

## How Indian Companies are performing compared to BRICS Nations in Corporate Sustainability Assessment (CSA)?

Enlightened companies adopt innovative approaches for mainstreaming and integrating Environmental, Social and Governance factors. Companies are increasingly monitoring and measuring generation of long term value for all stakeholders and at the same time, contribute to the UN Sustainable Development Goals (SDGs). Investors too are expecting companies to focus on ESG practices. Accordingly, many companies are developing robust approach to evaluate corporate sustainability practices. Every year RobecoSAM invites a large number of companies to actively participate in their Corporate Sustainability Assessment (CSA), there by reflecting how businesses are mainstreaming sustainability as an integral part of their business.

### Comparative Ranking of Businesses from India and BRICS Nations

Out of the 3, 420 companies that were invited to participate in the survey, 867 companies from 42 countries participated in the RobecoSAM CSA. Out of 867, 466 companies from 32 countries qualified for inclusion in sustainability year book 2017. Of the 60 industry groups only 14 industry groups (23%) from India and BRICS nations gained entry into the year book and include: Electric Utilities, Steel, Banks, Commercial Services & Supplies, Metals and Mining, Telecommunication Services, IT Services & Internet Software and Services, Diversified Financial Services and Capital Markets, Health Care Providers & Services, Retailing, Paper and Forest Products, Containers & Packaging and Aerospace & Defence.

Six companies Infosys, Mahindra & Mahindra Financial Services Ltd, Tech Mahindra, Tata Steel, TCS and Wipro from India and 19 companies Embraer SA, Banco do Brasil SA, Itau Unibanco Holding SA, Itausa - Investimentos Itau SA, Banco Bradesco SA, Cia Energetica de Minas Gerais, Cielo SA , Braskem SA, Klabin SA , CPFL Energia SA, Fibria Celulose SA, China Everbright International Ltd, China Mobile Ltd, AngloGold Ashanti Ltd, Gold Fields Ltd, Mediclinic International PLC, Nedbank Group Ltd, Netcare Ltd and Woolworths Holdings Ltd from BRICS Nations made entry into the RobecoSAM Sustainability Year Book 2017 under varied categories.

RobecoSAM Category	India		BRICS Nations	
	2016	2017	2016	2017
RobecoSAM Gold Class	1	1	1	2
RobecoSAM Silver Class	1	2	5	4
RobecoSAM Bronze Class	1	0	7	9
RobecoSAM Sustainability year book members	2	3	13	10

Tata Steel was in silver class category in 2016, in its sector, and it has moved to being a gold class member in 2017 with its efficient disclosure practices and ESG performance. It has set

high standards for other Indian companies and other global corporations in the sector. Wipro was gold class in 2016 however has now dropped down to being a silver class in 2017, Tech Mahindra moved up from being bronze class in 2016 to silver class in 2017 signifying improvement and moving ahead. Infosys and TCS were Sustainability year book members for both 2016 and 2017. A latest entry to the list is Mahindra & Mahindra Financial Services Ltd, from industry group Diversified Financial Services and Capital Markets for this year. IT Services & Internet Software & Services (67%), Steel sector (17%) and Diversified Financial Services & Capital Markets (16%) dominated the Indian industry sector as per RobecoSAM CSA.

From Brazil, banks dominated the list (36%), followed by electric utilities (18%), IT Services & Internet Software services (9%), Aerospace & Defence (9%), Paper & Forest Products (9%) and Chemicals (9%). Fibria Celulose SA, a company from paper & forest products sector is in gold class, Klabin SA, from container & packaging sector was in silver class. Braskem SA, from chemicals sector is in bronze class, CPFL Energia SA, a electric utility company is in bronze class, Embraer SA, from Aerospace & Defence sector is in bronze class. Banco do Brasil SA, Itau Unibanco Holding SA and Itausa - Investimentos Itau SA from banking sector were in bronze class. Banco Bradesco SA from banking sector, Cia Energetica de Minas Gerais from electric utilities, and Cielo SA from IT services & Internet Software & services became sustainability year book members for 2017.

Though Russia featured to be one of the emerging markets in sustainability reporting, none of the companies made entry as a sustainability year book member as per RobecoSAM.

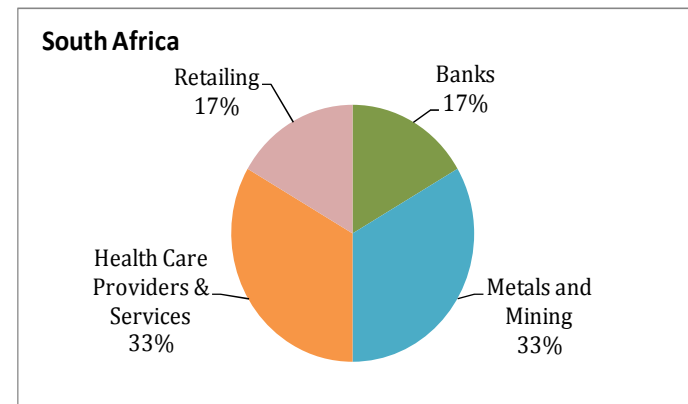
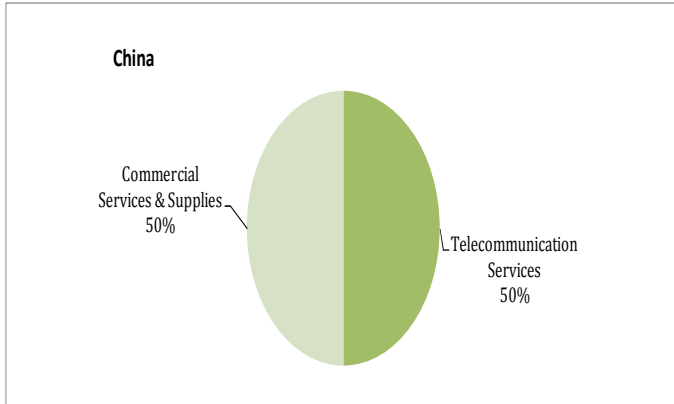
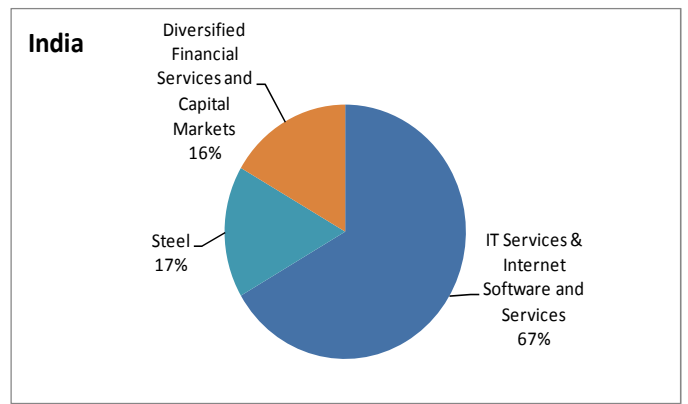
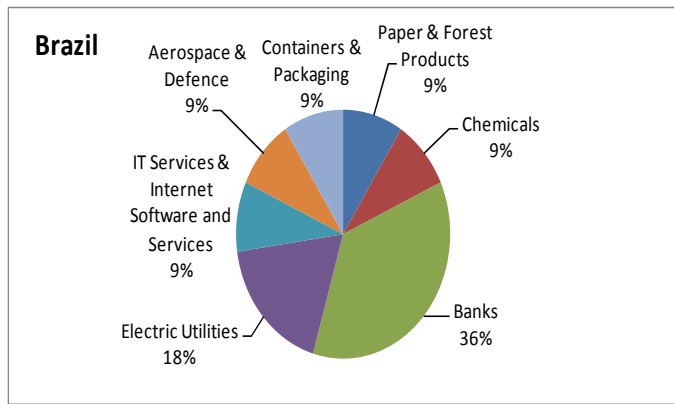
In case of China, China Everbright International Ltd, from Commercial services & supplies is in silver class and China Mobile Ltd. from Telecommunication services is in the sustainability year book member for 2017.

In case of South Africa, Gold Fields Ltd from Metals & Mining is in bronze class, Netcare Ltd from Health Care Providers & Services sector is in bronze class, Woolworths Holdings Ltd from retailing sector is in bronze class. AngloGold Ashanti Ltd from metals & mining, Mediclinic International PLC from Health Care Providers & Services and Nedbank Group Ltd from banking sector were sustainability year book members for 2017. Industrial sectors that dominated the RobecoSAM CSA include metals & mining 33%, Health care & service providers 33%, Banks (17%) and Retailing as 17%

Country wise categorization of RobecoSAM Class and Members for BRICS Nations:

RobecoSAM Category	Brazil	Russia	India	China	South Africa
RobecoSAM Gold Class	1	-	1	-	-
RobecoSAM Silver Class	1	-	2	1	-
RobecoSAM Bronze Class	5	-	0	-	3
RobecoSAM Sustainability year book members	3	-	3	1	3

Source: RobecoSAM Sustainability Year Book 2017



Country specific sustainability ranking for BRICS Nations shows Brazil ranked 42, Russia 46, India 59, China 57 and South Africa 45. The ranking is based on ESG performance with criteria elements: Energy, World Risk Index, Human Development Index, Social Unrest, Political Stability, Corruption, Competitiveness and Aging.

## Observations

Companies from BRICS, including the ones in India, are performing well in prioritizing

- operational efficiency,
- occupational health & safety,
- human rights,
- stakeholder engagement,
- product stewardship and
- Innovation

Governance, gender equality, water risks, climate strategy, talent attraction and retention are some aspects on which performance and management is found lacking. Transparency in disclosure on these aspects will help improve ranking of businesses in BRICS nations for the forthcoming years.