Safety Act.

¹⁰ <https://www.csr-in-deutschland.de/EN/Business-Human-Rights/About-the-NAP/about-the-nap.html>.

¹¹ Bank of Israel directive requiring banks to publish an annual or biennial corporate responsibility report. See p. 11 in link: <https://www.boi.org.il/en/BankingSupervision/SupervisorsDirectives/ReportingToThePublicDirectives/620e.pdf>.

¹² TA Maala SRI Index on TASE vs. total market value of all listed companies: https://www.tase.co.il/en/market_data/index/168/major_data.

¹³ The Israel Securities Authority (ISA) put out a call for proposals on corporate responsibility and ESG risk disclosures. ISA is seeking the public's comments on this subject, and specifically the public's responses to a series of questions on this topic. Link: http://www.isa.gov.il/sites/ISAEng/1489/Calls_for_Comments/Documents/ESG_Risk_Disclosures.pdf.

¹⁴ The Ministry of Strategic Affairs has launched a program called "Impact Nation," aimed to encourage Israeli businesses to publish ESG and corporate responsibility reports and offering substantial grants to businesses for publishing reports. Link (Hebrew): <https://www.gov.il/he/Departments/General/impact230920>.

¹⁵ Financial Supervisory Commission, R.O.C. Taiwan: Corporate Governance Roadmap. Link: <https://www.sfb.gov.tw/en/home.jsp?id=120&parentpath=0%2C117%2C118>.

¹⁶ Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies. Link: <https://twse-regulation.twse.com.tw/m/en/LawContent.aspx?FID=FL075209>.

¹⁷ Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies. Link: <http://eng.selaw.com.tw/LawArticle.aspx?LawID=FL082123&ModifyDate=1090102>.

Teams, Organizations, and Service

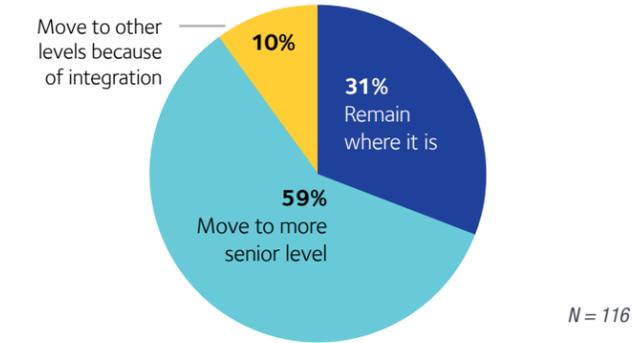
Global corporate leaders responsible for whole or part of their company's ESG strategy are rising in influence. Companies report that ESG strategy will be permeating higher seniority levels. The attention employees pay to stakeholder capitalism is happening on all levels, from front-line workers up to the CEO, pushing companies to listen increasingly to internal stakeholders. Based on what they hear, there is more intentional effort to integrate sustainability efforts into their business models. Empowered employees have also led the way in applying pressure on high-level executives to take a stand on prominent political and social issues. The 2020 Edelman Trust Barometer,¹⁸ which surveyed over 34,000 people in 28 markets, found that 54% of employees globally believe CEOs should speak publicly on controversial political and social issues. The Edelman Trust Barometer also found that 53% of consumers agree that every brand has a responsibility to become involved in at least one social issue that does not directly impact its business.

The majority of companies (59%) predicted ESG strategy will be moving to more senior levels over the next two years. Twenty-nine percent of these respondents reported to the Sustainability department, 18% to a Communications department, and 12% to Human Resources.

ESG Metrics Integrated into Performance Indicators for Staff, 2019



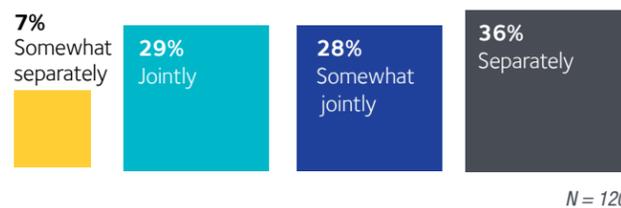
ESG Strategic Position Within the Company in the Next Two Years, 2019



Most global companies have teams working together on the “S” and “E” issues in a structured, organizational way, rather than via informal collaboration. Fifty-seven percent of corporate leaders work jointly or semi-jointly on social and environmental issues in a formal capacity.

Across companies, incentives are changing. A large majority of companies, 7 out of 10, disclosed ESG metrics as being integrated into performance (and remuneration) indicators for many or some staff companywide. Of the 19% of companies that reported ESG metrics being integrated into performance indicators for many staff, 73% of them predicted that ESG will be moving to a more senior level. In line with the rising trend of ESG metrics being linked to reward systems, CECP's analysis of ESG data found that ESG metrics linked to bonuses had a 1.4% increase, from 22.5% in 2016 to 23.9% in 2018.¹⁹ The expanding role that ESG has as a metric linked to reward systems is significant and may signal an additional level of accountability for sustainable value creation across companies. However, this trend should be observed with caution, as research shows that ESG-related rewards may be accompanied by a lack of transparency on how the ESG targets are set, how performance is measured in practical terms, and how discretionary powers are used.²⁰

“S” and “E” Staff Integration Within Companies, 2019



CASE STUDY

Russia | Sakhalin: Promoting Linguistic Rights on an Indigenous Island

Language is the most powerful tool for preserving, developing, and understanding the cultural heritage, oral history, and longstanding traditions of indigenous peoples. Sakhalin Energy Investment Company Ltd. (Sakhalin Energy), a Russia-based operator of the Sakhalin-2 oil and gas project, performs its activities on the island of Sakhalin, home to the Nivkhi, Ulta (Orok), Evenki, and Nanai indigenous peoples. The company's efforts focus on engaging with indigenous Sakhaliners, recognized as a vulnerable group.

Since 2006, the company has led a special corporate program—the Sakhalin Indigenous Minorities Development Plan (SIMDP)²¹—through a partnership with the Sakhalin Government and the Regional Council of Authorized Representatives of Sakhalin Indigenous Peoples. This program is based on free, prior, and informed consent (FPIC), a principle specified in the 2007 U.N. Declaration on the Rights of Indigenous Peoples and later in the 2012 IFC PS7 on Indigenous Peoples.

The SIMDP's priority areas are culture and education. In addition, Sakhalin Energy aims specifically to preserve and promote the cultural and linguistic heritage of Sakhalin's indigenous minorities.

The number of native speakers of the indigenous languages on Sakhalin does not exceed twenty people. Most of the representatives of indigenous peoples have no opportunity to study their native languages because they are not taught at school on a regular basis and there are no modern textbooks or publications. Consequently, the company supports the linguistic rights of Sakhalin's indigenous peoples through three activity areas:

- Preserving native languages through the publication of books and textbooks, including the digitization of existing texts and creating audio tools.
- Developing projects and events that contribute to native language dissemination. For example, the U.N. Declaration on the Rights of Indigenous Peoples was translated into Sakhalin's indigenous minorities' languages; Sakhalin Energy also promotes exposure to new vocabulary and conferences that encourage linguistic studies.
- Promoting native languages as carriers of the intangible cultural heritage of indigenous peoples by creating conditions and raising interest to study native languages and culture not only in the Sakhalin Oblast but also at national and international levels.

By implementing projects in the fields of culture, education, and preservation of the cultural heritage of indigenous peoples, the company is complying with the provisions of the UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage and contributing to global efforts to achieve the SDGs.

This work is ongoing, in anticipation of the U.N. International Decade of Indigenous Languages (2022–2032). It cannot stop until all of the relevant languages are no longer endangered, a goal that unfortunately will not be achieved until the remote future.



18 <https://www.edelman.com/trustbarometer>.

19 <https://cecp.co/wp-content/uploads/2019/11/Bloomberg-Industry-data-IIS-Dec-191.pdf>.

20 <https://www.unpri.org/download?ac=1798>.

21 <http://www.simdp.ru/eng.php?PHPSESSID=8dbe72ae5cbe156ba6e9b3db2c969b84>.

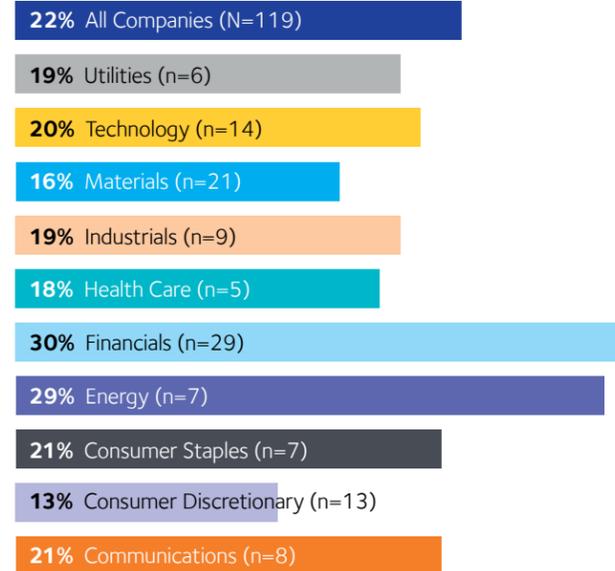
Workplace Volunteering

The most common and longstanding methods of employees' workplace engagement in social issues are through employee volunteering and giving programs that often, but not always, include a matching donation from the company ("matching-gift programs"). Global volunteering differs from country to country, both in terms of structure and the number of volunteer hours. Globally, the most common words that companies associate with volunteer activities are:

Activities Children
Education Food Charity
Community Team Employee Day
Humanity Rural Love Environmental

Companies predicting ESG moving to more senior levels (59%) are also more likely to offer time off for volunteer activities (6 out of 10 of these companies), but not more or less likely to offer a matching-gift program. Specifically, in this set of companies, exactly half do offer matching-gift programs and the other half reported not doing so. Companies not offering volunteer programs are raising the hierarchical influence of ESG but not integrating it with other functions within the company nor leveraging the opportunity to mobilize employees in addressing social causes.

Average Volunteer Participation Rate by Industry, 2019



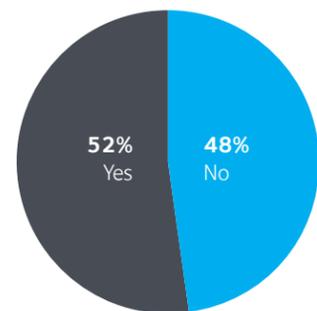
According to the present research, in 2019 companies offered employees a median of 16 hours annually for volunteer service. The most common annual number of hours offered was 8 (29% of companies). The survey data that informed *Giving in Numbers: 2020 Edition* also indicated that the median number of annual volunteer hours offered to employees on company time was 16 and the most common number of hours was 8.

Financials and Energy were the industries that offered employees the highest volunteer participation rates: 30% and 29%, respectively. The spread among the rest of the industries did not vary greatly, with the lowest participation rate being reflected by Consumer Discretionary at 13%. Being a relatively easy indicator to measure and track, volunteer retention is becoming better known at companies as a monitored KPI. Volunteer engagement increases as companies increasingly acknowledge how service furthers their corporate mission. A study of over 380,000 employees revealed that giving back is associated with greater employee retention, higher levels of brand ambassadorship among workers, and more enthusiastic employees.²²

A majority of companies (52%) offered at least one program wherein the company matches employee donations, also called a matching-gift program (N=155). Across all industries, the average participation rate in matching-gift programs was 26%, with a spread from 10% (Consumer Staples) to 35% (Energy) (N=40). More specifically with regard to the actual uptake of these programs by employees: the median participation rate was 12% and the top quartile was 33%. The average participation rate of 26% is in line with *Giving in Numbers: 2020 Edition's* findings, in which 24.7% of employees on average participated in a matching-gift program, but the *Giving in Numbers* spread across industries was different: from 30.4% (Financials) to 12% (Energy).²³ Fortune 500-focused research shows that while 65% of these large companies offer matching-gift programs, an estimated US\$4 to US\$7 billion in matching-gift funds go unclaimed per year.²⁴

The fact that more than half of companies reported having a corporate matching-gift program or policy that essentially doubles an employees' donation to an eligible NGO is significant. It means that globally 52% of companies are providing an

Companies With Matching-Gift Programs, 2019



N = 155

incentive for employees to give; moreover, the companies are helping society through their support of these organizations. Companies do this also to show that they are willing to support causes their employees care about. It's advisable that companies should have an active communication strategy that makes employees aware of matching-gift programs; internal changes may be required to ensure that raising awareness does not fall solely to NGOs.

The revenue size of a company is correlated with whether the company offers a match to individual employee giving. Eighty percent of companies with over US\$50 billion in revenue offer matching-gift programs, whereas only 34% of companies with revenue of less than US\$2.5 billion do.

Percentage of Companies Offering Matching-Gift Programs by Revenue Tier in US\$, 2019

REVENUE TIER	% OF COMPANIES
All Companies (N=155)	52%
Over \$50 billion (n=10)	80%
\$30+ to \$50 billion (n=18)	67%
\$15+ to \$30 billion (n=20)	45%
\$10+ to \$15 billion (n=22)	68%
\$5+ to \$10 billion (n=21)	48%
\$2.5+ to \$5 billion (n=25)	48%
Under \$2.5 billion (n=35)	34%
NA (n=4)	50%

CASE STUDY

Russia | SIBUR: Focusing on What Really Matters

SIBUR, the largest integrated petrochemicals company in Russia, and which in 2019 reported an annual revenue of US\$8.2 billion, provides systematic support to local communities and invests in the sustainable development of the regions and cities where the company operates.

As a major employer and initiator of social programs in Russian cities, SIBUR provides employment for local residents and strives to ensure comprehensive development in key areas of local life by collaborating with government authorities, NGOs, other companies, and social, environmental, and cultural institutions.



One example is SIBUR's Formula for Good Deeds program, which launched in 2016. The program serves as a key tool for catalyzing development in the company's regions of operation. In 2019, the program continued to evolve through three formats of collaboration with local communities: the grant competition (regional project contest), interregional projects, and corporate volunteering.

Strategic partnerships with regional and municipal authorities occupy an important place in SIBUR's regional development activities. Agreements on social and economic cooperation have been concluded with a number of regions where the company operates: the Khanty-Mansiysk Autonomous Okrug, the Yamalo-Nenets Autonomous Okrug, and the Amur and Tomsk regions. Partnerships with these territories help create new opportunities for local development while also solving urgent social problems and overcoming the challenges associated with environmental protection.

SIBUR-Tobolsk and POLIEF (an enterprise located in the Republic of Bashkortostan) have established public councils to review matters relating to the company's operations, such as sustainability and the development of its regions of operation. These councils consist of duly authorized SIBUR employees and representatives of local communities, government officials, NGOs, volunteer organizations, and others. Public councils enable all stakeholders to discuss environmental and industrial safety at the enterprises, as well as HR policy and social undertakings.

The public council in Tobolsk is involved in selecting grant contest winners as part of the Formula for Good Deeds program. Council members retain the right to prioritize one project that has citywide significance. Council members also play an active role in the discussion and implementation of the TOBOLSK 2020 urban development program.

In addition to public councils in Tobolsk and Blagoveshchensk, the communication channels of the Formula for Good Deeds program are open to all stakeholders at all remaining business units. Four email addresses and one telephone line operate on a 24/7 basis. The company's representatives regularly inform interested parties of news and current changes relevant to the program in a variety of ways, including via email newsletters.

22 <https://fortune.com/2018/02/09/bank-of-america-giving-back/>.

23 *Giving in Numbers: 2020 Edition*.

24 <https://doublethedonation.com/tips/matching-gift-participation-rates/>.

COVID-19 Response

 **UNITED KINGDOM:** Business in the Community (BITC) created 100+ resources to support businesses during the pandemic, on issues such as Mental Health and Wellbeing, Environmental Impact, Essential Skills to combat unemployment, and Diversity and Inclusion.²⁵ BITC's National Business Response Network has matched over 2,600 offers of business support with community needs since its launch in April 2020.²⁶ BITC also recently launched a campaign with its hundreds of members, from large multinationals to SMEs, calling on businesses to Build Back Responsibly.

 **SPAIN:** The SERES Foundation has organized 25 events with more than 50 CEOs around the "Responsible Leadership" concept, where top managers at SERES's companies have discussed the challenges of post-COVID reconstruction. In these meetings there has been unanimous acknowledgement of the redefinition of the CEO's role from doing to being. Also, CEOs have acknowledged the importance of purpose and a new leadership model, fully embracing stakeholder capitalism.

 **ISRAEL:** COVID-19 prompted a boost to the work already underway on inclusive growth, primarily among employees and vulnerable communities. CEOs and other key business leaders noted the urgency for adopting a 360° stakeholders' point of view, acknowledging the weak links in the ecosystem in which companies operate. A key takeaway emphasizes the importance of capacity building among suppliers within the local economy, including boosting technological capabilities.

 **SOUTH KOREA:** Within South Korea, the COVID-19 situation has sparked a widespread increase in the introduction and use of "untact" (contactless) services across society, including in businesses, schools, and hospitals. In line with this trend, the Korean government is developing digital infrastructure and fostering contactless industries in order to promote key tasks for adapting to the untact era, such as enhancing cloud capacity and cybersecurity.

 **TAIWAN:** Taiwanese companies were very quick to adapt, follow, and support national requirements to prevent local community outbreaks. In the early stages of the pandemic, the private sector mobilized rapidly to put in place the required control and prevention measures. The virus was successfully contained and these cross-sector coordinated efforts prevented the country from going into lockdown.

 **JAPAN:** Successive generations of Japanese executives have passed down the management philosophies of "the three-way benefits" (benefits to the seller, buyer, and society) and "companies are public organs of society." Even amid COVID-19, many corporations have contributed to society with whatever resource they have, for example by producing sanitary products and/or donating to hospitals, etc.

 **SOUTH AFRICA:** The Solidarity Fund²⁷ was designed as a rapid-response vehicle to mobilize South African companies, foundations, and individuals in the fight against the COVID-19 pandemic and the resulting health, humanitarian, and social consequences. It has received more than ZAR3 billion from more than 1,000 businesses and tens of thousands of individuals.

 **CANADA:** In early 2020, the Large Employer Emergency Financing Facility (LEEFF) program was established to provide bridge financing to large Canadian companies that have been impacted by COVID-19. To incentivize the development of climate-change strategies, recipient companies must commit to publishing annual climate-related disclosure reports before accessing financing.²⁸

 **MEXICO:** In April 2020, the Mexican Center for Philanthropy (along with its partners, affiliates, and regional allies) together with the Alliance for Social Responsibility for Mexico (AliaRSE) and the University Network for Disasters' Relief and Prevention (Unired) created a collaborative fund, FONDODespensaMx, to support families who lost their income due to COVID-19. The fund benefited 7,253 families across the country and covered their basic needs for three months. Over 1,000 individuals, 45 foundations, 40 socially responsible companies, and 303 nonprofit civil society organizations donated more than MXN20 million (approximately US\$1 million).

 **BRAZIL:** The Private Social Investments in the Fight Against COVID-19 section of the BISC research found that, up until July, approximately R\$2 billion, or about one-third of the total private resources mapped out by other initiatives, was invested in the fight against COVID-19, according to information extracted from the ABCR (The Brazilian Fundraisers Association) Donation Monitor. According to BISC, 53% of the resources were allocated to health activities, highlighting support for the Unified Public Health System.²⁹

 **UNITED STATES:** CECP has seen a noteworthy change as CEOs are looking for additional opportunities to confer with their peers regarding today's unprecedented leadership challenges. The pressing issues CEOs identified include leadership from the top on sustainable business/ESG, social justice, and Diversity and Inclusion.

25 Business in the Community (2020). COVID-19 resources. https://www.bitc.org.uk/post_tag/covid-19/.

26 Business in the Community (2020). National Business Response Network. <https://www.bitc.org.uk/national-business-response-network/>.

27 <https://solidarityfund.co.za/>.

28 <https://www.cdev.gc.ca/leeff-factsheet/>.

29 <https://www.monitordasdoacoes.org.br/pt>.

CASE STUDY

Spain | Ferrovial's "Social Infrastructure" Program: Improving and Expanding Access to Potable Water and Basic Sanitation



Ferrovial, an infrastructure operator and industrial company with €12 billion in annual revenue and headquartered in Madrid, has led an impactful "Social Infrastructure" program since 2011. The project aims at improving and expanding access to potable water and basic sanitation among at-risk and socially vulnerable groups in Africa and Latin America. The program is aligned with SDG6: Clean Water and Sanitation.

Every year, Ferrovial offers an invitation to tender to which Spanish nonprofit organizations may submit their proposals. Based on technical criteria, Ferrovial selects projects that will intervene in vulnerable communities in either rural or urban settings and that seek to alleviate a situation of weakness or lack of infrastructure dedicated to supplying potable water and basic sanitation.

The program reinforces Ferrovial's role as an agent of cooperation, in that Ferrovial provides not only financial resources to these strategic community-outreach efforts; it also provides its employees' talents, skills, and the accumulated technical knowledge of the company's volunteer force. The program is also beneficial to its volunteers, who develop critical thinking skills and get the opportunity to collaborate on social projects within their professional environment.

Since its inception, the program counts on senior management support and is aligned with Ferrovial's core business strategy, which is vital for the program's success and sustainability.

An example of this project is the delivery of a new water system to El Salado, Colombia. A new water system now serves El Salado after being chosen by Ferrovial for its Social Infrastructure program in 2016. A total of €162,000 has been invested in an aqueduct system, which is powered by a solar facility and was the first of its kind in Colombia. The community now has daily access to water fit for human consumption. Before Ferrovial's project, it had a poor-quality water supply that was only available for a few hours three days a week, due to high maintenance costs.

Currently, in collaboration with NGOs, the program is developing three projects, in Kenya, Colombia, and Peru, which will significantly improve the living conditions of 6,000 people.

To date, 28 water- and sanitation-related projects have been carried out in impoverished communities in Africa and Latin America. These projects represent more than €6 million invested, 121 employee volunteers, and more than 9,500 corporate volunteering hours. Thanks to these efforts, 230,000 individuals in nine countries have received improved access to potable water. Ferrovial's own yearly investment amounts to €550,000.

Since 2018, Ferrovial has developed a specific impact-measurement methodology for water and sanitation projects based on the Social Return on Investment (SROI) methodology, which it has shared with its partner NGOs to measure the social impact generated by the projects while strengthening the capacities of social entities.

CASE STUDY

Taiwan | How AU Optronics Embeds the SDGs into its Core CSR Strategy

AU Optronics (AUO) is a global leader in optoelectronic solutions and today has approximately 38,000 employees worldwide. It operates a business network that spans Taiwan, Mainland China, Japan, Singapore, Korea, the United States, and Europe.

Through AUO's establishment of a dedicated CSR unit and the creation of the position of Chief Sustainability Officer (CSO) in 2018 to direct its corporate sustainability development, the company has now successfully connected its core competitiveness with the SDGs and finalized its 2025 Sustainability Goals. The CSR Committee was established by AUO to serve as the top governing body for the company's sustainable development and to continue overseeing its sustainability transformation. Strategic directions for medium and long-term sustainability developments are overseen by the Chief Sustainability Officer and dedicated sustainability units.

AUO aims to realize its sustainability vision by using the 17 SDGs to establish a corporate sustainability program entitled "Go Beyond CSR, Create Shared Values." Strengthening partnerships, the spirit of the SDGs, is the key for AUO to build a CSR-oriented and holistic corporate culture. AUO has identified nine categories of stakeholders and the ways in which it wishes to engage them over the long term:

- 1. Experts:** Invite experts to meet with executives for regular face-to-face interaction, consultation, and seminars on matters such as international trends and industry risks.
- 2. Suppliers:** Perform an on-site Responsible Business Alliance audit and assist training and exchanges with multiple channels to address challenges and share supply-chain best practices.
- 3. Customers:** Respond to customers' CSR concerns in addition to providing quality product customer service; also communicate CSR trends and cooperation opportunities via phone interviews and questionnaires.
- 4. Non-Governmental Organizations (NGOs):** Through the AUO Foundation, cooperate with organizations that share the same spirit and purpose in public welfare and participate in related initiatives.
- 5. Media:** Actively participate in exhibitions and events and aggressively interact with featured media on issues such as environmental sustainability, social participation, and talent cultivation, to enhance public understanding.
- 6. Employees:** Develop and refine AUO's internal and external employee CSR education system, including consultation hotlines and a dedicated CSR news platform in order to make CSR part of each employee's DNA and to foster an enjoyable workplace.
- 7. Investors:** Regularly disclose company information and actively respond to investor questionnaires to promote information that is balanced and transparent.
- 8. Students:** Assist students in exploring and understanding the industry through on-site visits, education, and summer internships.
- 9. Communities and Neighborhoods:** Through the power of employee volunteers, visit and care for neighbors regularly, including listening to their ideas for promoting harmony and mutual betterment.

With CSR becoming increasingly important in the global Information and Communications Technology Industry, AUO is confident that the CSR capabilities it has cultivated over the past decade will make the company a prominent leader in sustainable enterprises.



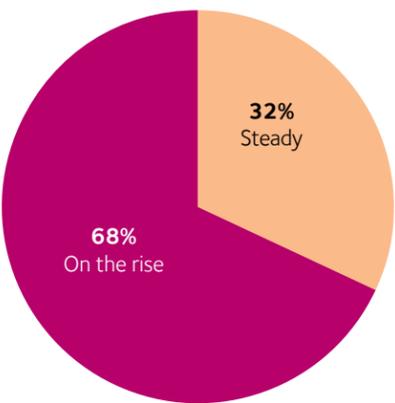
Budget Trends for Greater Impact

The increased action on ESG issues across multiple stakeholders is matched by the amount of attention afforded ESG within the companies. There is ever-greater demand not only from employees but also from institutional investors and external stakeholders that companies should address ESG issues as part of sustainable long-term success. The present research also revealed a trend toward the integration of ESG across business units.

A majority of companies are increasing ESG resources across the board, and a vast majority are expressing a commitment to increasing resources on environmental issues in particular. Sixty-eight percent of companies reported that “S”-related resources (e.g., resources toward community investments, Diversity and Inclusion, and Human Rights) were on the rise, and an overwhelming 85% of companies reported that “E”-related resources (e.g., for carbon offsets, or water) were on the rise (N=116). Globally, no company reported a decline in either “S”- or “E”-related resources.

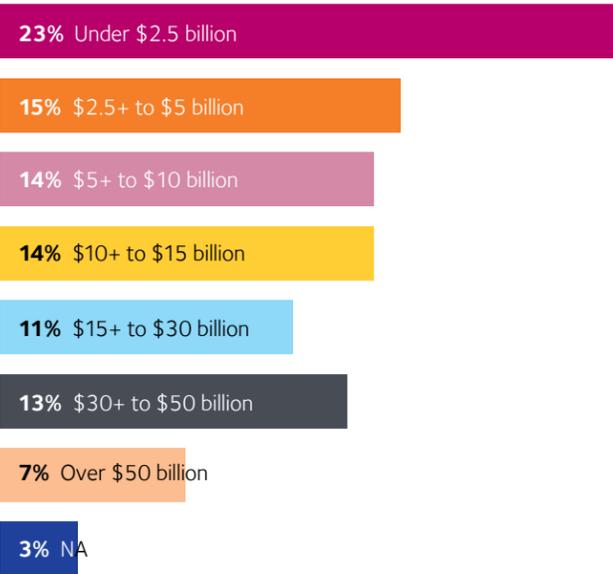
Sixty-one percent of companies reported that both “S”- and “E”-related resources were on the rise. Of this set, around half (52%) represent companies with annual revenue of under US\$2.5 billion up to US\$10 billion, suggesting that **smaller companies are increasing resources in the “S” and “E” space more than larger companies are.**

Percentage of Companies, “S” in ESG Resources, 2019



N = 116

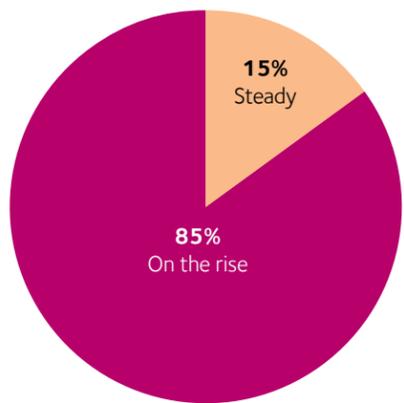
Distribution of Companies (by Revenue Tier in US\$) Reporting Resources “On the Rise” for both “S” and “E,” 2019



N = 71

Companies that reported “S” resources on the rise and steady “E” resources represent only 7% of the sample, while 24% of respondent companies reported having “E” resources on the rise and steady “S” resources. This result would seem to reflect the greater importance global companies are placing on environmental causes.

Percentage of Companies, “E” in ESG Resources, 2019

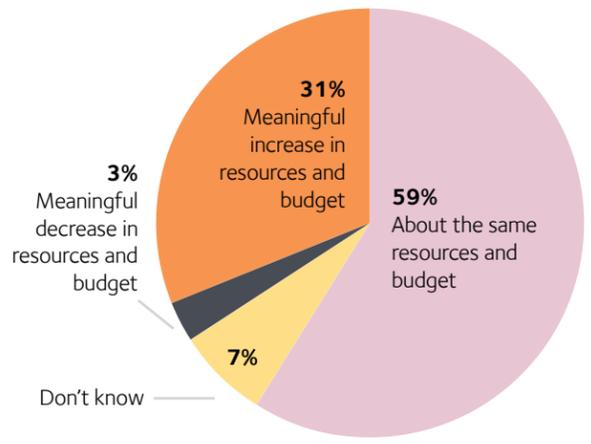


N = 116

A closer look at companies that reported “S” resources being on the rise (68%) reveals that over half of these companies (57%) reported having about the same amount of resources in community investments, suggesting there may be a trade-off between the “S” resources increase and community investments. Alternatively, the resource increase might be going to other areas such as equity, or Diversity and Inclusion. Thirty-seven percent of the companies reporting “S” resources being on the rise also reported having a meaningful increase in community investment resources.

Ninety percent of companies predicted that social investment resources and budgets will either be the same (59%) or have a meaningful increase in resource and budget (31%) over the next two years. This trend is in line with analysis of ESG data from Bloomberg’s ESG database of the top 3,000 companies with the highest revenue. In 2019, these companies’ median community spend was US\$3.4 million (N=934). Across industries, Consumer Staples had the highest median of community spend²⁵ (US\$9.06 million), despite its median ratio of community spend as a percentage of revenue being less than that of Communications companies. Total community spend increased by 7% between 2017 and 2019 in a three-year matched set, and the median rose modestly from US\$3.3 million to US\$3.6 million. Fifty-eight percent of companies in the same matched set increased their community spend within the same period.

Social Investment Projection Over the Next Two Years



N = 125

A closer look at the approximately 3 out of 10 companies that predicted a meaningful increase in resources and budget for their company’s social investment over the next two years (31%) reveals that the highest percentage of these are represented mostly by those with less than US\$2.5 billion in annual

revenue (26%). This suggests companies may increasingly prioritize community partnerships once they achieve scale in the company’s growth.

Out of this 31% of companies that predicted a meaningful increase, 70% are already including partnerships with other private-sector companies in conversations with leadership and 88% are already including the SDGs in high-level material (see chart below). This is significant because it can elicit how embedding SDGs and private-sector partnerships in a company’s core strategy may be a proxy for the assignment of higher budgets and/or increasing resources. Of the approximately 8 out of 10 companies including SDGs in high-level presentations, 43% reported that they are frequently integrating SDGs in overall company strategy and another 43% reported using the SDGs somewhat frequently to serve as a framework for reporting and/or measuring their social investment work.

SDGs and Private Partnerships: Importance Among Companies Reporting a Projected Increase in Social Investments, 2019



SDGs in Presentations to CEOs



Legend:
■ Already including
■ Would consider including
■ Might consider including
■ Don't know

N = 35

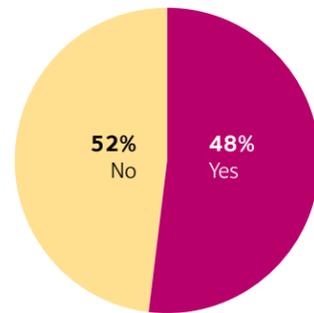
Community Investments Going Global

As companies achieve scale, the globalization of their supply chain, customer base, and operations is commonplace. Companies continue to evolve the strategic ways in which their social programs reach more of their corporate footprint, whether in terms of where employees live and work or where the companies see their current and future revenue potential across markets.

Nearly half of companies were engaged with partners internationally (48%) (N=153) in 2019.

²⁵ Bloomberg’s definition of “community spend”: Amount of money spent by the company on community-building activities, in millions. This includes both cash and in-kind donations if given in a monetary value and excludes employee contributions and money raised through events (corporate entity giving). (This also excludes giving from a company foundation.)

Percentage of Companies Contributing at Least One Grant with International Impact, 2019



N = 153

PERCENTAGE OF GRANTS THAT HAD INTERNATIONAL IMPACT

Revenue Tier (in US\$)	Top Quartile
Over \$50 billion	NA
\$30+ to \$50 billion	NA
\$15+ to \$30 billion (n=7)	67%
\$10+ to \$15 billion	NA
\$5+ to \$10 billion (n=7)	42%
\$2.5+ to \$5 billion (n=10)	43%
Under \$2.5 billion (n=11)	31%

Unsurprisingly, international community investments and prioritization of the SDGs are intimately connected. Nearly all of the companies that made international contributions deemed it extremely important to work toward the SDGs, demonstrated by their practice of sharing this progress with their CEOs (97%). More than half of these companies reported frequently integrating SDGs into the company's overall strategies. By contrast, only a third of companies who do not offer international impact grants have incorporated the SDGs into their work.

International engagement is correlated with employees that take advantage of their companies' willingness to match individual giving. Companies that have made contributions to international end-recipients also tend to have a higher matching-gift volunteer participation rate. Our analysis shows that while the median matching-gift volunteer participation rate of these companies was 16%, this figure was only 10% among companies that did not make international contributions.

Companies express how challenging and expensive cross-border giving can be, due to foreign funding restrictions, the difficulty of categorizing foreign-based charities for tax purposes, and other country-specific factors. Some countries have laws that favor a foundation structure as a means for conducting social investments.

In 2019, 69% of surveyed companies reported having a foundation or trust (N=107). This is significant and demonstrates that foundations are an active community investment model globally. It is also true that the use of a corporate

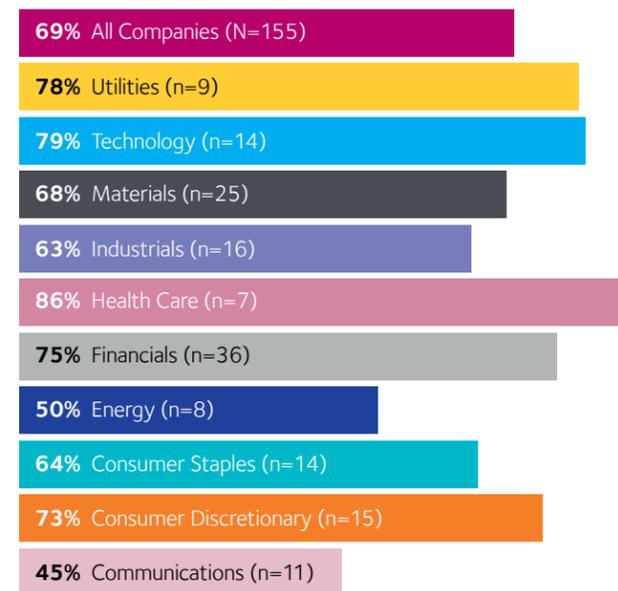
foundation is highly dependent on the country where it is set up, given each government's legal and tax requirements. Companies may still invest the time and effort to establish corporate foundations because they can be an advantageous and strategic entity to have among their means for acting on social issues.

Of those companies that reported having a foundation, 34% (N=41) stated they had more than one corporate foundation; these were typically larger companies. Specifically, the median revenue of these 34% of companies was US\$14 billion, compared with US\$8.1 billion for the other 66% of companies.

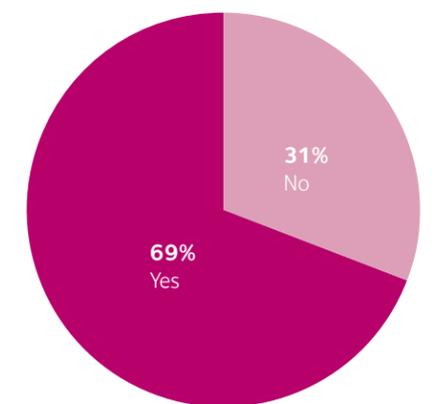
The average number of foundations reported by companies with more than one was 3.3 and the median was 2. Some companies may prefer to have more than one foundation or even a network of corporate foundations in different countries to carry out programs more efficiently and to be closer to local beneficiaries and stakeholders. Companies that decide to open foundations outside the company's headquarters country might be benefiting from some legal or fiscal framework that can expand the company's philanthropic practice.

Foundations act as an active community investment model on a global basis. A closer look at the 34% of companies that reported having more than one foundation reveals that 82% of these companies reported already including the SDGs in presentations or materials to their CEO or senior executives due to the importance that the SDGs have for the companies' strategy and programs. Of the 34% of companies with more than one foundation, 50% offer a matching-gift program and 54% contributed at least one grant that had international impact.

Percentage of Companies with At Least One Foundation by Industry, 2019



Percentage of Companies with At Least One Foundation, 2019



N = 155

CASE STUDY

Taiwan | China Development Financial Holding Corporation

China Development Financial Holding Corporation (CDF), established in 2001, is dedicated to increasing shareholder returns as well as respecting ESG policies, all while positioning itself as a leading regional financial institution with a comprehensive presence throughout Asia (and beyond). With over 500,000 shareholders, CDF has one of the largest number of shareholders among TAIEX-listed companies.

In 2019, CDF adopted five main ESG strategies that were incorporated into investment analysis and integrated as core competencies across the business to help achieve the SDGs. These ESG strategies were: Corporate Governance, Intelligent Finance, Elite Talent Development, Low-Carbon Economy, and Co-Creation of Society to promote corporate governance and sustainability. These five components of the ESG global corporate expansion proved key to driving business growth. From an operations perspective, CDF implemented key changes to ensure uptake across business units:

- CDF's CSR Committee sits under the board and is constituted by five working groups (WGs): Corporate Governance WG, Social Philanthropy WG, Environmental WG, Client Relations WG, and Employee Wellbeing WG, each headed by a top executive of the group who is responsible for the company's sustainable goals and management.
- When formulating ESG-related projects, the working groups gather feedback from stakeholders through the "Stakeholder Survey Form" to identify SDG-related major issues and develop an annual implementation plan. Institutional stakeholders may also provide input and engage in ESG topics at board meetings or CSR Committee meetings through their board representatives.
- The CSR Committee periodically reports to the Board of Directors on the implementation status of each WG.

CDF's five ESG strategies have solidly stood their ground on the issues that stakeholders are concerned about and that are aligned with the SDGs. By considering risks facing the global economy as well as new opportunities, CDF focuses on conducting business in ways that fulfill CSR objectives and provide maximum value to all stakeholders. For instance, in light of "Low-Carbon Economy" and addressing SDGs 7, 12, and 13, CDF undertakes to manage and disclose climate-related financial information in line with the framework of the Task Force on Climate-Related Financial Disclosures (TCFD), including considerations of scenario analysis, discovering industries/enterprises with development potential in a low-carbon economy and bolstering their transformation, and promoting green investments with core functions to reduce the environmental impact of business operations.



Recent ESG Milestones



CANADA: ESG reporting in Canada has been steadily rising. 2019 saw a 10% increase from the previous year. Since 2016, the number of Canadian companies on the S&P/TSX Composite Index reporting on ESG increased from 36 to 58%. When ESG content published on a company website is included, that number increases to 89%. ESG reporting in 2020 has already surpassed totals from 2019 and is projected to increase by 8% by the end of the year.³⁰

UNITED STATES: The Business Roundtable (BRT) [Statement on the Purpose of a Corporation](#) reinforced the fundamental commitment of member companies to operate for the benefit of all stakeholders.

BRAZIL: In 2020, the three largest private banks in Brazil—Bradesco, Itaú, and Santander—launched a plan to promote sustainable development in the Amazon.³¹ The proposal introduced ten measures including stimulating sustainable chains in the region and enabling investments in basic infrastructure. The document defended the 2030 Agenda and called for an uncompromising and comprehensive fight against illegal deforestation in the Amazon.

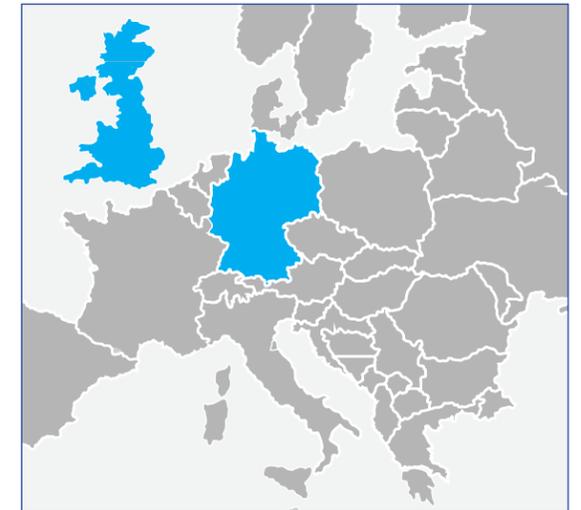


CHILE: Chile's Ministry of Energy, together with the Ministry of the Environment and the Ministry of Labor, is developing a Fair and Sustainable Transition Strategy whose objective is to achieve energy transition towards carbon neutrality in Chile by 2040. The objective includes promoting the creation of green jobs that improve people's quality of life and the environmental conditions in the territories where they are located.



SOUTH AFRICA: South Africa was ranked the world's best in integrated reporting in 2019 in an academic paper published by the Social Science Research Network. The 400+ listed companies on the Johannesburg Stock Exchange are legally required to submit integrated reports and there is ongoing engagement with peers to improve reporting, as well as a healthy competition among companies to be recognized by reporting awards. This in turn has prioritized sustainability and integrated thinking.

In 2020, the European Parliament Committee on Legal Affairs drafted a report with recommendations to the Commission on Corporate Due Diligence and Corporate Accountability. The recommendations are based on the United Nations Guiding Principles on Business and Human Rights and ensure that due diligence reaches the entire value chain, is carried out with the involvement of interested parties, and is set up as a dynamic of identification and prevention of risks, but also provides opportunities in agreement with the SDGs and the Green Pact.



UNITED KINGDOM: The United Kingdom unveiled a ten-point plan to kickstart a green industrial revolution in 2020. With £12 billion of government investment and potentially three times as much from the private sector, the plan aims to provide up to 250,000 green jobs, making the U.K. a leader in green technologies. Targets include offshore wind powering every home by 2030, no diesel or petrol cars beyond 2030, and mandatory reporting in line with the Task Force on Climate-Related Financial Disclosures (TCFD) across the economy by 2025.³²

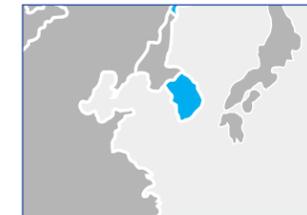
GERMANY: Founded in 2019 by eight international companies, Value Balancing Alliance e.V. is a nonprofit organization that aims to develop a globally standardized impact-measurement model that allows the holistic integration of positive and negative effects of corporate activities into reporting and provides guidance on how these impacts can be integrated into business steering.

ISRAEL: A new publication, *Leaving No One Behind: Israeli Business and Inclusive Growth*,³³ maps out the characteristics of CSR work in Israel and leading practices that contribute to inclusive growth. While specific practices of inclusive growth have characterized the business community in Israel for decades, this book articulates the pattern and presents the practices as part of a comprehensive framework.



RUSSIA: The Voluntary National Review of the progress made in the implementation of the 2030 Agenda for the Sustainable Development of Russia was presented in the U.N. in June 2020. The role of business was recognized with a presentation of major company cases, including Russian Donors Forum members SIBUR, PhosAgro, En+ Group, Sakhalin Energy, Severstal, MTS, SUEK, RUSAL, and others.

SOUTH KOREA: Effective from 2019, companies listed on the KOSPI with over KRW2 trillion in total assets are obligated to disclose their corporate governance reports to the Korea Exchange (KRX). This resulted in submissions from 200 companies, with nine additional companies voluntarily disclosing their reports. To ensure sound and transparent corporate management, KRX has further required that this reporting complies with ten key corporate governance principles concerning shareholders, the board of directors, and auditing.



TAIWAN: Sustainability reporting in Taiwan has increased significantly in the last decade. In 2013 there were fewer than 100 reporting organizations. By early 2020 this number had reached an all-time high of 556,³⁴ driven primarily by mandatory reporting regulations promoted by the Financial Supervisory Commission. This number is expected to increase more with upcoming regulations.³⁵

30 <https://corostrandberg.com/wp-content/uploads/2020/09/millani-annual-esg-disclosure-study-2020.pdf>.

31 <https://www.itaub.com.br/relacoes-com-investidores/Download.aspx?Arquivo=m5p00Zxtz0cA4zWVUjRsyA==>.

32 Department for Business, Energy and Industrial Strategy (Nov. 2020). The ten-point plan for a green industrial revolution. <https://www.gov.uk/government/publications/the-ten-point-plan-for-a-green-industrial-revolution>.

33 <https://www.maala-en.org.il/israeli-business-and-inclusive-growth/>.

34 <https://csrone.com/reports/3662>.

35 https://www.spglobal.com/esg/csa/static/docs/DJSI_Components_EmergingMarkets.pdf.

About the 2020 Global Impact at Scale Methodology

The insights presented in this document are the result of a collaborative effort with CECP's Global Exchange (GX). This document features:

- Data analysis from the 2020 GX questionnaire fielded from April through June 2020.
- Insights from GX partners' market-specific research, secondary research and case studies.
- Insights from Bloomberg's Environmental, Social, and Governance (ESG) data of the top 3,000 global companies by revenue size.

This year's report draws on survey data from 168 companies from 23 different countries. To maintain the confidentiality of survey respondents, combined aggregate responses from all companies form the basis of this analysis. The survey results detailed in this report cover programs with a December 31st, 2019 end date.

The data collected for the 2020 GX questionnaire focused on companies with over US\$500 million in annual revenue to benchmark and compare large companies and not the entire corporate sector. Insights included in this document report corporate community investment numbers from the highest possible structural level: in the majority of cases, the parent company.

The data analysis identifies shared characteristics and tests the scope of social investment and ESG issues. Several of the questions were designed to enable the GX to compare results and identify, from this year forward, year-over-year trends in areas like the Sustainable Development Goals (SDGs) and private-sector partnerships. Insights from GX partners' market-specific research and secondary research from other publicly available reports are used to develop additional understanding among respondent companies and their respective countries.

The analysis also examines Corporate Societal Investment (CSI) and ESG insights, while complementing companies' responses with results from Bloomberg's ESG data set, enabling companies to benchmark and gain insights regarding global corporate engagement and ESG.

Insights from Bloomberg's ESG data encompass information from more than 11,500+ global publicly traded companies across multiple industries. Only companies that publish financial data and report figures to a government agency are included. For this research, the sample was limited to the top global 3,000 companies ranked by revenue, all of which have annual revenues in excess of US\$3 billion.

Responses came from these 23 countries:

- Australia
- Brazil
- Canada
- Chile
- France
- Germany
- India
- Ireland
- Israel
- Italy
- Japan
- Mainland China and Hong Kong
- Mexico
- Netherlands
- Republic of Korea
- Russian Federation
- South Africa
- Spain
- Switzerland
- Taiwan
- Turkey
- United Kingdom
- United States

MEDIANS BY INDUSTRY	COMMUNITY SPEND (IN US\$ MILLIONS)	COMMUNITY SPEND AS A % OF REVENUE	COMMUNITY SPEND AS A % OF PRE-TAX PROFIT
All Companies, N=934	3.40	0.03%	0.44%
Communications, n=35	5.26	0.08%	0.65%
Consumer Discretionary, n=99	2.00	0.02%	0.34%
Consumer Staples, n=79	9.06	0.06%	0.86%
Energy, n=68	7.07	0.05%	0.67%
Financials, n=201	5.81	0.04%	0.33%
Health Care, n=34	3.05	0.03%	0.39%
Industrials, n=171	1.95	0.02%	0.36%
Technology, n=57	1.86	0.02%	0.30%
Materials, n=140	2.45	0.03%	0.54%
Utilities, n=50	6.93	0.06%	0.57%

Note: Companies with incomplete data for pre-tax profit are included in the applicable calculations to determine the "All Companies" data, but not in the subsequent rows.

MEDIANS BY REVENUE SIZE	COMMUNITY SPEND (IN US\$ MILLIONS)	COMMUNITY SPEND AS A % OF REVENUE	COMMUNITY SPEND AS A % OF PRE-TAX PROFIT
All Companies, N=934	3.40	0.03%	0.44%
Revenue > \$50 bn, n=92	30.13	0.03%	0.47%
\$30 bn < Revenue <= \$50 bn, n=52	15.74	0.05%	0.54%
\$15 bn < Revenue <= \$30 bn, n=139	7.99	0.04%	0.57%
\$10 bn < Revenue <= \$15 bn, n=126	4.03	0.03%	0.48%
\$5 bn < Revenue <= \$10 bn, n=293	2.40	0.03%	0.39%
\$2.5 bn < Revenue <= \$5 bn, n=232	1.31	0.03%	0.39%

Note: Companies with incomplete data for pre-tax profit are included in the applicable calculations to determine the "All Companies" data, but not in the subsequent rows.

Respondent Listing by Industry

COMMUNICATIONS (N=11)

Cogeco Inc.
Mobile TeleSystems PJSC
Nippon Telegraph And Telephone West Corporation
PJSC VimpelCom
Rostelecom
Sistema
SK Telecom
Telefónica, S.A.
Telefónica Vivo Brasil S/A
Viacom Inc.
Vodafone España

CONSUMER DISCRETIONARY (N=18)

Alsea
Barloworld
De Beers Group
Herman Miller, Inc.
Hyundai Mobis
Jyoung Company Limited
Kintetsu Group Holdings Co., Ltd.
KPMG LLP (Canada)
Lufthansa Holding
Meliá Hotels International
Nankai Electric Railway Co., Ltd.
Randstad España SL
Sumitomo Electric Industries, Ltd.
Sun International
Université Laval
Volaris (Concesionaria Vuela Compañía de Aviación S.A.P.I. de C.V.)
West Japan Railway Company
Wynn Resorts, Ltd

CONSUMER STAPLES (N=16)

ALDI Einkauf GmbH & Co. oHG
ALDI SÜD

Dienstleistungs-GmbH & Co. oHG
Compañía Cervecerías Unidas S.A.
Falabella Retail S.A.
Grupo Bimbo
Grupo Herdez
Hana Financial Group
Instituto Coca-Cola Brasil
The Kroger Co.
Maple Leaf Foods
Mercadona
Multiexport Foods
Solar BR Coca-Cola
Strauss Group
Tiger Brands
Walmart de México y Centroamérica (Walmex)

ENERGY (N=10)

Enbridge
Eskom Foundation
Gazprom Neft PJSC
LONGi Green Energy Technology Co., Ltd.
QEP Resources, Inc.
Sakhalin Energy
Shell
SIBUR Holding PJSC
SK Innovation Co Ltd
Suncor Energy Inc.

FINANCIALS (N=37)

Allianz SE
ASK Asset & Wealth Management
Banco Santander Mexico SA
Institucion de Banca
BBVA
BCI-Banco Credito
China Development Financial Holding Corporation
CJ CheilJedang Corp.

Co-operators Group Ltd
DB Insurance
DKV Seguros Group
DWS
Generali
Generali España, S.A. de Seguros y Reaseguros
HSBC Bank USA
Intact Financial Corp
Israel Discount Bank Ltd.
Itaú Unibanco Holding S.A.
Macquarie Group
Mizuho Financial Group, Inc.
Mutua Madrileña
Nippon Life Insurance Company
Organização Bradesco
Royal Bank of Canada
Samsung Life Insurance
Santam
Santander (Brasil) S/A
Scotiabank

MATERIALS (N=27)

Adama Agricultural Solutions
Anglo American
AngloGold Ashanti
ARAUCO
Atlantic Copper, SLU
Ball Corporation
BASF SE
CEMEX México
En+ Group (ENPL)
Evraz plc
Gerdau S.A.
Huayou Cobalt Co., Ltd.
JSC PhosAgro
Kobe Steel, Ltd.
Lotte Chemical Corporation
Minera Peñasquito S.A. de C.V.
NLMK Group
Nordgold

HEALTH CARE (N=7)

Abbott Laboratories
Fresenius Medical Care
Medtronic PLC
Merck
Sanofi
Shionogi & Co., Ltd.

Teva Pharmaceuticals
INDUSTRIALS (N=17)
ACCIONA
Alfred Kärcher SE & Co. KG
Ant Yapı
CCR S.A.
CSX Transportation, Inc.
Daikin Industries, Ltd.
Ferrovial SA
Fluor Corporation
HORIBA Ltd.
Itron
Johnson Controls
Kubota Corporation
Ryder System, Inc.
Sumitomo Corporation
The Toro Company
Toyobo Co., Ltd.
Transnet National Ports Authority

Norilsk Nickel
PAO Severstal
Polymetal JSC
Rengo Co., Ltd.
Russian Copper Company (RCC)
United Company RUSAL
Vale S.A.
Vitro SAB de CV
Votorantim S.A.

TECHNOLOGY (N=15)

Accenture SL
Advantech Co., Ltd.
Altron Bytes
AU Optronics Corporation
Cognizant Technology Solutions Corporation
Dell
IHS Inc.
Licheng Technology Co., Ltd.
Moody's Corporation
Panasonic Corporation

Pitney Bowes Inc.
Primax Electronics Ltd.
SAP SE
TCL Technology Group Corporation
Wuhu 37 Interactive Entertainment Network Technology Group Co., Ltd.
UTILITIES (N=10)
Ameren Corporation
BRK Ambiental Participações S/A

Colbún S.A.
Dominion Energy
Enagás, S.A.
Grupo Neoenergia
Iberdrola México
Iwatani Corporation
The Kansai Electric Power Co., Inc.
Rand Water Foundation

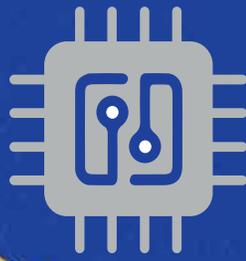
Acknowledgements

CECP is grateful for the exceptional work that our Global Exchange (GX) country partners performed to disseminate the GX questionnaire and collect data from companies in their markets. These partners are: Cemefi in Mexico, Comunitas in Brazil, The Conference Board of Canada in Canada, CSRone Reporting in Taiwan, CSR Turkey in Turkey, Fundación SERES in Spain, Gestión Social in Chile, Kansai Economic Federation in Japan, Korea Productivity Center in the Republic of Korea, Maala in Israel, Russian Donors Forum in the Russian Federation, Samhita in India, SynTao in Mainland China and Hong Kong, Trialogue in South Africa, and Wider Sense in Germany. CECP thanks all contributors. Laura Galindo (CECP) served as lead author, with contributions from Janet Le, Carmen Perez, André Solórzano, and our main points of contact at the GX country partners.



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