

WELCOME

Human Capital Project Workshop

Center for Safety and Health Sustainability
March 31st, 2017

@CenterSHS

#humancapital

Agenda

- Welcome
- ESG Data - RobecoSAM & the DJSI
- Human Capital - Harvard Research
- Expert Panel Reaction
- Luncheon Keynote - Nasdaq
- Breakout Sessions
- Report Out
- Closing Remarks

Welcome

- Kathy A. Seabrook, CSP, CFIOSH (UK), EurOSHM
- Chair, CSHS Board of Directors





ASSE  FOUNDATION
Education | Leadership | Research

Advisory Council



John
Howard
NIOSH



Mike Wallace
BrownFlynn



John
Henshaw



Deb Martin
Dupont



Dr. Jukka Takala
Workplace S & H
Institute, Singapore



Richard
Jones
IOSH UK



Zack Mansdorf
Chair, AC



Derran Williams
European Bank for
Reconstruction &
Development



Steve Newell
ORC Strategies
LLC



Peter Sturm
Director, Canadian
Society of Safety
Engineering



Fay Feeney
CEO, Risk for
Good



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Dennis Hudson
CSHS – ASSE
Executive Director



Kathy A. Seabrook
Chair, CSHS



Laura Clements
CSHS – ASSE
Manager
Professional and
Global Affairs

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RobecoSAM

Corporate Sustainability Assessment

RobecoSAM | Robert Dornau
Chicago, 30 March 2017



RobecoSAM at a Glance

- **Investment specialist** focused exclusively on Sustainability Investing since 1995
- Powering the **Dow Jones Sustainability Indices since 1999**
- Today broad family of global, regional and country DJSI benchmarks and **many other indices** (e.g. S&P 500 ESG)
- Publication of over 3000 company rankings on **Bloomberg since 2016**
- Approximately **110 employees headquartered in Zurich, Switzerland**
- Part of Dutch Robeco Holding – over **220 billion Euros of AuM** across the globe

What is Corporate Sustainability?

A company's capacity to prosper in a competitive and changing global business environment

by

Anticipating and managing current and future economic, environmental and social opportunities and risks

and

Focusing on quality, innovation and productivity to create competitive advantage and long-term value

Introduction to the RobecoSAM Corporate Sustainability Assessment (CSA)

- 3'500 of the largest companies globally invited. Over 1000 from US
- Integrated assessment of **economic, environmental and social criteria** with a strong focus on long-term shareholder value.
- Focusing on the **link between sustainability and business** performance
- **Rules-based methodology** and use of primary research and **Media and Stakeholder Analysis.**
- **Industry-specific** questionnaires for 60 industries
- **Web-based** assessment process
- **Annually reviewed** and updated
- **Third party assurance** of the assessment process by Deloitte.

RobecoSAM Corporate Sustainability Assessment

60 industry specific questionnaires – Few general criteria

Economic Dimension

- Corporate Governance
- Codes of Business Conduct
- Risk & Crisis Management
- Materiality

Social Dimension

- Talent Attraction & Retention
- Human Capital Development
- Occupational Health & Safety
- Human Rights



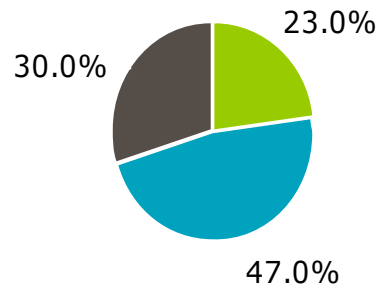
Environmental Dimension

- Environmental reporting
- Operational eco-efficiency
- Env. policy & mgmt. system
- Climate strategy

RobecoSAM CSA: Industry Specific Methodology

Mining

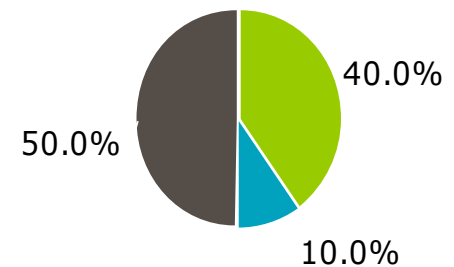
(Dimension weights in %)



- Economic
- Environmental
- Social

Pharmaceuticals

(Dimension weights in %)



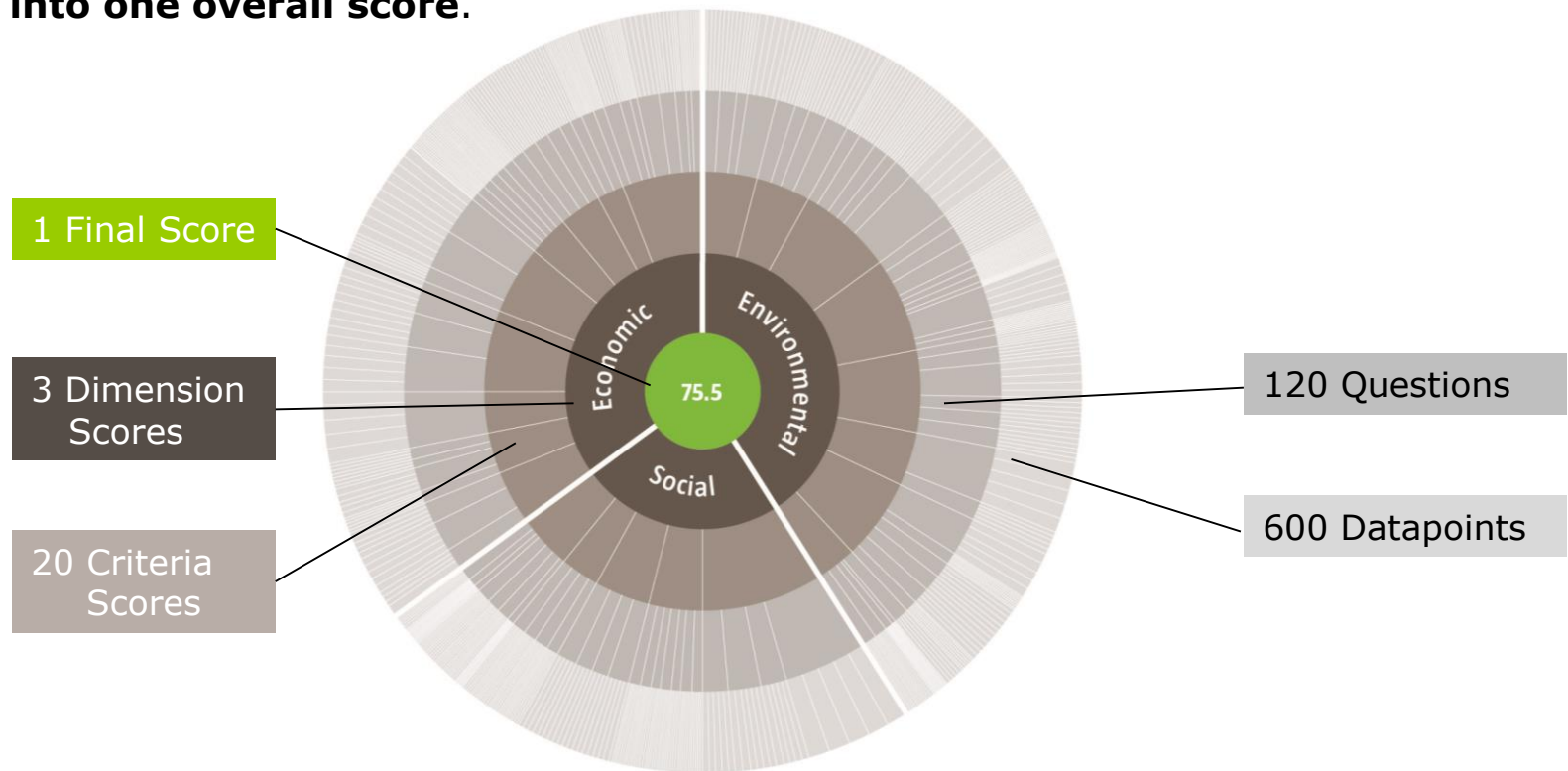
Industry specific criteria examples

| Industry | Economic | Environmental | Social |
|-----------------|--|---|---|
| Mining | <ul style="list-style-type: none"> • Payment transparency • Impact measurement and valuation | <ul style="list-style-type: none"> • Mineral waste mgmt • Water related risks • Biodiversity | <ul style="list-style-type: none"> • Asset closure mgmt • Community impact • Stakeholder |
| Pharmaceuticals | <ul style="list-style-type: none"> • Product Quality and Recall Management • Innovation | | <ul style="list-style-type: none"> • Addressing cost burden • Health outcome contr. |

Source: RobecoSAM

The Corporate Sustainability Assessment

RobecoSAM's Corporate Sustainability Assessment uses a **consistent, rule based methodology** to convert an average of **600 data points** per industry into **one overall score**.

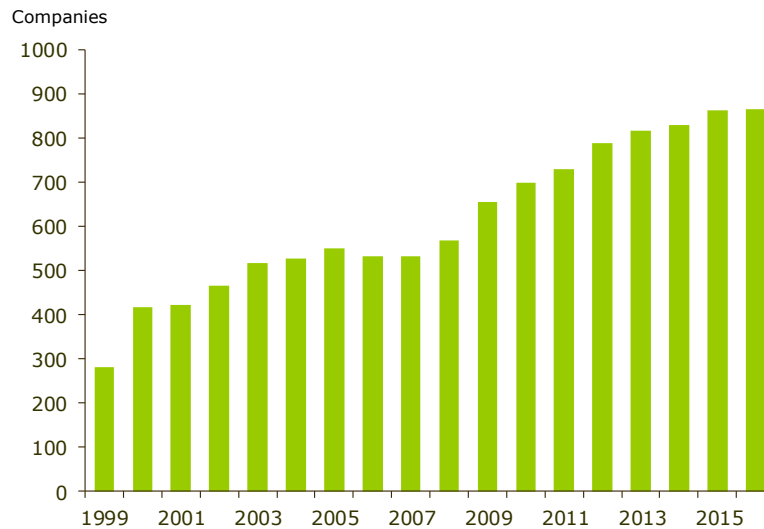


Corporate Sustainability Assessment Results

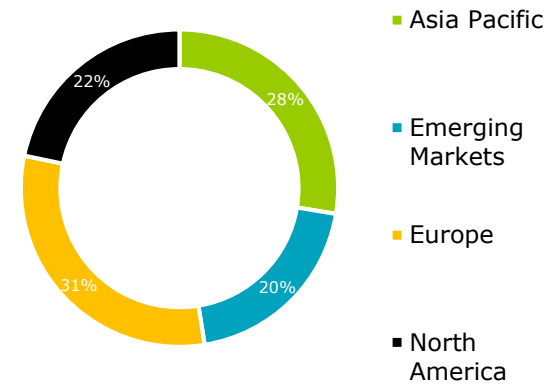
| | Company Score | Percentile Ranking | Industry Average | Industry Best | Average Score of DJSI Members | | | | | Weight (%) |
|---|---------------|--------------------|------------------|---------------|-------------------------------|-----------|---------------|--------------|------------------|------------|
| | | | | | World | Europe | North America | Asia Pacific | Emerging Markets | |
| Total Sustainability Score: | 65 | 54 | 56 | 93 | 87 | 86 | 78 | 84 | 67 | 100 |
| Economic Dimension | 62 | 46 | 61 | 90 | 86 | 85 | 77 | 83 | 70 | 44 |
| Antitrust Policy | 25 | 0 | 57 | 100 | 81 | 76 | 53 | 95 | 83 | 2 |
| Brand Management | 83 | 76 | 58 | 100 | 91 | 92 | 76 | 84 | 64 | 4 |
| Codes of Conduct/Compliance/Corruption&Bribery | 75 | 50 | 76 | 98 | 91 | 91 | 90 | 85 | 82 | 6 |
| Corporate Governance | 77 | 82 | 66 | 88 | 74 | 76 | 74 | 68 | 58 | 6 |
| Customer Relationship Management | 29 | 24 | 51 | 94 | 87 | 84 | 67 | 84 | 75 | 6 |
| Innovation Management | 30 | 52 | 32 | 98 | 84 | 79 | 57 | 84 | 52 | 2 |
| Privacy Protection | 89 | 58 | 75 | 100 | 98 | 97 | 98 | 97 | 89 | 6 |
| Risk & Crisis Management | 60 | 68 | 54 | 93 | 79 | 77 | 70 | 80 | 66 | 6 |
| Supply Chain Management | 67 | 56 | 59 | 99 | 90 | 91 | 85 | 82 | 61 | 4 |
| Tax Strategy | 30 | 0 | 54 | 100 | 81 | 81 | 65 | 73 | 52 | 2 |
| Environmental Dimension | 60 | 64 | 49 | 98 | 86 | 84 | 77 | 86 | 56 | 21 |
| Climate Strategy | 74 | 64 | 56 | 100 | 94 | 96 | 94 | 92 | 66 | 4 |
| Electro Magnetic Fields | 68 | 70 | 41 | 100 | 85 | 83 | 71 | 97 | 52 | 3 |
| Environmental Policy/Management System | 57 | 52 | 61 | 100 | 89 | 87 | 70 | 89 | 58 | 4 |
| Environmental Reporting | 86 | 76 | 55 | 99 | 92 | 91 | 79 | 87 | 67 | 4 |
| Operational Eco-Efficiency | 32 | 48 | 34 | 100 | 75 | 72 | 73 | 73 | 44 | 6 |
| Social Dimension | 70 | 64 | 54 | 94 | 87 | 87 | 80 | 86 | 68 | 35 |
| Corporate Citizenship and Philanthropy | 80 | 60 | 52 | 100 | 96 | 97 | 95 | 85 | 85 | 3 |
| Digital Inclusion | 89 | 92 | 53 | 100 | 84 | 84 | 66 | 80 | 74 | 4 |
| Human Capital Development | 30 | 34 | 44 | 100 | 78 | 74 | 74 | 87 | 61 | 5 |
| Impact of Telecommunication Services | 100 | 68 | 48 | 100 | 98 | 100 | 79 | 92 | 50 | 3 |
| Labor Practice Indicators and Human Rights | 65 | 50 | 66 | 100 | 92 | 92 | 76 | 93 | 77 | 5 |
| Occupational Health and Safety | 79 | 54 | 66 | 99 | 95 | 94 | 95 | 97 | 75 | 3 |
| Social Reporting | 87 | 84 | 52 | 98 | 88 | 90 | 74 | 77 | 61 | 4 |
| Stakeholder Engagement | 84 | 76 | 58 | 98 | 91 | 90 | 83 | 83 | 60 | 3 |
| Talent Attraction & Retention | 49 | 40 | 52 | 94 | 76 | 71 | 84 | 80 | 69 | 5 |
| Minimum Total Sustainability Score for Index Inclusion | | | | | 84 | 84 | 73 | 70 | 55 | |

Explanations: Percentile ranking, industry average and industry best scores are presented for comparison within the industry. Average scores on criterion level are provided for index members within each industry. The minimum lowest score for inclusion in each index is provided at the bottom, excluding the buffer rule and the error margin. For each row, weightings are shown in the last column as a percentage of the total weight of 100. All values are on a scale from 0 to 100. Further information on the assessment methodology can be found on www.sustainability-indices.com

Steady growth of CSA participation since 1999

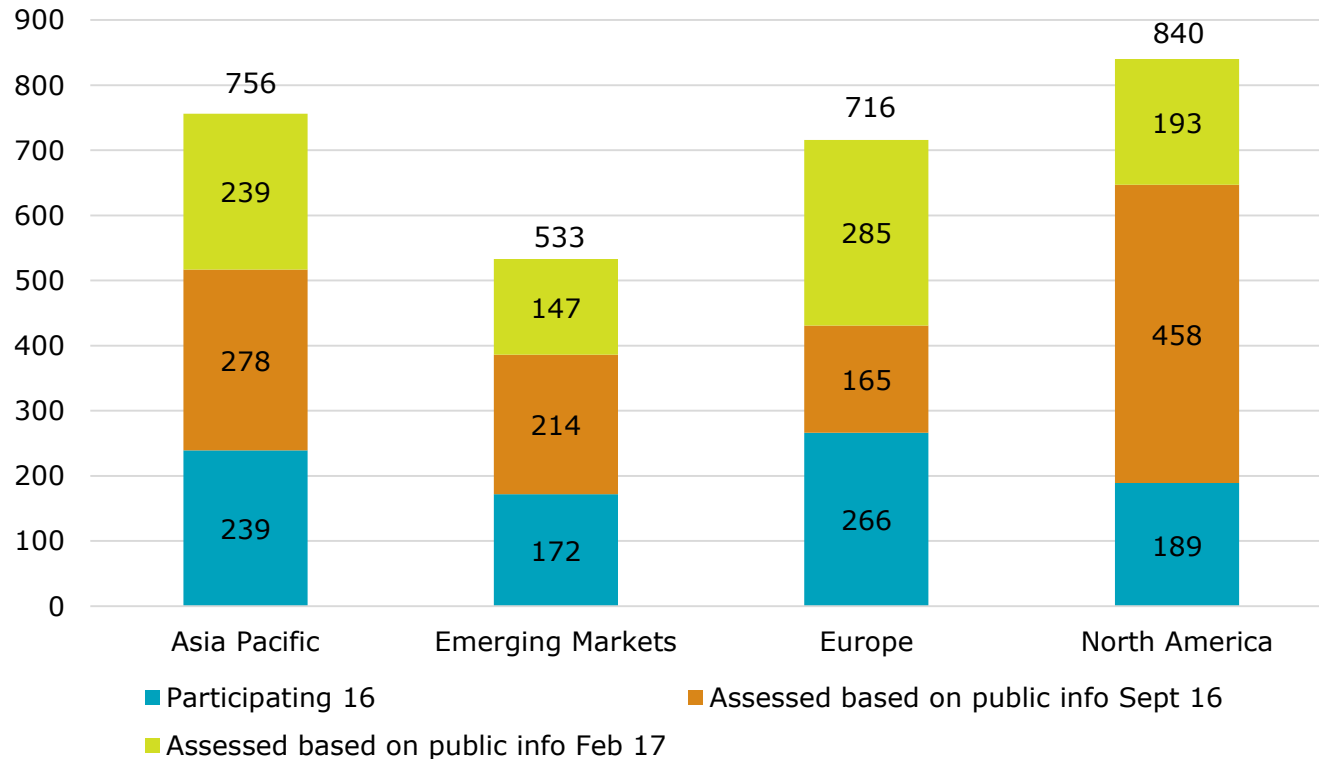


Breakdown by region 2016



Total number of companies assessed and made public by Feb 2017

Companies

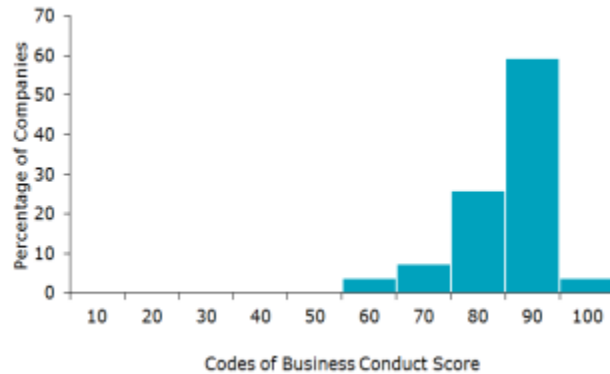


...over
2'000'000
datapoints
assessed
per year
for the
last 17
years

Better results for transparent companies

Codes of Business Conduct

Score Distribution for Companies Actively Participating in the Assessment (CA)



Score Distribution for Companies Analyzed by RobecoSAM based on Public Data (SA)



Source: RobecoSAM

Customer Relationship Mgmt

Score Distribution for Companies Actively Participating in the Assessment (CA)



Score Distribution for Companies Analyzed by RobecoSAM based on Public Data (SA)



Collaboration with Harvard

- Selection of appropriate parameters
- Sharing of anonymized data
- Supporting analysis and interpretation

Contact me in case of questions

Robert Dornau
Director, Senior Manager Sustainability Services
RobecoSAM

robert.dornau@robecosam.com

+41 44 653 1239



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Harvard Research

Human Capital Project Workshop

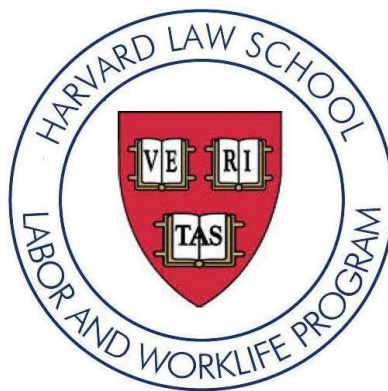
Chicago March 31, 2017

Corporate Human Capital Reporting

Larry Beeferman Director

Aaron Bernstein Fellow

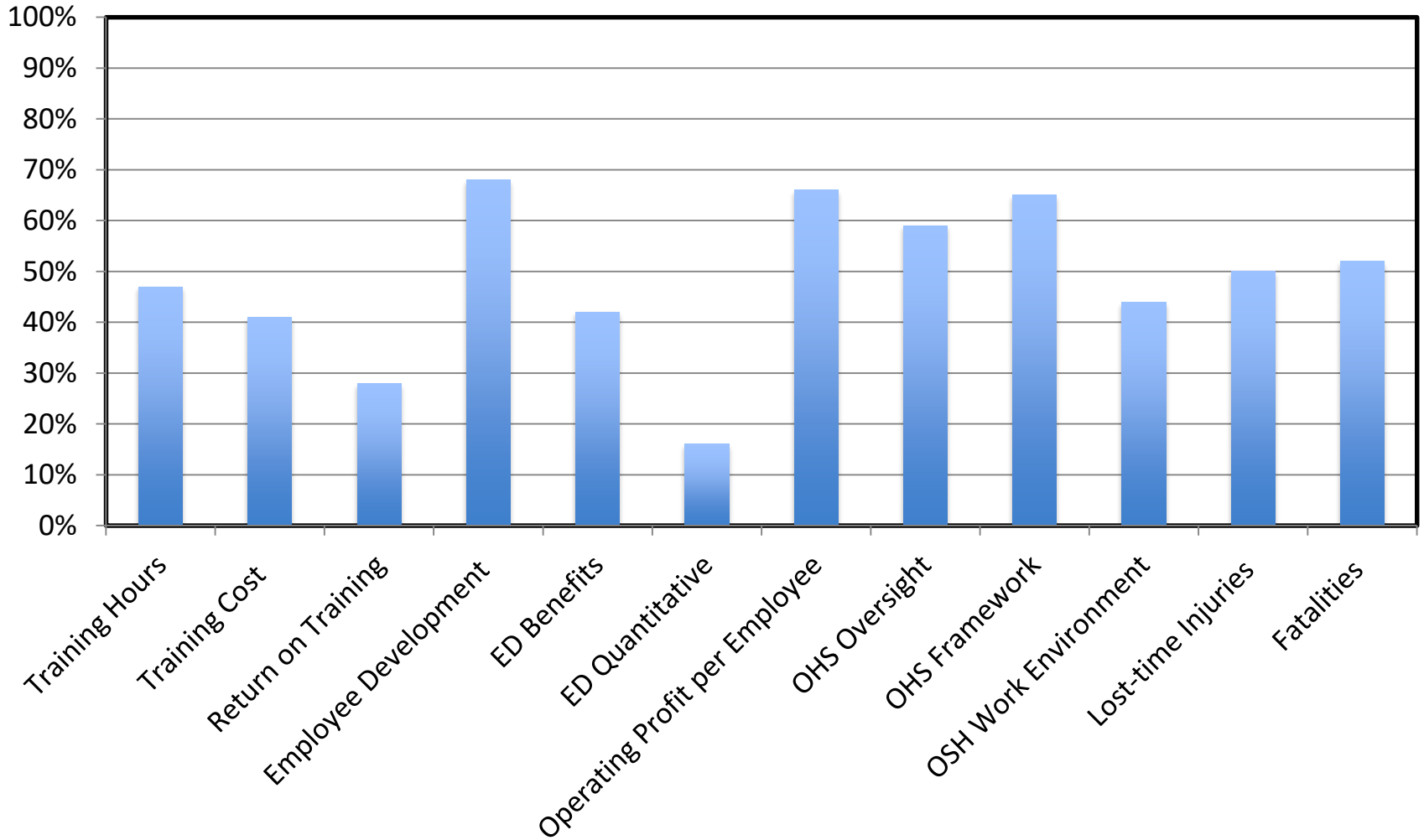
Harvard Law School Pensions and Capital Stewardship Project



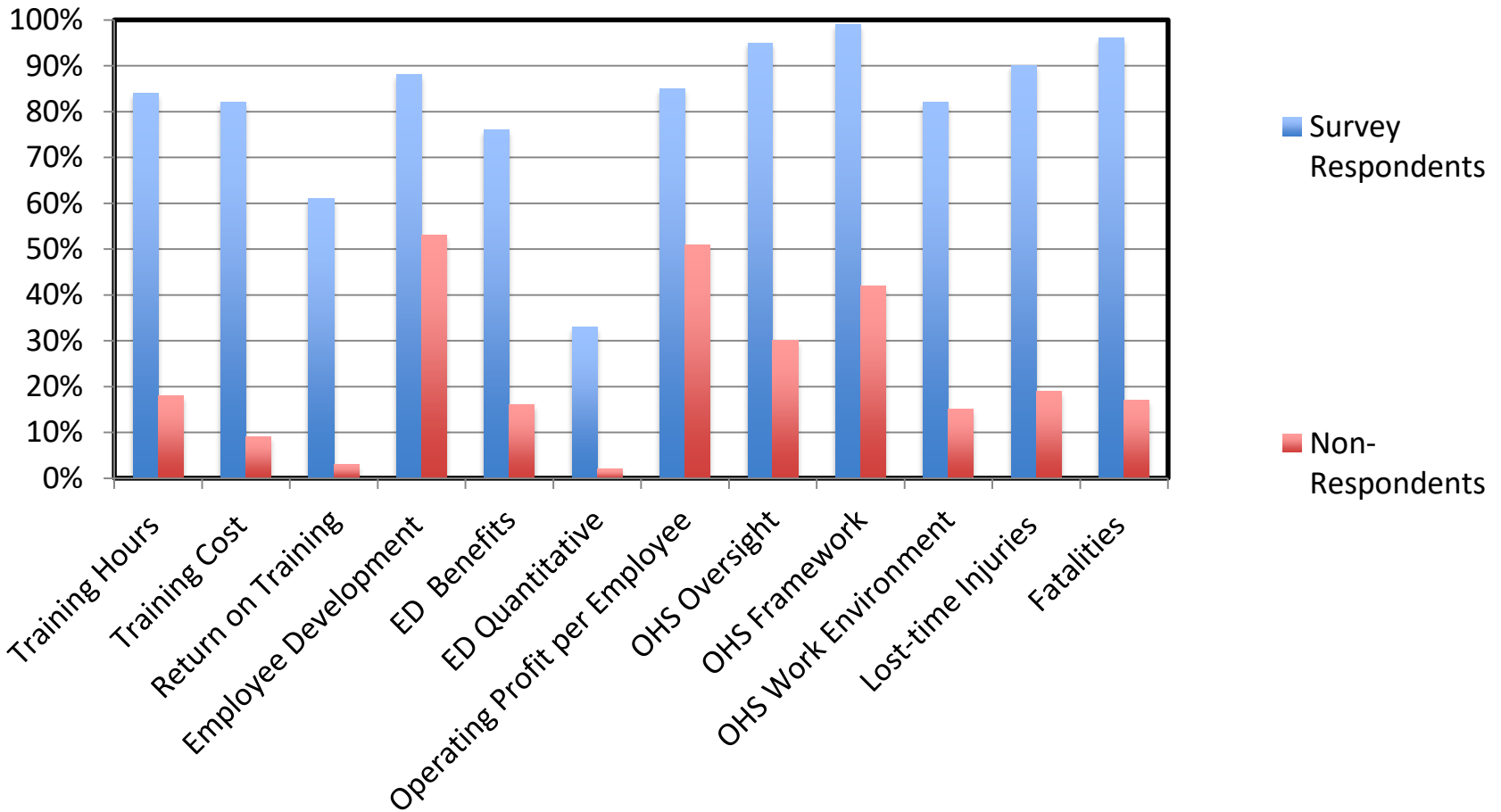
Definitions

- **Employee development (ED)**
- Training on OSH, leadership, sales, young talent development
- **Benefits**
- Impact on firm performance or strategic targets
- **Quantitative**
- Employee engagement, turnover, efficiency, cost
- **OHS Oversight**
- Targets, action plans, progress reports
- **OHS Framework**
- Risk assessments, databases on work-related risks
- **Work Environment**
- Actions to make it healthy and safe

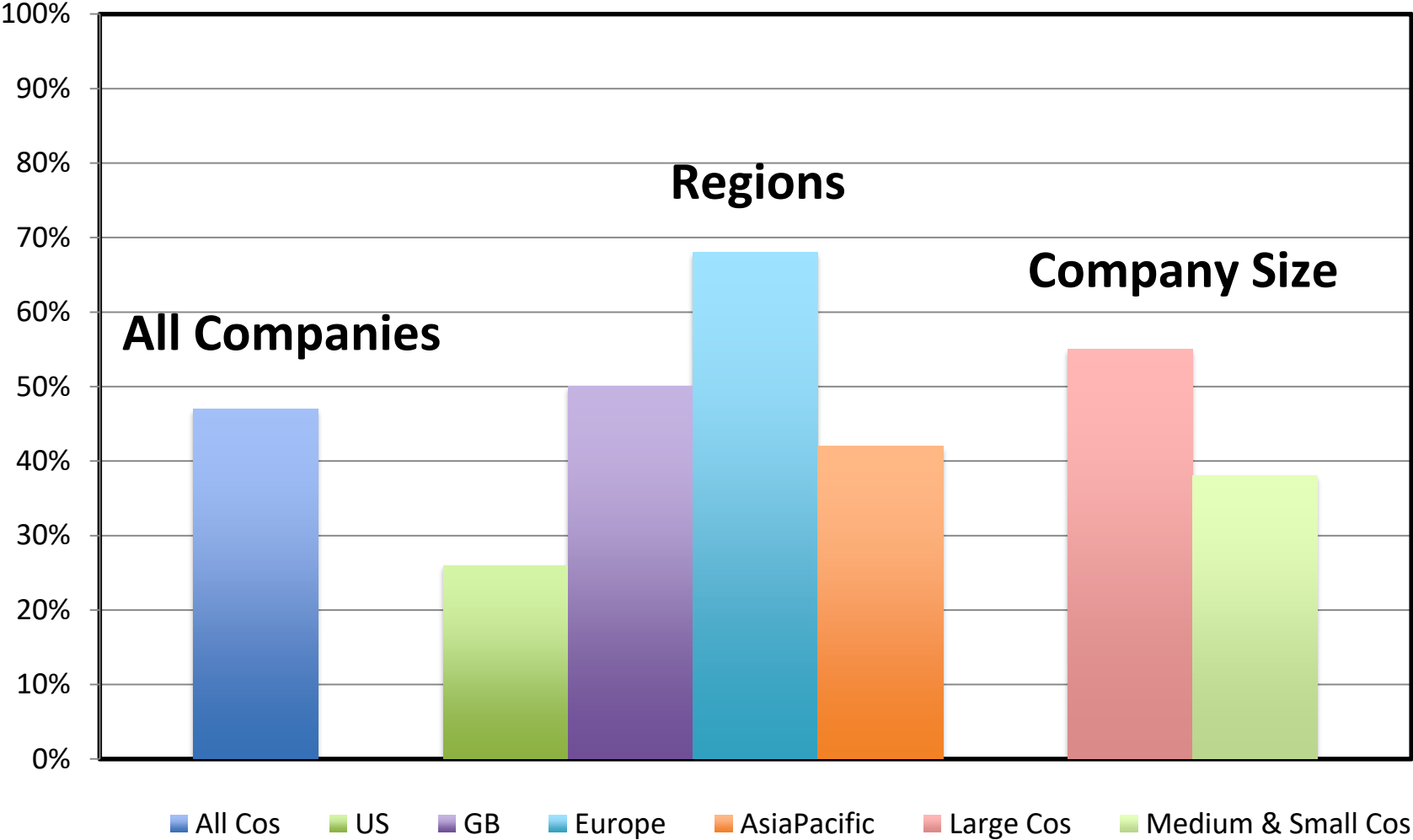
Overview



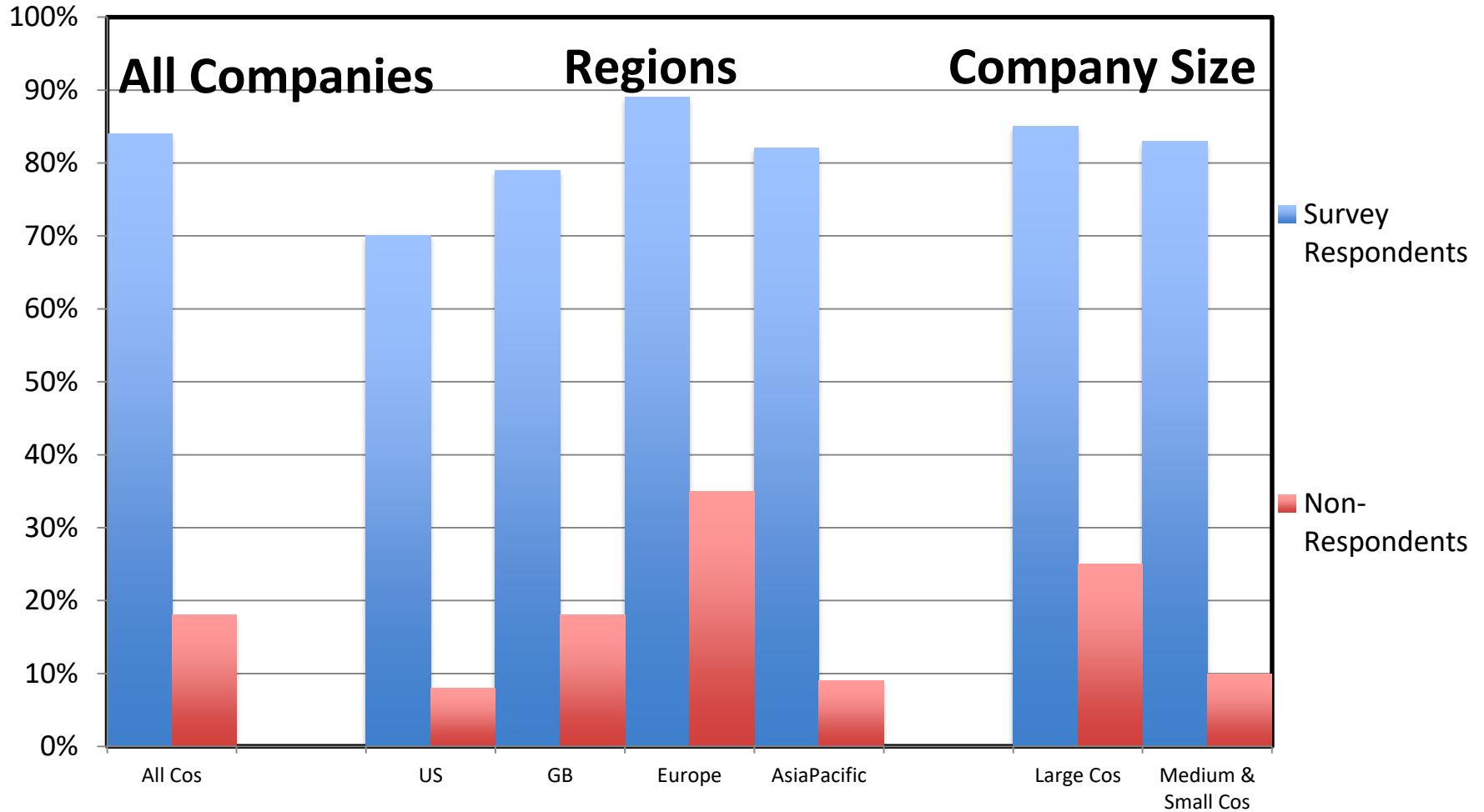
Overview by Response



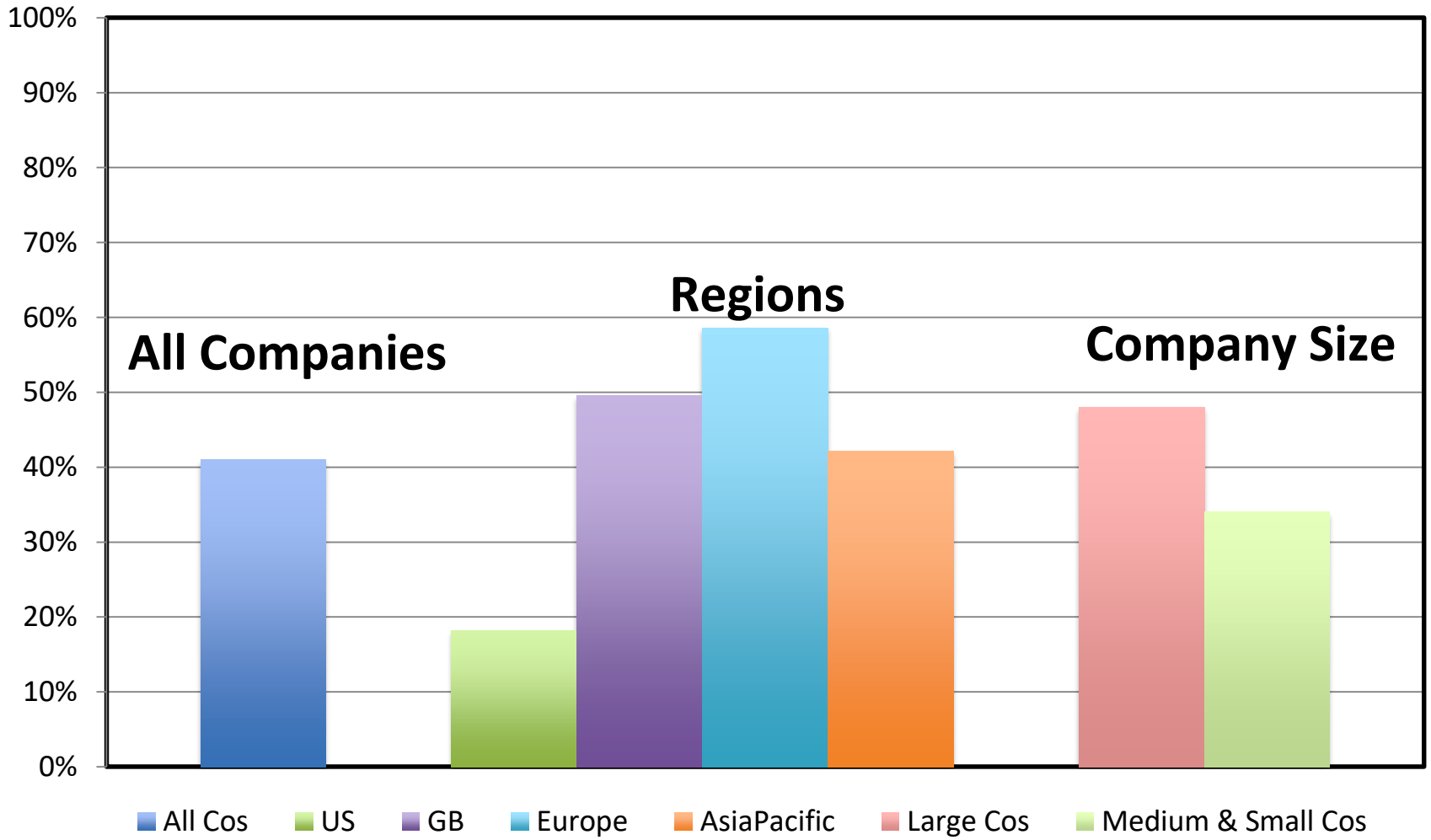
Training Hours per Employee



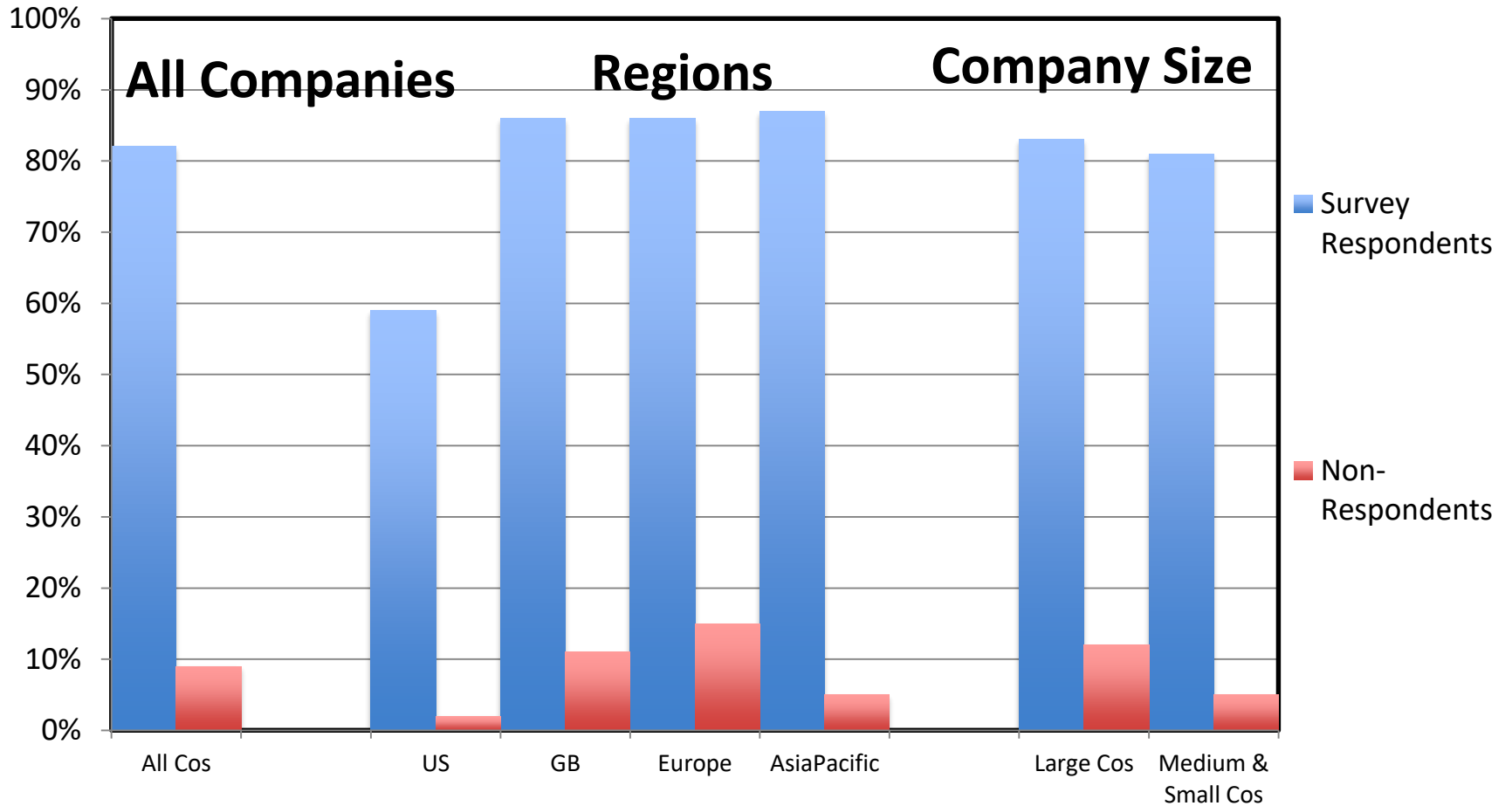
Training Hours per Employee



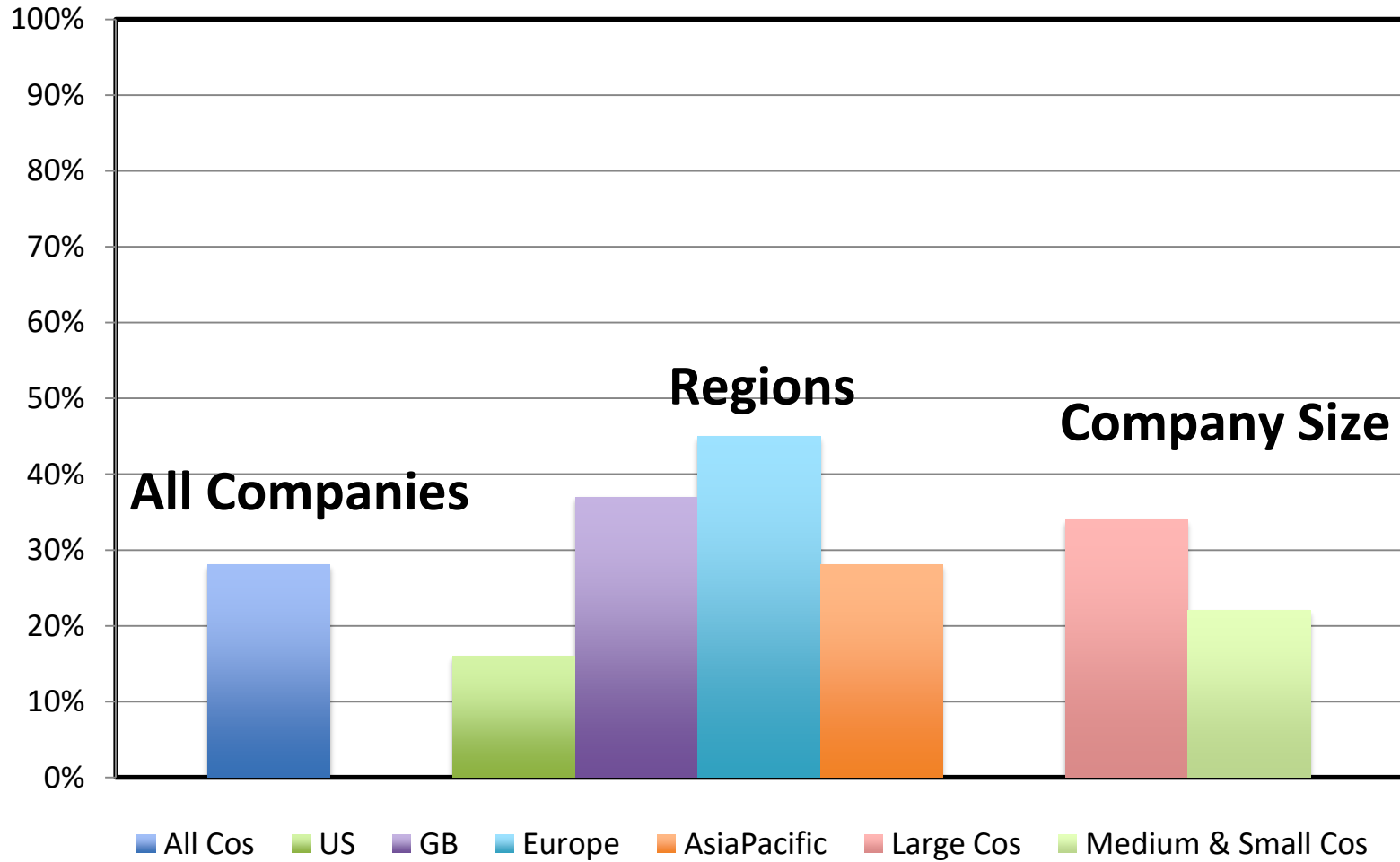
Training Costs per Employee



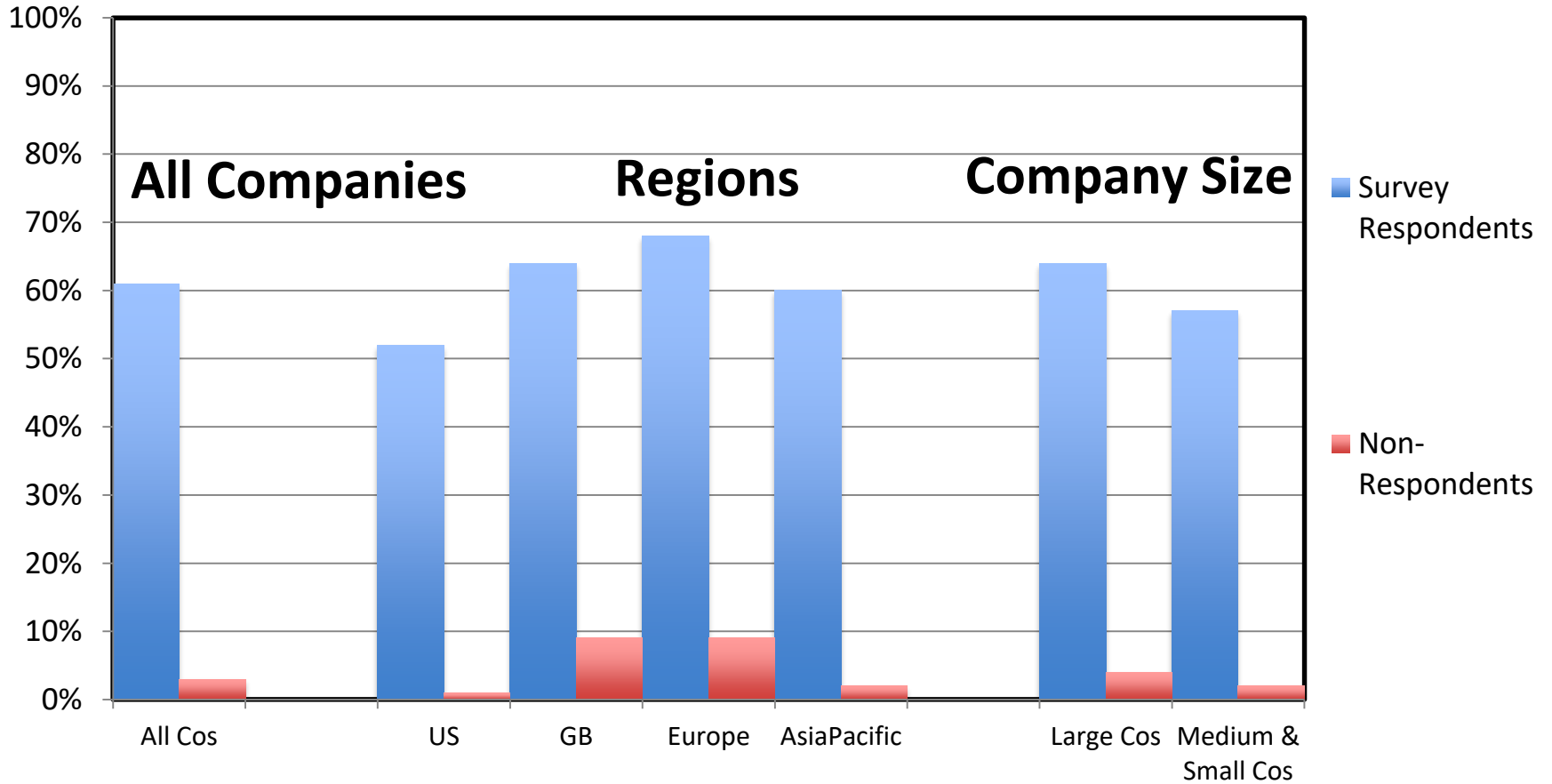
Training Costs per Employee



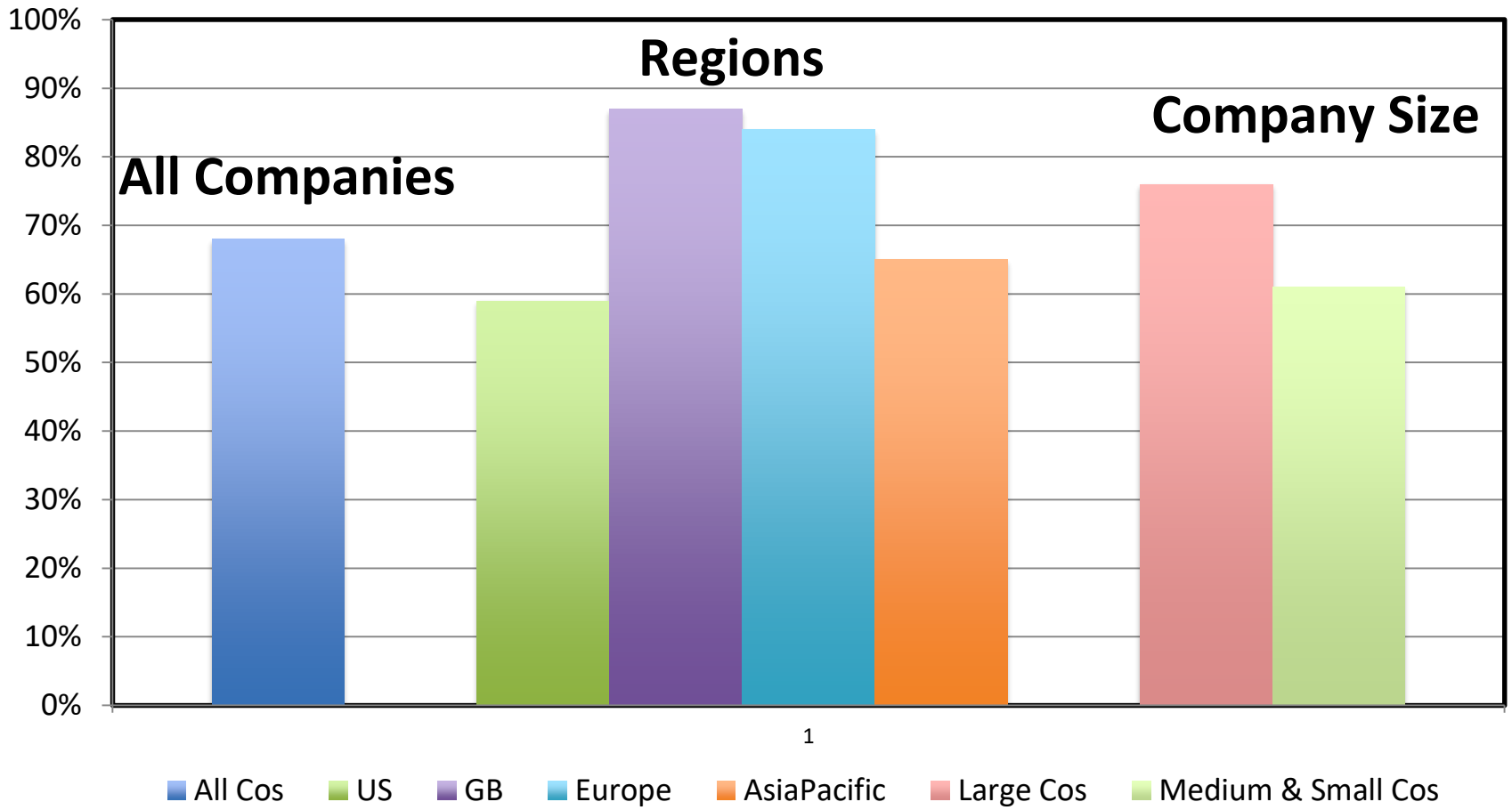
Return on Training



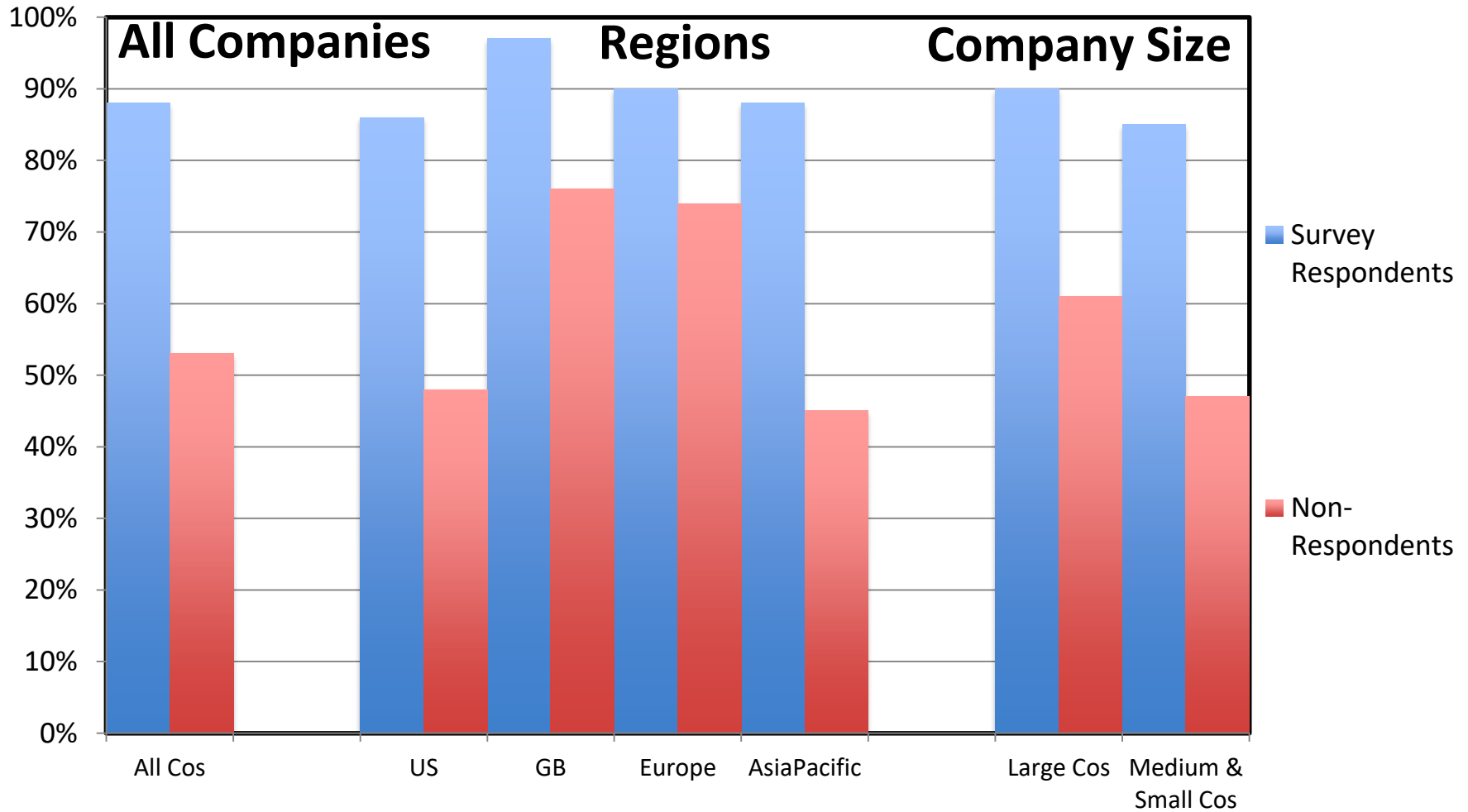
Return on Training



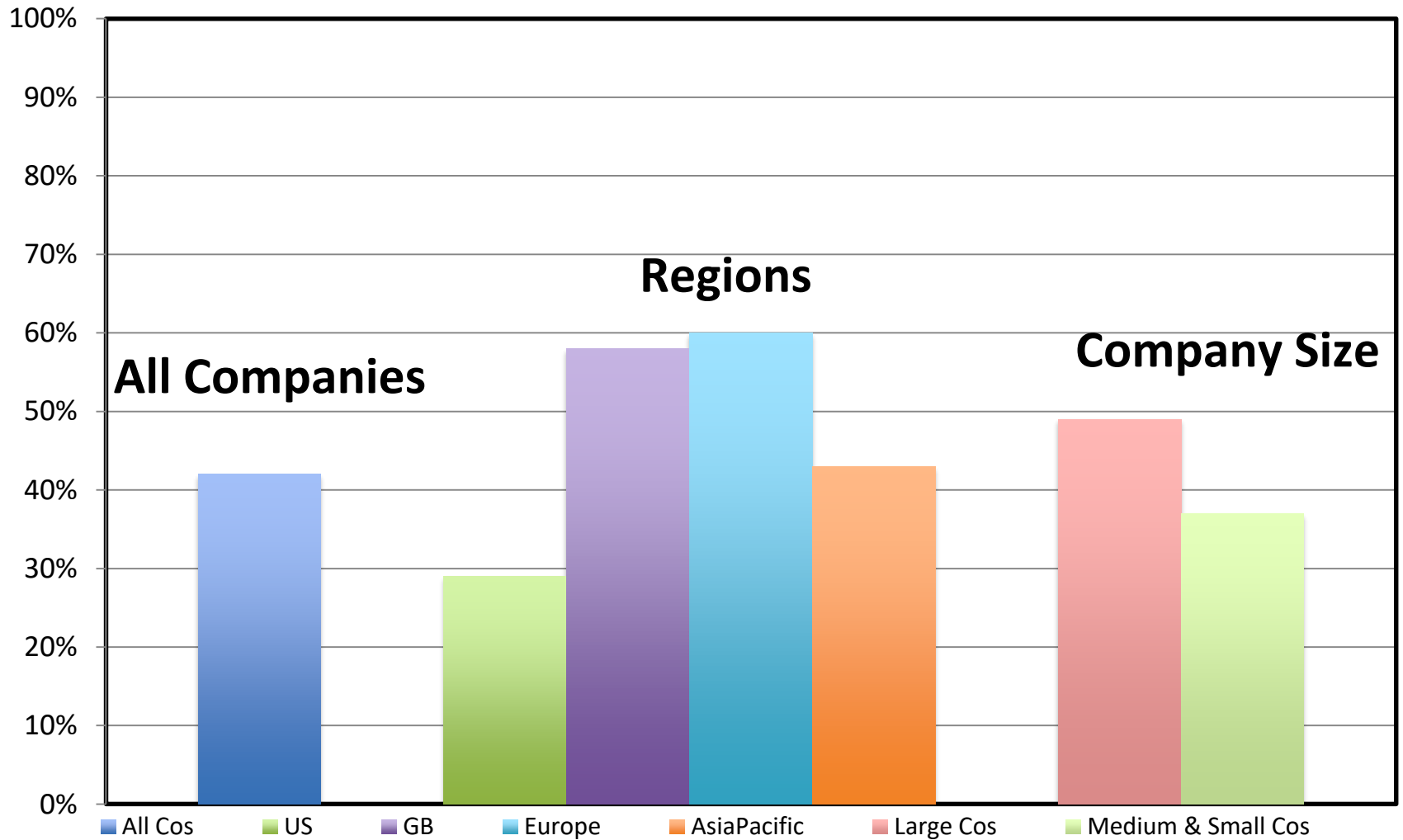
Employee Development



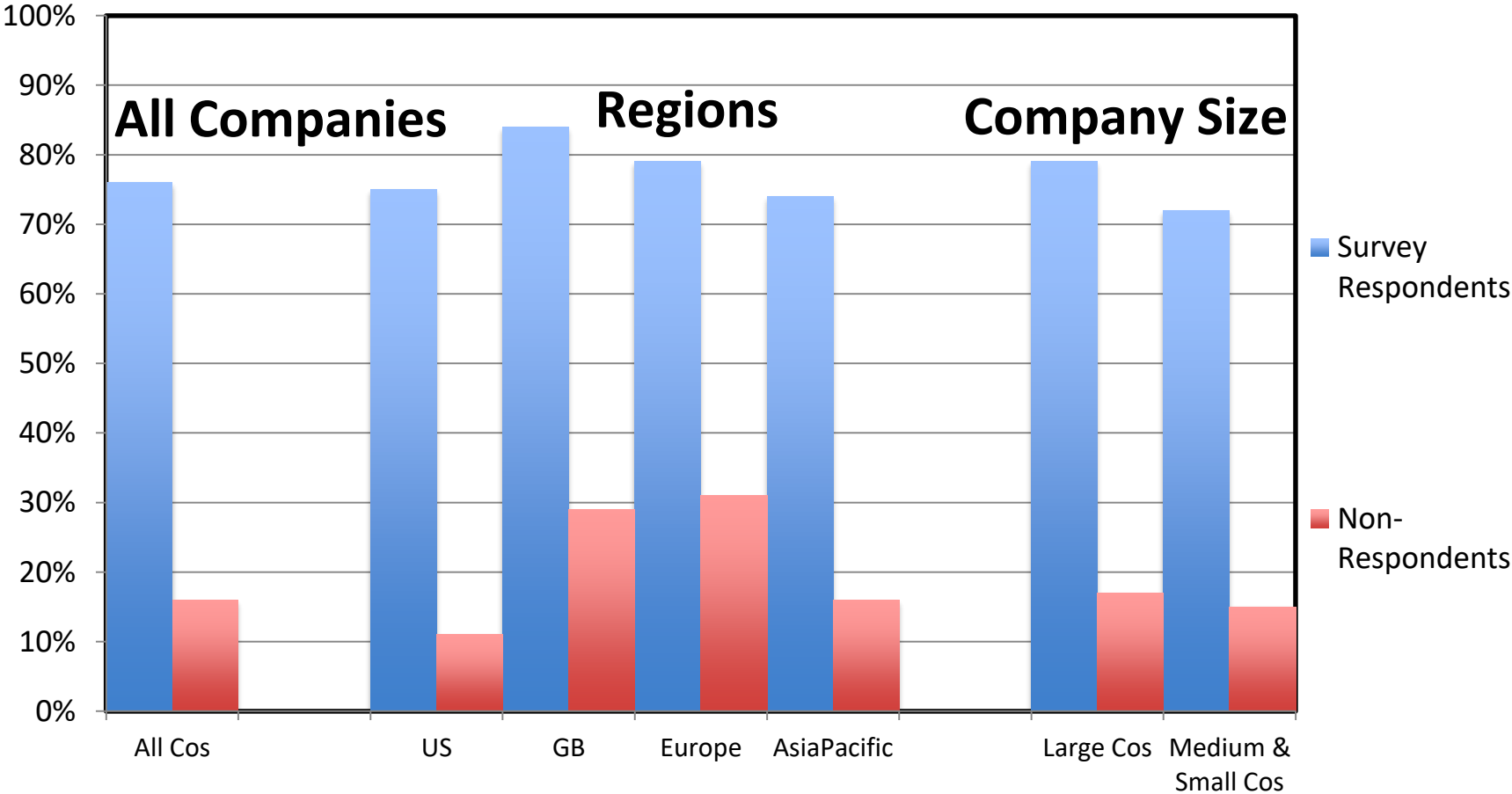
Employee Development



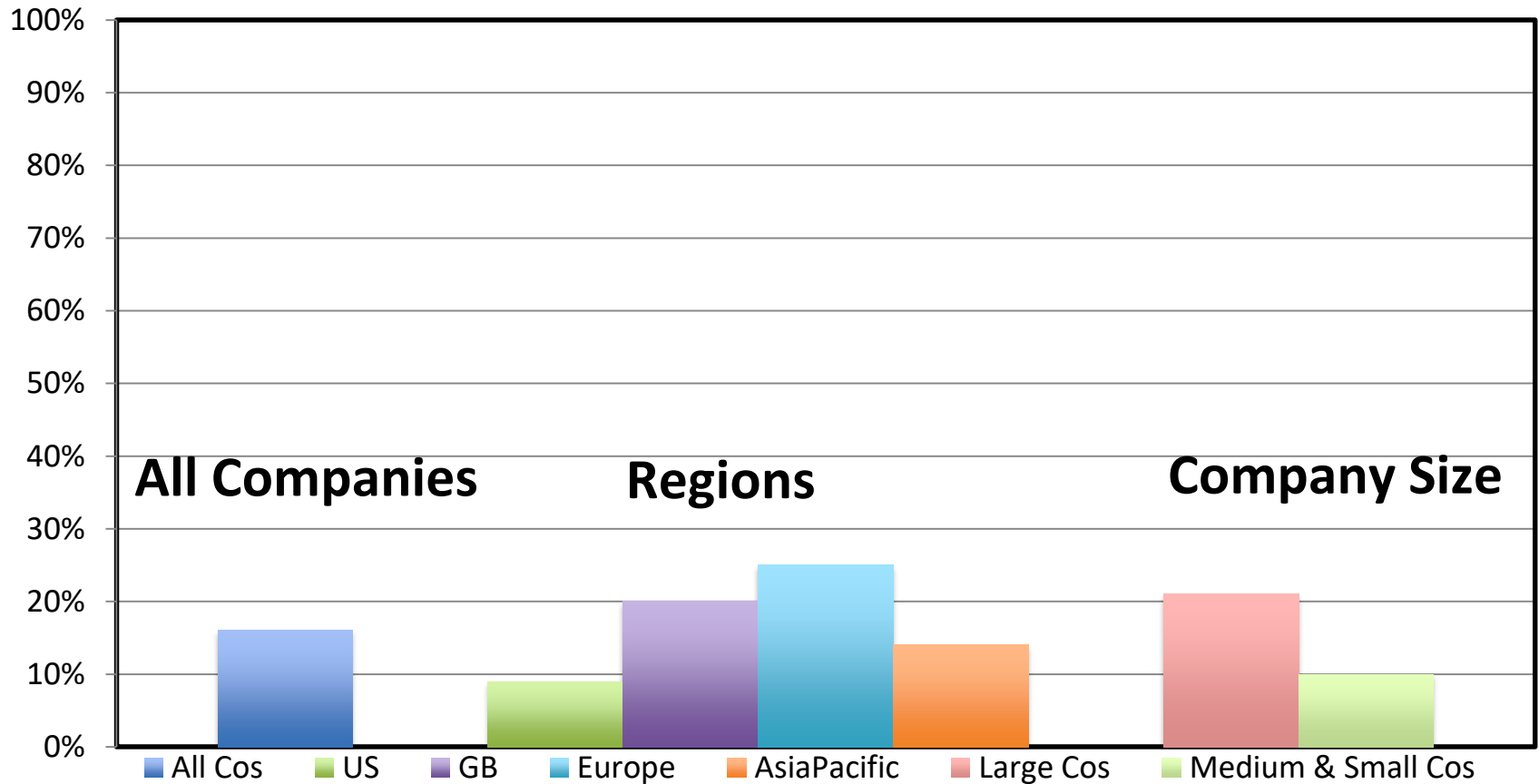
Employee Development Business Benefits



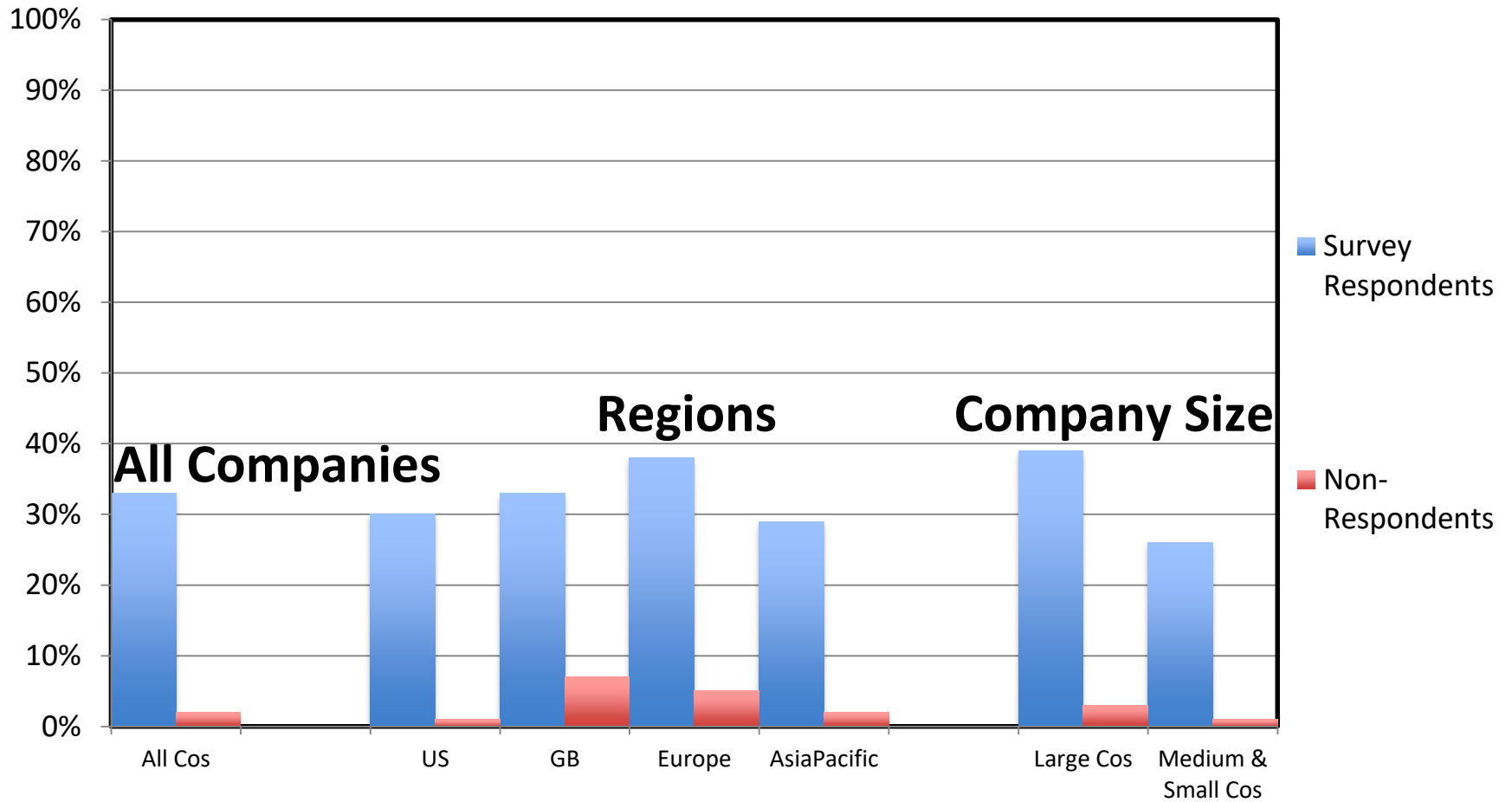
Employee Development Business Benefits



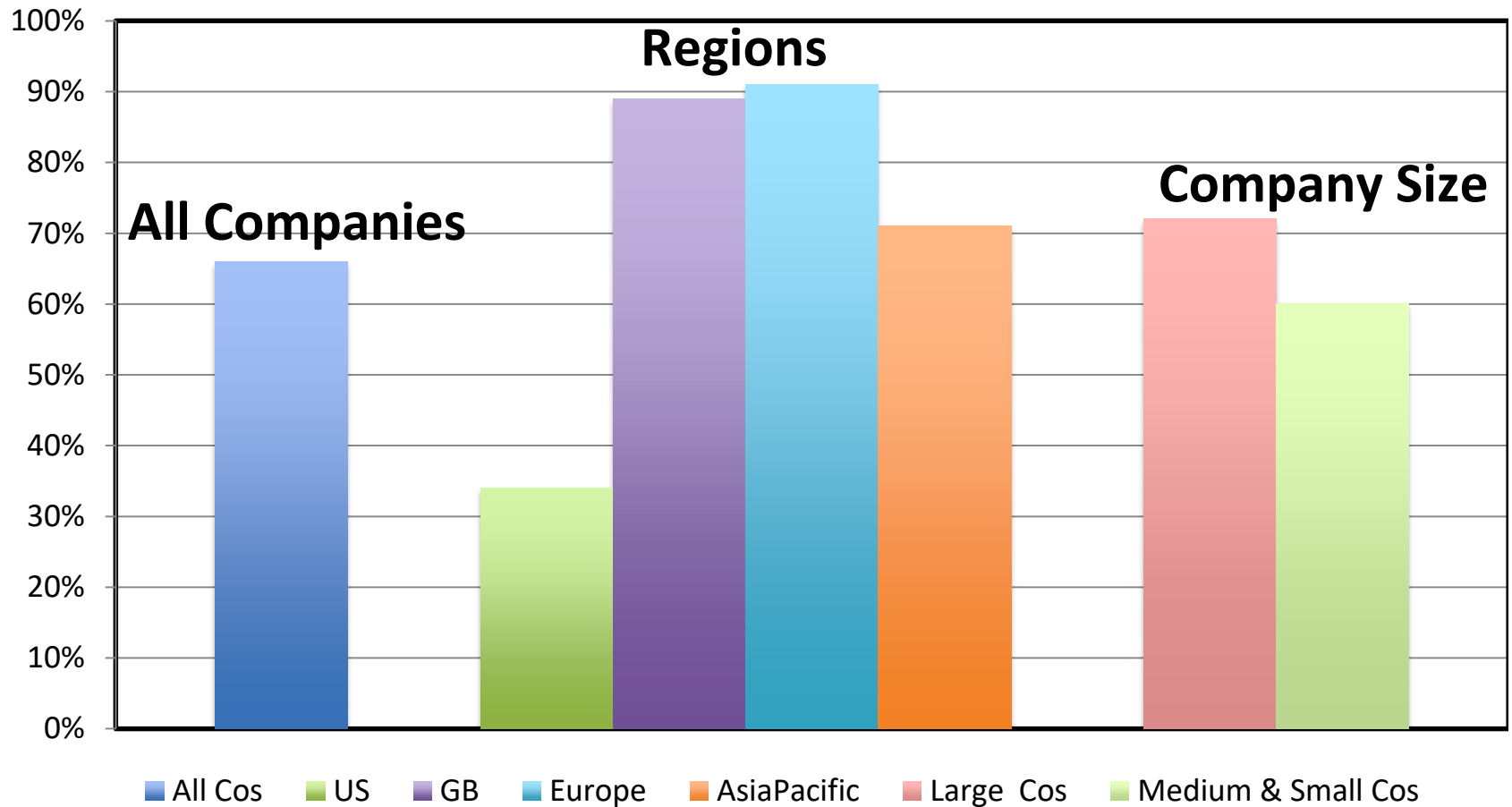
Employee Development Quantitative Impact



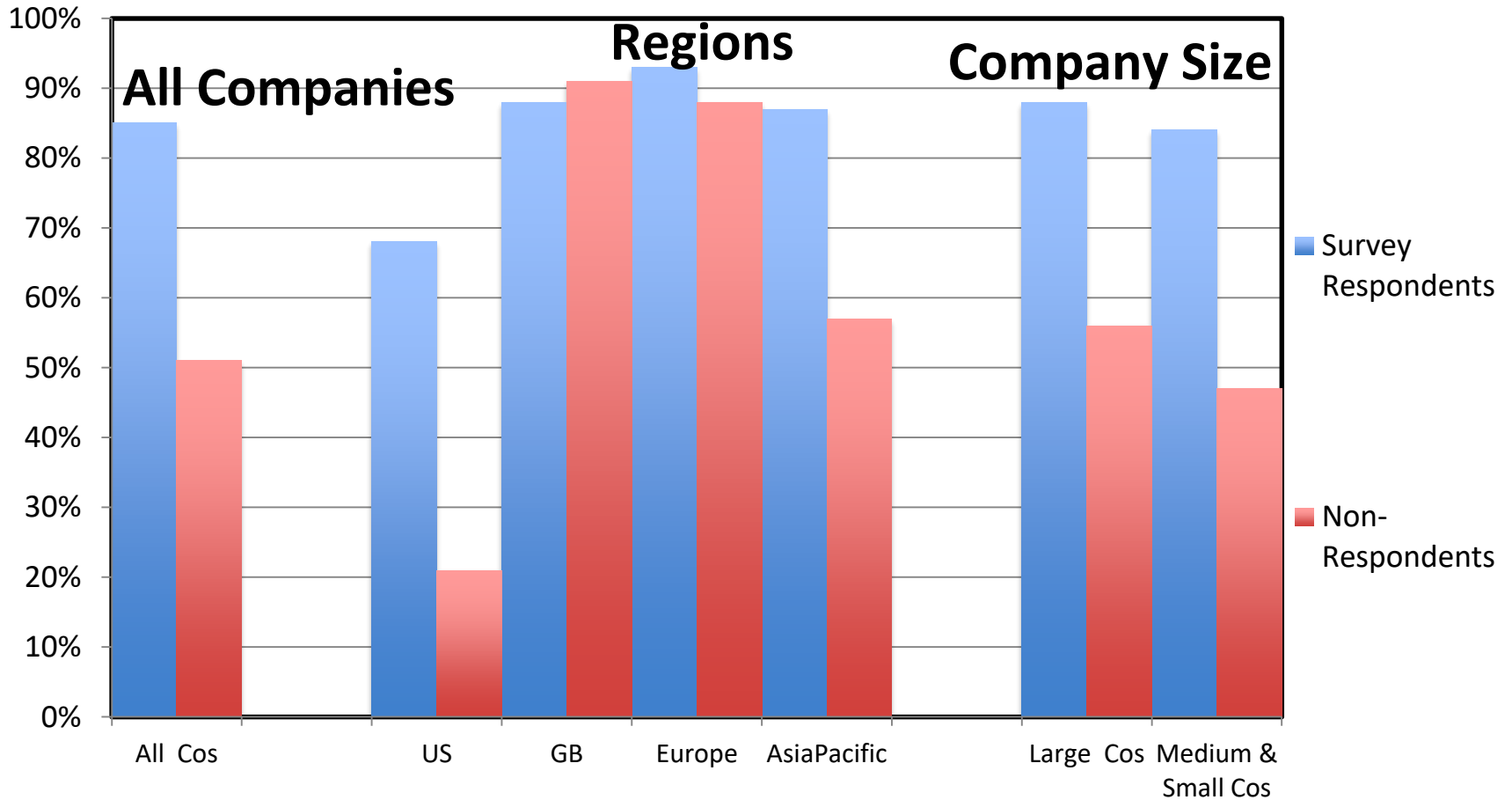
Employee Development Quantitative Impact



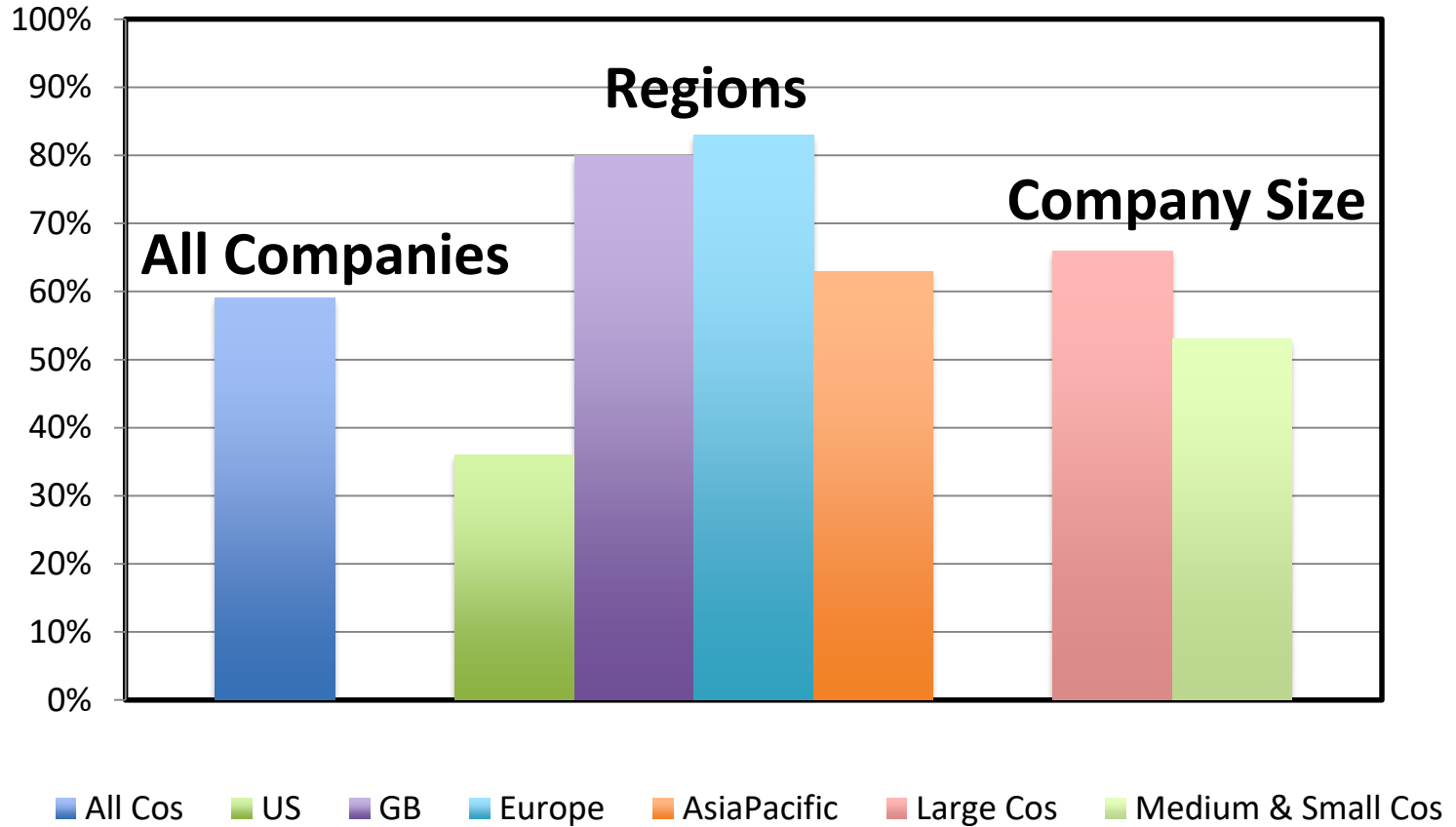
Operating Profit per Employee



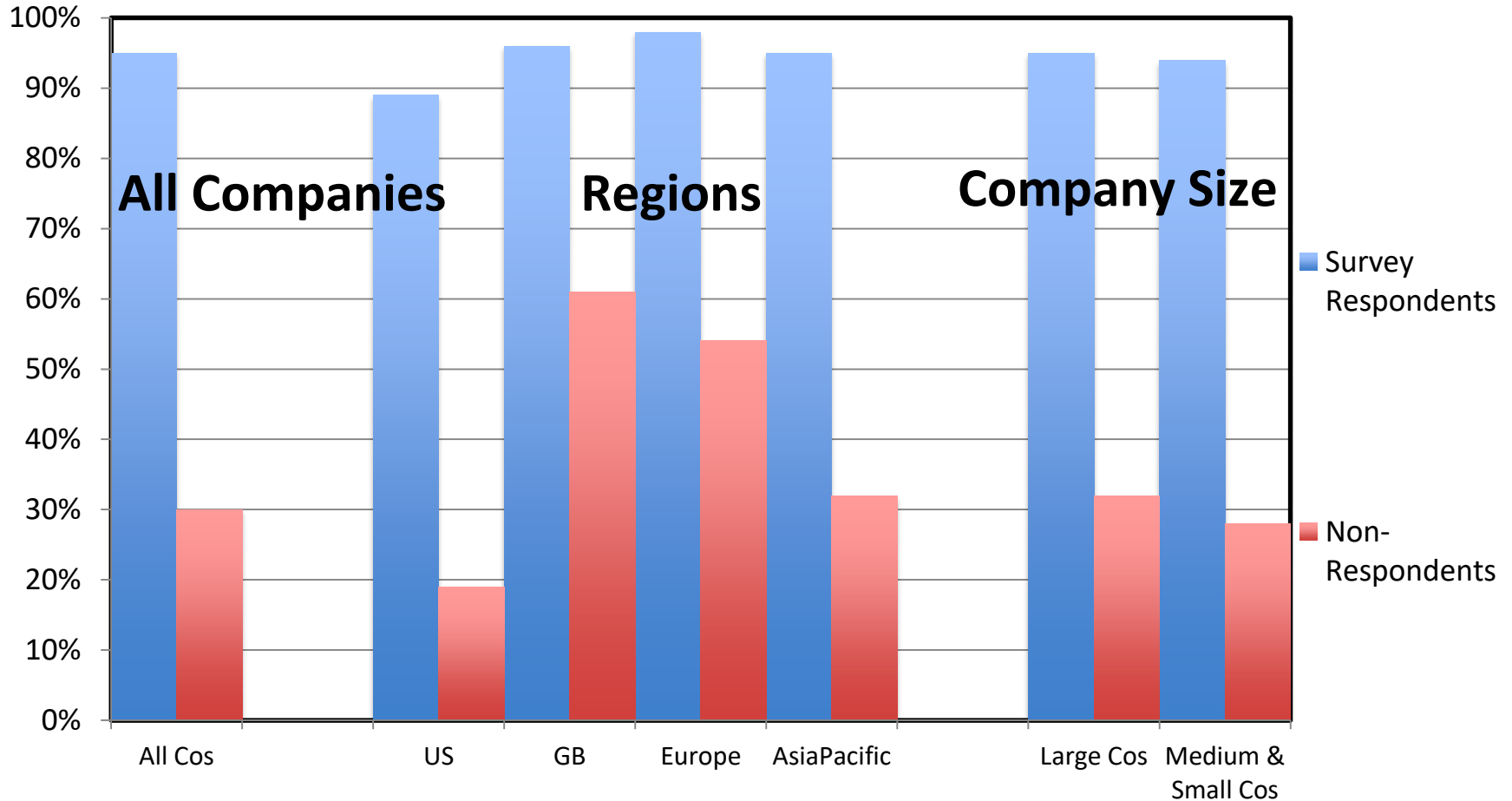
Operating Profit per Employee



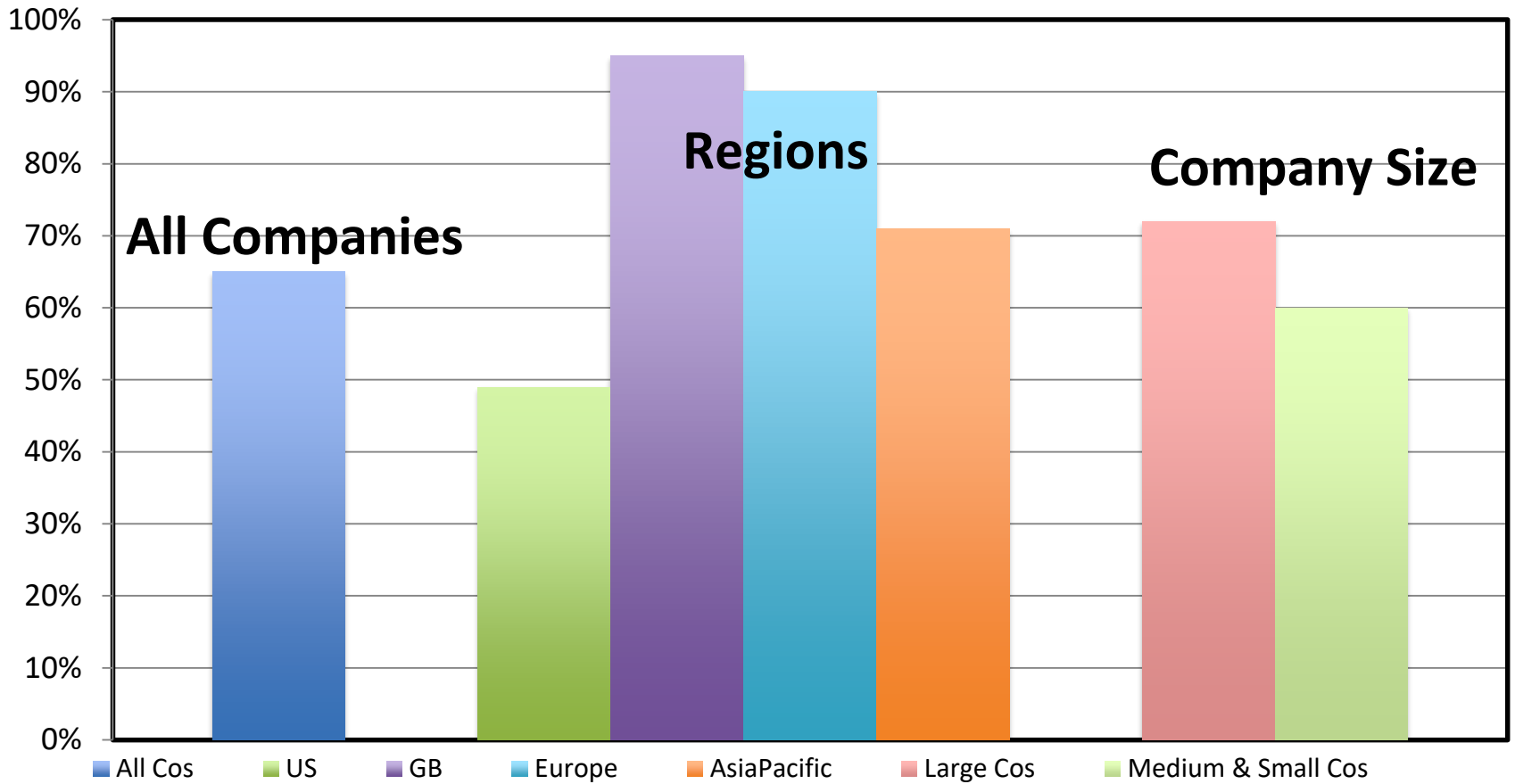
OHS Governance Oversight



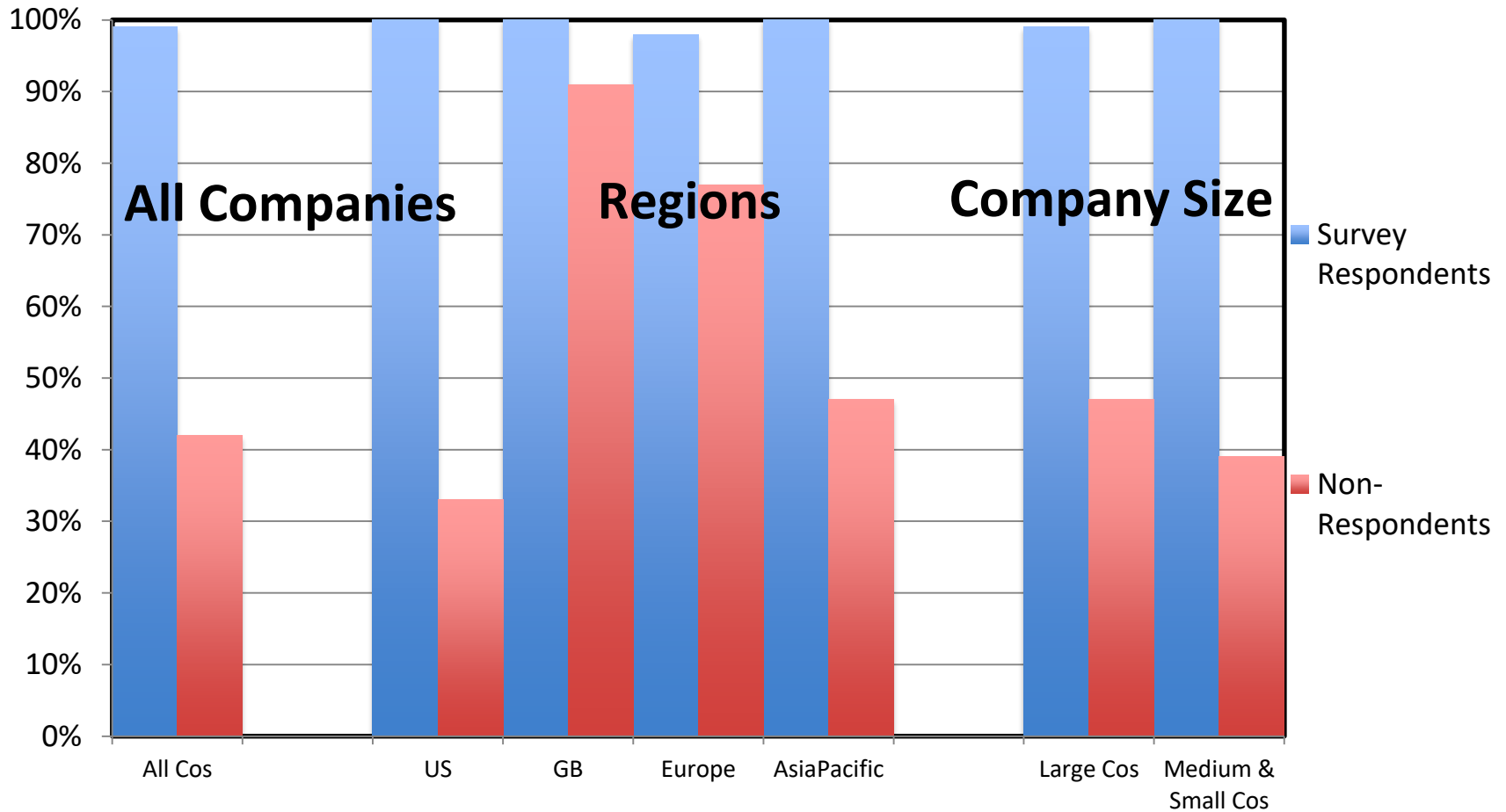
OHS Governance Oversight



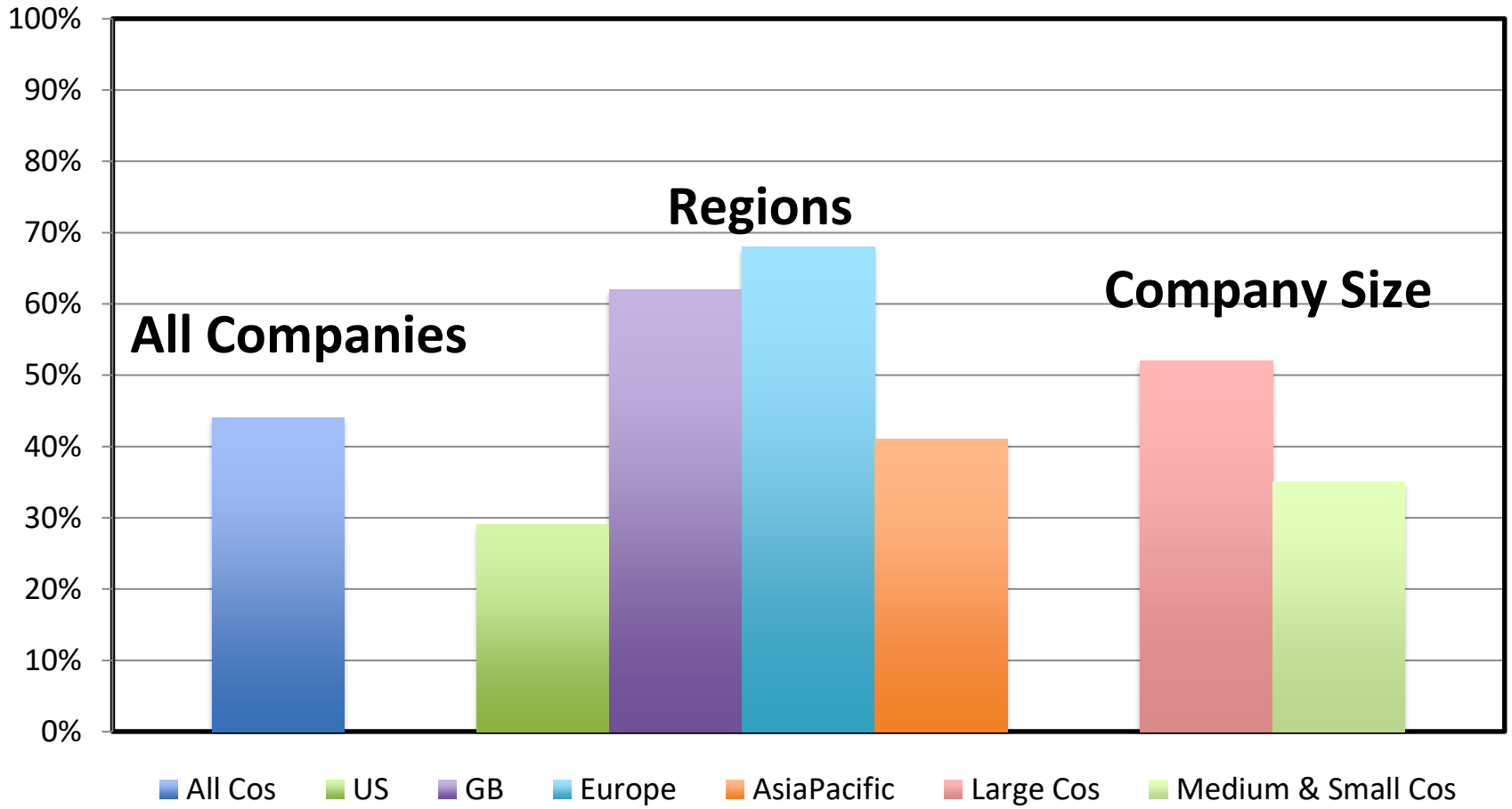
OHS Governance Framework



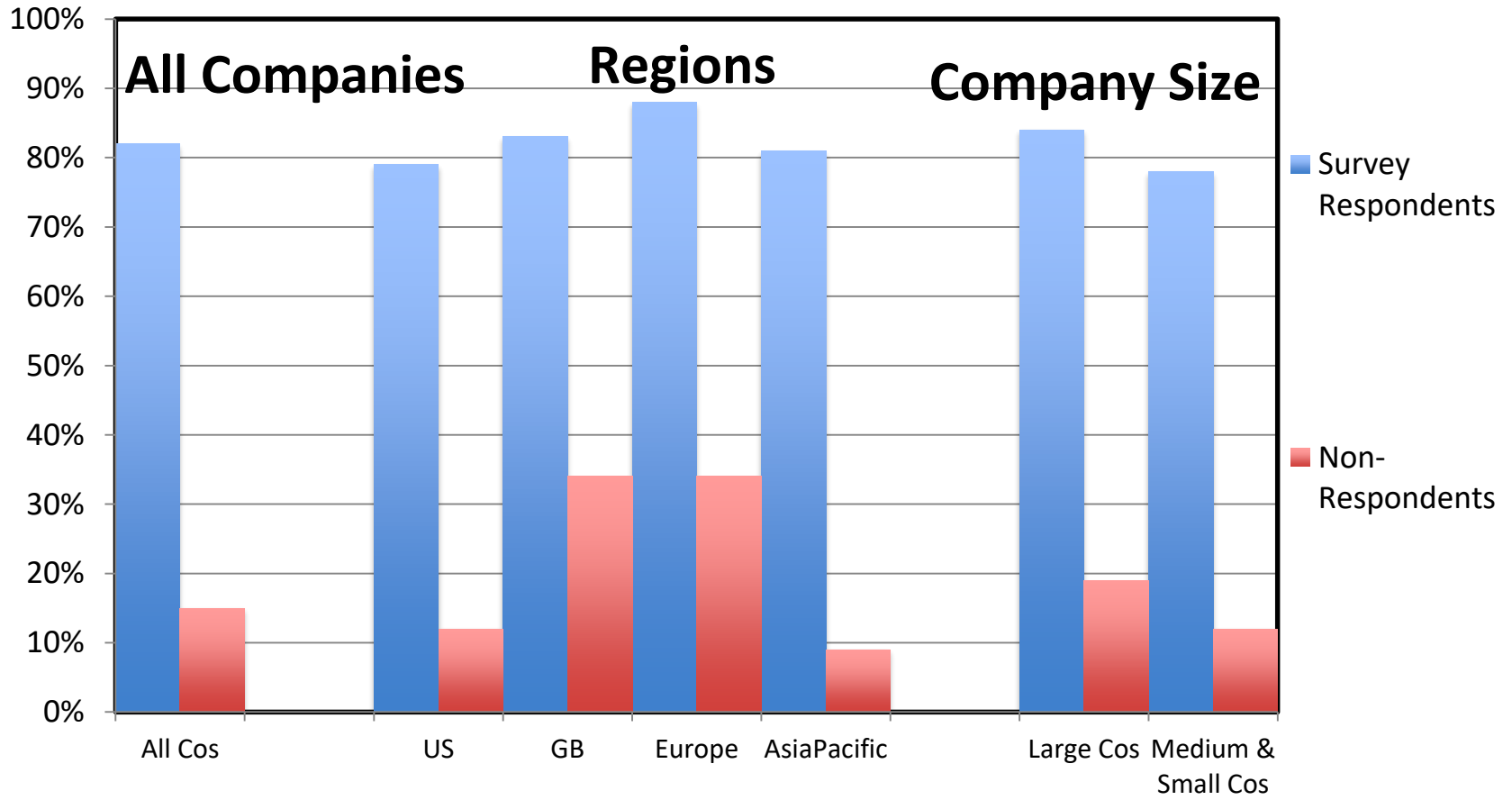
OHS Governance Framework



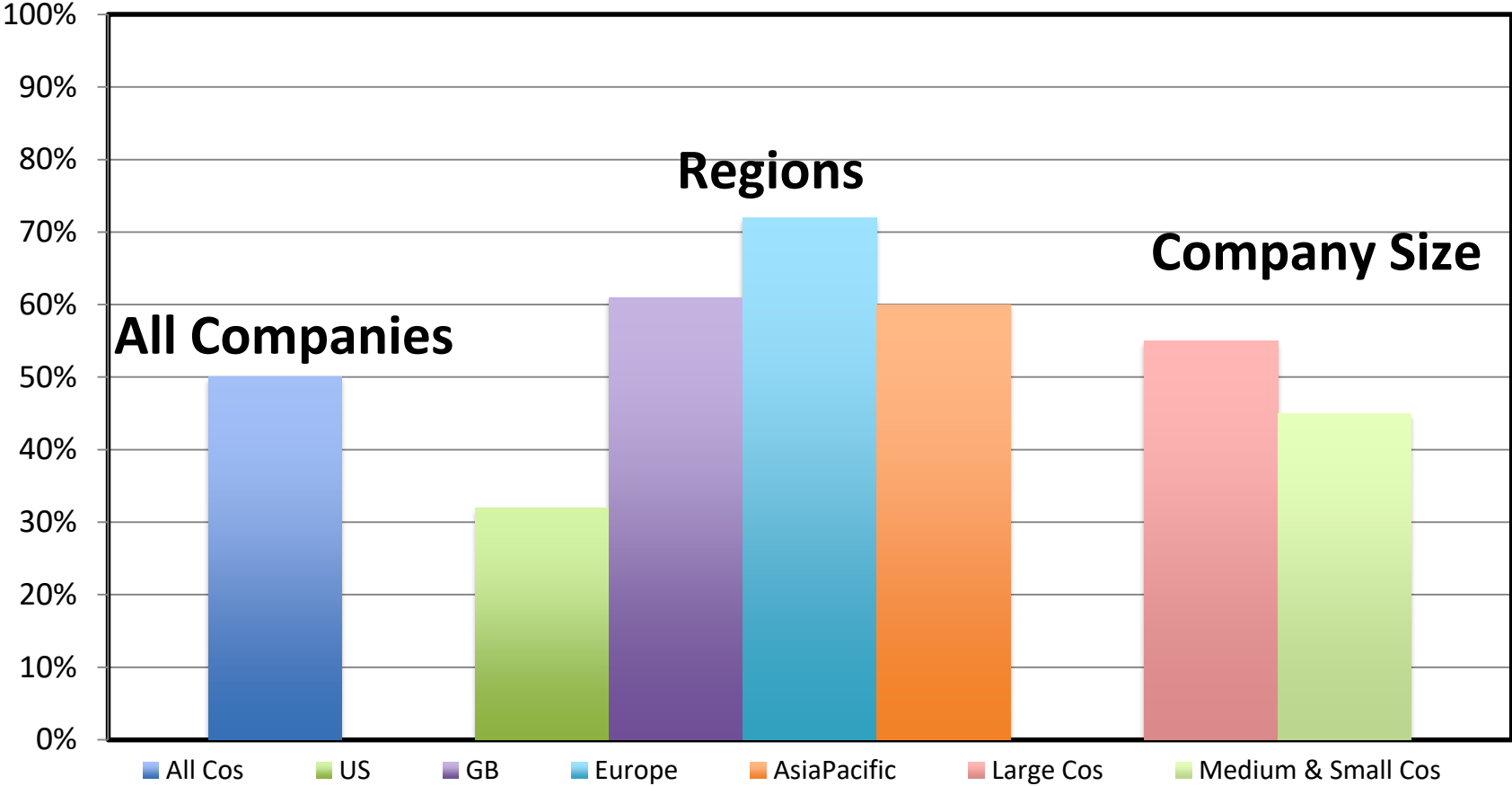
OHS Work Environment



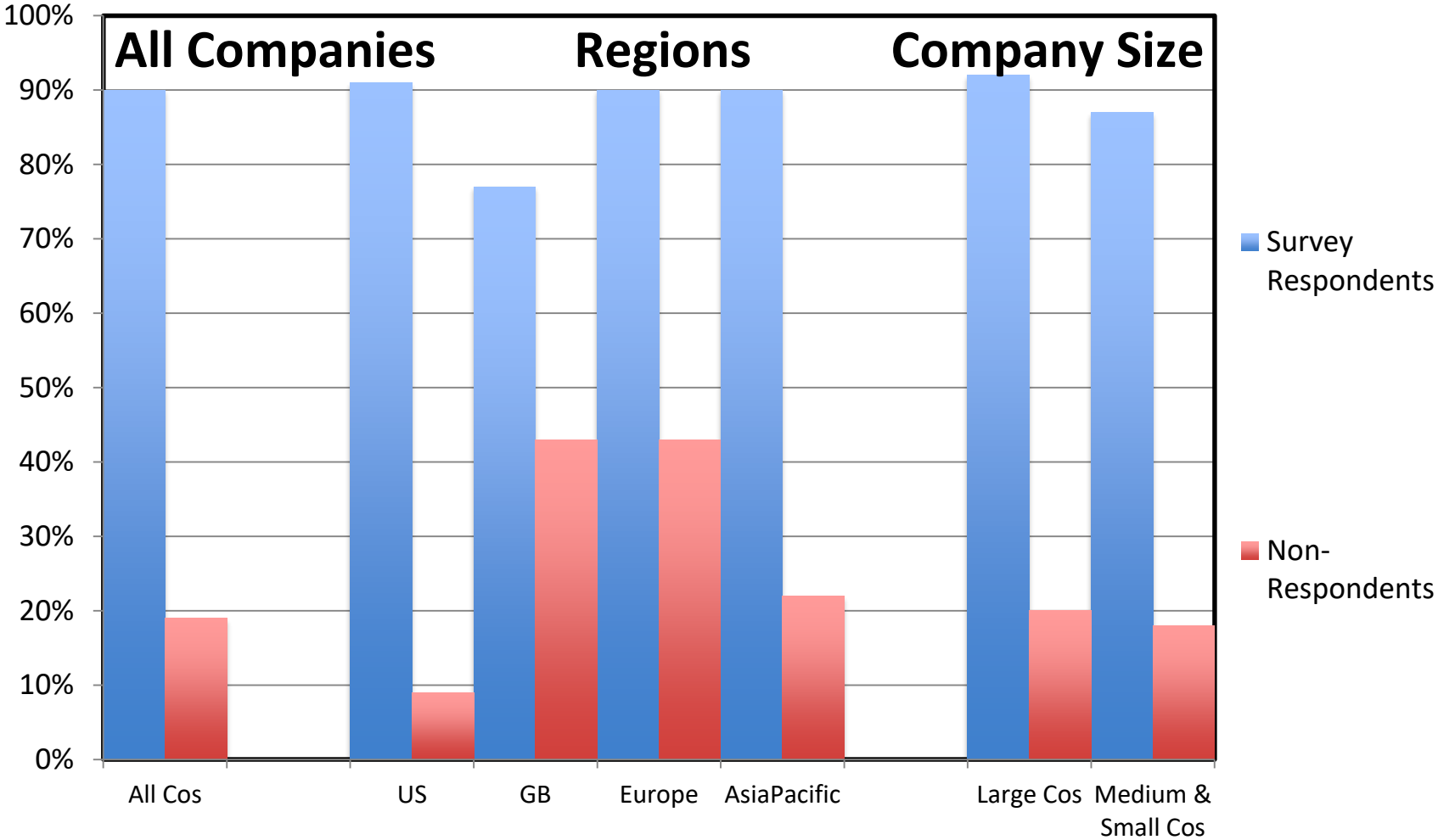
OHS Work Environment



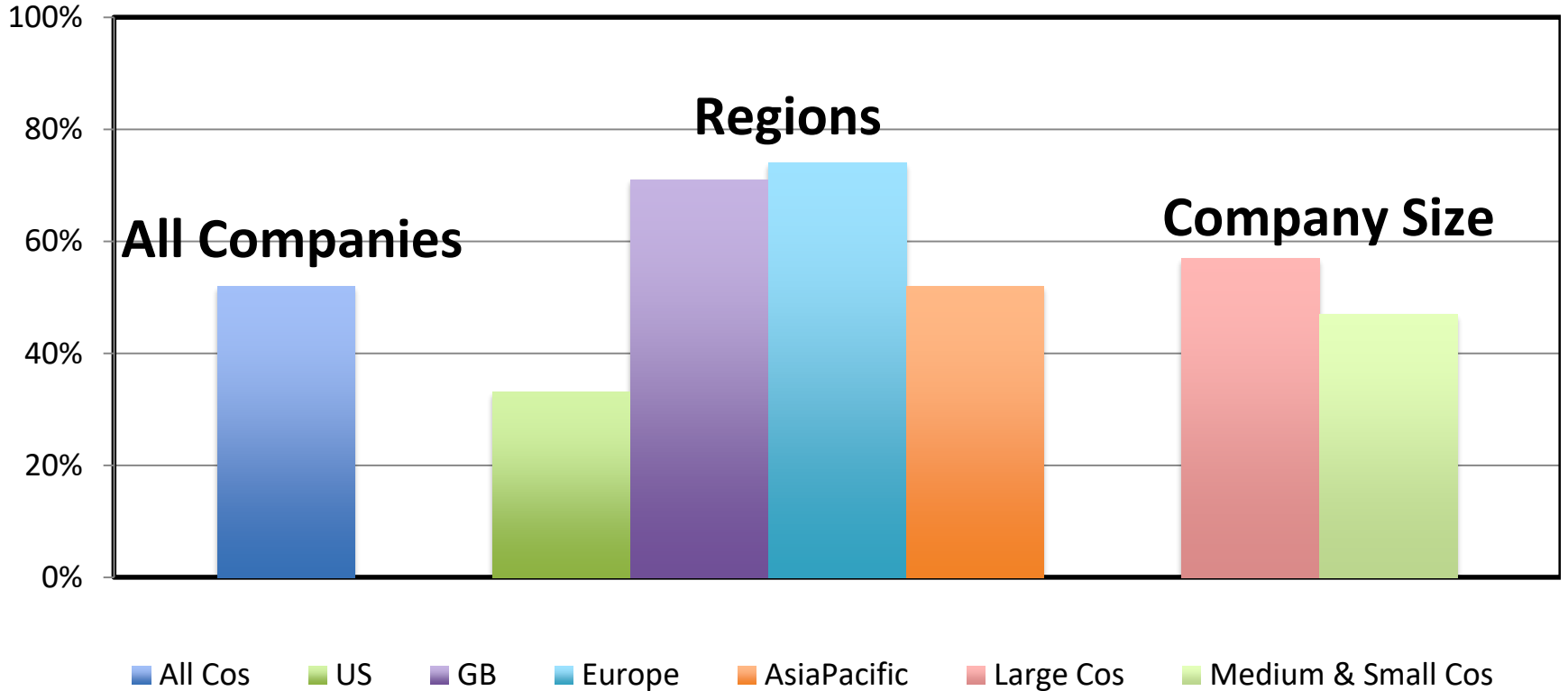
Lost-time Injuries



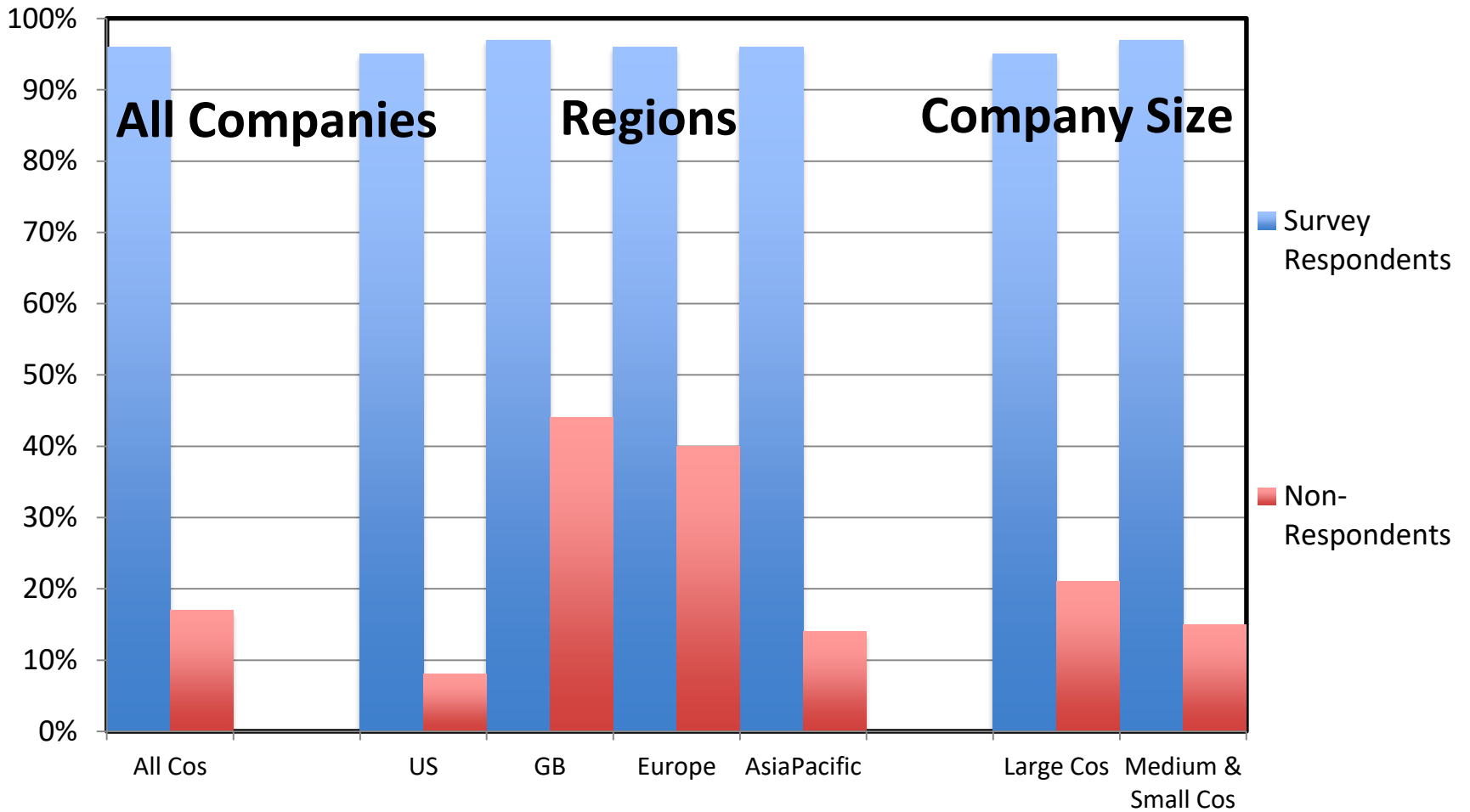
Lost-time Injuries



Fatalities



Fatalities



Summary of Preliminary Findings

- We identify 12 HC metrics companies could disclose
- Majorities or large minorities of firms already report many metrics
- Respondents report more than non-respondents
- European and British firms report more than Asia Pacific and US ones
- No great reporting differences by company size

Possible Interpretations

- Majority of firms likely have many metrics, even if not always public
- Respondents: Possible selection bias
- Non-respondents may have data but don't make public
- Law or practice may spur greater disclosure on some metrics
- Company size not a great obstacle to disclosure

Human Capital in Action: Stakeholder Perspectives

- **Cambria Allen**, Corporate Governance Director at UAW Retiree Medical Benefits Trust; Human Capital Management Coalition
- **Luke Hildyard**, Policy Lead: Stewardship and Corporate Governance at the Pensions and Lifetime Savings Association
- **Dennis Hudson**, Executive Director of the American Society of Safety Engineers
- **Susanne Stormer**, Vice President, Corporate Sustainability, Novo Nordisk; Council Member, International Integrated Reporting Council (IIRC)
- **Robert Dornau**, Director, Senior Manager Sustainability Services, RobecoSAM

The Future of Human Capital: Group Breakout

- What are the you doing in the human capital area?
- What challenges/opportunities do you face around assessing the value or importance of human capital?
- What solutions or research areas would be helpful to your interests in human capital?

Report Out

- What would you like to see next from the Harvard Team?
- What would you like to see from ESG research firms like RobecoSAM?
- What should investors and investor initiatives do to increase awareness and impact?
- What do you see as the role for CSHS as this field evolves and grows?

Closing Comments

- Next steps - CSHS
- Final launch - Harvard
- Your interest & involvement

Thank You!

Connect With Us!



@CenterSHS

#humancapital

Or look for our group on:

