

2018 Global 100: Most Sustainable Corporations outperform and outlive

DAVOS, Switzerland, January 23, 2018 – Corporate Knights today released the 14th annual Global 100 list of the most sustainable large corporations in the world. Selected from a pool of 5,994 publicly listed companies – each evaluated on a set of up to 17 environmental, social and governance indicators relative to their industry peers using publicly available information – the Global 100 companies hail from 22 countries and encompass all sectors of the economy.

The top-ranked company in this year's Global 100 is Dassault Systèmes, the French multinational software company, whose digital technologies assist companies and governments alike in reducing waste, adopting renewables, and creating smarter cities. Finishing 11th last year, its climb is due to strong female representation on the board (six of 11 current directors), a relatively small pay gap between the CEO and average worker (30:1), and a strong financial contribution to society (paid taxes equal 26.5% of EBITDA over past five years). Dassault Systèmes also pulls in a quarter of its revenues from products and services that preserve the environment.

Following closely behind is Finland's Neste Oil, a refining and marketing company that has begun directing more than 90 per cent of its investments into renewable fuel and bio-based materials, putting it on track to earn over half its revenues from clean sources in the next five years. In third place is another French company, automotive supplier Valeo, which has placed a strong emphasis on helping automakers reduce carbon emissions. Belgian pharmaceutical corporation UCB and Finnish construction and engineering firm Outotec round out the top five.

The Global 100 companies paid an average of 27 per cent more taxes, had three times as many top female executives, and generated six times more clean revenue than their global peers.

The Global 100 companies demonstrate the strong linkage between the delivery of superior value for society and the generation of superior financial performance. They also have greater longevity. From its inception in February 2005, the Global 100 Index has outperformed its benchmark (the MSCI All Country World Index) by close to a third with a cumulative return on investment of 163 per cent to end of year 2017.

As the Global 100 ranking is meant to identify those firms best equipped to thrive in the long-term, this year Corporate Knights identified year of origin for all ranked companies. In an era where the average multinational has been around for less than 40 years, the average age of 2018 Global 100 companies was 85 years. Years of origin ranged from 1654 for Orkla ASA of Norway to 2008 for Amundi SA of France. In all, 36 of the 2018 Global 100 companies have been in existence for at least 100 years.

“The Global 100 companies are built to last, demonstrating that firms which adapt to serve societal needs also do well financially,” says Toby Heaps, CEO of Corporate Knights.

On a country-by-country basis, the United States led the way with 18 Global 100 companies. France followed with 15, with 10 from the United Kingdom, and five each from Brazil, Finland and Sweden.

This year’s Global 100 were recognized in Davos at a private dinner hosted by Corporate Knights and the United Nations-supported Principles for Responsible Management Education (PRME). The dinner discussion explored the question of how to re-boot MBA schools so they are better preparing graduates for the more holistic demands of business in the 21st century.

Two major advancements were made to the Global 100 ranking methodology this year. First, each key performance metric is now weighted to reflect the relative contribution of the industry in question. The tax metric, for example, was more heavily weighted for industries such as banking that generate a large share of overall profits from which taxes are drawn, whereas the carbon metric was more heavily weighted for industries such as electric utilities that emit a large portion of global emissions. Previously each metric was equally weighted regardless of industry.

The second advancement was to add a clean revenue metric to reflect the beneficial impact of a company’s products and services on the environment. It is calculated using a definition derived from multiple sources applied to a segmented revenue database from FactSet, and confirmed via manual inspection of financial statements.

“Clean revenue exposure is a big driver of both commercial health and contribution to sustainability. It adds an important new dimension to our ranking,” says Michael Yow, research director at Corporate Knights.

For full rankings, methodology details and additional comparators and breakdowns, please visit www.corporateknights.com/global100.

About Corporate Knights: Corporate Knights Inc. includes the business and society magazine Corporate Knights and a research division that produces rankings and financial product ratings based on corporate sustainability performance. In 2013, Corporate Knights was named "Magazine of the Year" by Canada's National Magazine Awards Foundation.

About the Global 100 Most Sustainable Corporations in the World: The Global 100 is an annual project initiated by Corporate Knights, the company for clean capitalism. Launched in 2005, the Global 100 is announced each year concurrent with the World Economic Forum in Davos.

Media Backgrounder – January 23, 2018

2018 Global 100: Full Listing, Comparators, Country Breakdown

2018 Global 100 Most Sustainable Corporations in the World

Rank 2018	Full company name	Country	GICS Sector
1	Dassault Systèmes	France	Information Technology
2	Neste	Finland	Energy
3	Valeo	France	Consumer Discretionary
4	Ucb	Belgium	Health Care
5	Outotec	Finland	Industrials
6	Amundi	France	Financials
7	Cisco Systems	United States	Information Technology
8	Autodesk	United States	Information Technology
9	Siemens	Germany	Industrials
10	Samsung SDI	South Korea	Information Technology
11	Aareal Bank	Germany	Financials
12	Enbridge	Canada	Energy
13	Merck	United States	Health Care
14	Natura Cosméticos	Brazil	Consumer Staples
15	Pearson	United Kingdom	Consumer Discretionary
16	Amadeus IT Group	Spain	Information Technology
17	Bayerische Motoren Werke	Germany	Consumer Discretionary
18	Companhia Energetica de Minas Gerais	Brazil	Utilities
19	Koninklijke Philips	Netherlands	Industrials
20	Allergan	United States	Health Care
21	Honda Motor	Japan	Consumer Discretionary
22	Sanofi	France	Health Care
23	McCormick	United States	Consumer Staples
24	Commonwealth Bank of Australia	Australia	Financials
25	Vivendi	France	Consumer Discretionary
26	Intel	United States	Information Technology
27	Itron	United States	Information Technology
28	Telefonaktiebolaget LM Ericsson	Sweden	Information Technology
29	Halma	United Kingdom	Information Technology

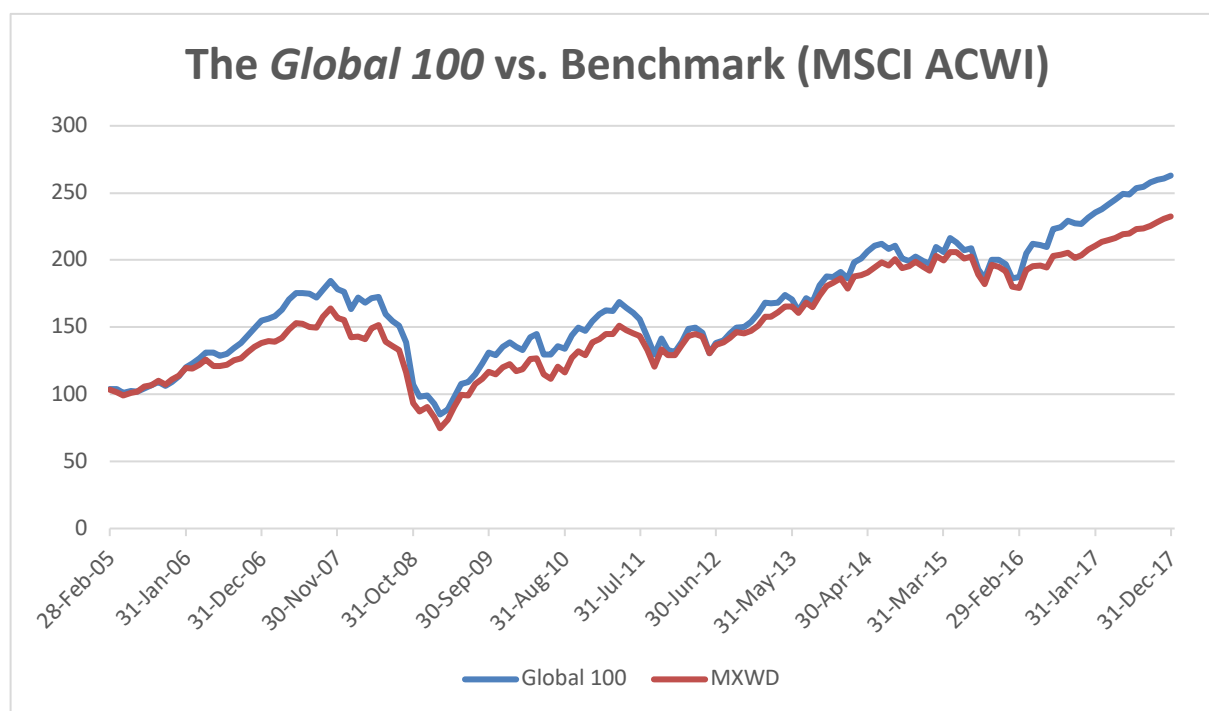
30	Deutsche Börse	Germany	Financials
31	Kesko	Finland	Consumer Staples
32	Télévision Francaise 1	France	Consumer Discretionary
33	BioMérieux	France	Health Care
34	AstraZeneca	United Kingdom	Health Care
35	Nokia	Finland	Information Technology
36	BNP Paribas	France	Financials
37	Eli Lilly	United States	Health Care
38	Storebrand	Norway	Financials
39	ABB	Switzerland	Industrials
40	Svenska Cellulosa Aktiebolaget	Sweden	Consumer Staples
41	Intesa Sanpaolo	Italy	Financials
42	Analog Devices	United States	Information Technology
43	Applied Materials	United States	Information Technology
44	Takeda Pharmaceutical	Japan	Health Care
45	Schneider Electric	France	Industrials
46	Shinhan Financial Group	South Korea	Financials
47	Kering	France	Consumer Discretionary
48	Ingersoll-Rand	United States	Industrials
49	Banco do Brasil	Brazil	Financials
50	Nestlé	Switzerland	Consumer Staples
51	Legrand	France	Industrials
52	Engie Brasil Energia	Brazil	Utilities
53	GlaxoSmithKline	United Kingdom	Health Care
54	ING Groep	Netherlands	Financials
55	Sekisui Chemical	Japan	Consumer Discretionary
56	Acciona	Spain	Utilities
57	H & M Hennes & Mauritz	Sweden	Consumer Discretionary
58	Aberdeen Asset Management	United Kingdom	Financials
59	NVIDIA	United States	Information Technology
60	Daimler	Germany	Consumer Discretionary
61	Diageo	United Kingdom	Consumer Staples
62	BT Group	United Kingdom	Telecommunications
63	Singapore Telecommunications	Singapore	Telecommunications
64	Novartis	Switzerland	Health Care
65	Sandvik	Sweden	Industrials
66	Chr. Hansen	Denmark	Materials

67	Coca-Cola European Partners	United Kingdom	Consumer Staples
68	Nissan Motor	Japan	Consumer Discretionary
69	Texas Instruments	United States	Information Technology
70	Ørsted	Denmark	Utilities
71	Allianz	Germany	Financials
72	Lenovo Group	China	Information Technology
73	Telus	Canada	Telecommunications
74	Taiwan Semiconductor Manufacturing	Taiwan	Information Technology
75	MetLife	United States	Financials
76	Banco Santander Brasil	Brazil	Financials
77	HP	United States	Information Technology
78	Sun Life Financial	Canada	Financials
79	Hewlett Packard Enterprise	United States	Information Technology
80	National Australia Bank	Australia	Financials
81	General Electric	United States	Industrials
82	Verbund	Austria	Utilities
83	AkzoNobel	Netherlands	Materials
84	L'Oréal	France	Consumer Staples
85	AXA	France	Financials
86	Nordea Bank	Sweden	Financials
87	Orkla	Norway	Consumer Staples
88	Wärtsilä	Finland	Industrials
89	Canadian Imperial Bank of Commerce	Canada	Financials
90	Renault	France	Consumer Discretionary
91	Syngenta	Switzerland	Materials
92	Johnson & Johnson	United States	Health Care
93	Posco	South Korea	Materials
94	Suez	France	Utilities
95	Umicore	Belgium	Materials
96	Vestas Wind Systems	Denmark	Industrials
97	SSE	United Kingdom	Utilities
98	CapitaLand	Singapore	Real Estate
99	Derwent London	United Kingdom	Real Estate
100	City Developments	Singapore	Real Estate

Comparative Financial Performance

The graph below shows the monthly total return of the Global 100 and its benchmark, the MSCI All Country World Index (ACWI) in \$US, from inception (February 1, 2005) to December 29, 2017, inclusive. Over this period, the Global 100 offered investors a 163% total return, compared to 132.5% for the MSCI ACWI, resulting in 30.5% out-performance. The Global 100 is equally-weighted and mirrors the industry composition of the MSCI ACWI on a percentage basis.

Financial Performance of the Global 100 From February 1st, 2005 to December 29th, 2017



Comparative Performance on Sustainability Performance Metrics

Selected Indicators	Global 100 versus MSCI ACWI ETF Companies
Renewable energy	2x more renewable energy as portion of total energy use
Carbon productivity	67% more carbon efficient
Tax responsibility	Pay 27% more taxes
Female board members	40% more female board representation
Female executives	3x more female executive representation
Sustainability pay link	3x more likely to link executive pay to sustainability performance
Clean revenue	6x more clean revenue share as portion of total revenues

Renewable energy (average 17.5% of total energy use for Global 100 companies vs. 8.7% for MSCI ACWI ETF); Carbon productivity (average \$345,432 revenue per tonne of CO₂e for Global 100 companies vs. \$206,746 for MSCI ACWI ETF); Tax responsibility (average 19% taxes paid to EBITDA ratio for Global 100 companies vs. 15% for MSCI ACWI ETF); Female board members (average 28% female board members for Global 100 companies vs. 15% for MSCI ACWI ETF); Female executives (average 20% female executives for Global 100 companies vs. 6% for MSCI ACWI ETF); Sustainability pay link (average 59% paylink to sustainability performance for Global 100 companies vs. 19% for MSCI ACWI ETF); Clean revenue (average 17.5% clean revenue as portion of total revenues for Global 100 companies vs. 3% for MSCI ACWI ETF)

Country Representation in the 2018 Global 100

Country	# of Global 100 Companies 2018
United States	18
France	15
United Kingdom	10
Germany	6
Sweden	5
Finland	5
Brazil	5
Switzerland	4
Canada	4
Japan	4
Denmark	3
Netherlands	3
Singapore	3
South Korea	3
Spain	2
Norway	2
Belgium	2
Australia	2
Austria	1
China	1
Taiwan	1
Italy	1

Contact information:

Toby Heaps, CEO, Corporate Knights

Phone: +1 (416) 274-1432

Email: global100@corporateknights.com