

SAM 2020 – Methodology Updates



SAM Corporate Sustainability Assessment – March 2020

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Overview of Cross-Industry Methodology Changes

Criterion	Industries Impacted	Key Changes in 2020
Addressing Cost Burden	BTC Biotechnology DRG Pharmaceuticals	The question on Fair Pricing has been shortened to only ask for the weighted percentage year-over-year change in the average list price and in the average net price across the company's entire pharmaceutical product portfolio.
Genetically Modified Organisms	BVG Beverages FDR Food & Staples Retailing FOA Food Products REX Restaurants Leisure Facilities	The criterion has been reviewed to better assess exposure to GMO-related risks as well as the measures taken to minimize these risks. The criterion has been divided into three questions, which in turn look at the company's GMO exposure, the company's public statement on GMOs and the percentage of revenues derived from GMO products.
Information Security/Cybersecurity and IT System Availability	All industries	The criterion focuses on how well companies are prepared to prevent major information security/cybersecurity incidents and if they can react appropriately in case of an attack. It also evaluates whether companies have experienced information security/cybersecurity incidents in the past and what the financial consequences were. The layout of the questions has been reviewed to allow for more nuanced disclosure.
Information Security/Cybersecurity and IT System Availability	BNK Banks FBN Diversified Financial Services and Capital Markets	In addition to the changes mentioned above, the question on IT Infrastructure Incidents has been added to the BNK and FBN industries in order to assess the number of recorded incidents and their financial impact on companies in the past fiscal year.

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Criterion	Industries Impacted	Key Changes in 2020
Innovation Management	BTC Biotechnology DRG Pharmaceutical LIF Life Science Tools & Services MTC Health Care Equipment & Supplies	The innovation process is usually defined by several phases from pre-clinical research to launch. The previous four questions on these phases have been regrouped into one question which assesses how companies structure, emphasize, and measure their innovation process throughout the different phases.
Packaging	AIR Airlines BVG Beverages CNO Casinos & Gaming COS Personal Products FDR Food & Staples Retailing FOA Food Products HOU Household Products REX Restaurants and Leisure Facilities RTS Retailing TEX Textiles, Apparel & Luxury Goods TOB Tobacco TRT Hotels, Resorts and Cruise Lines	Reducing packaging and/or using reusable packaging, recycled content or recyclable packaging is an important factor in lowering the impact of companies' product packaging in the wider product life cycle. This criterion has been reviewed to assess whether the companies' packaging strategies include environmental considerations and risk factors related to unsustainable packaging practices. Furthermore, it evaluates whether companies monitor the amounts of different packagings used.
Privacy Protection	Existing Industries and AUT Automobiles ITC Electronic Equipment, Instruments & Components SEM Semiconductors & Semiconductor Equipment	For companies to avoid legal costs, reputational risk, and exclusion from certain activities, company-wide privacy policies are paramount. Our questions focus on the coverage of the companies' privacy policies and the mechanism in place to ensure the policies' effective implementation. Furthermore, it looks at the companies' breaches of customer privacy. The layout of the questions has been reviewed to ensure clearer disclosure.

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Criterion	Industries Impacted	Key Changes in 2020
Product Stewardship	CHM Chemicals CTR Containers & Packaging COS Personal Products HOU Household Products	The question on hazardous substances has been reviewed to assess whether companies measure and monitor the risks of hazardous substances in their products. The question focuses on the revenues derived from products containing hazardous substances (based on REACH regulation) and the companies' approach to risk assessment for the potential impact of these products on human health and the environment.
Sustainable Finance	BNK Banks FBN Diversified Financial Services and Capital Markets INS Insurance	Financial institutions have an essential role to play in addressing sustainability challenges, facilitating the transition to a low-carbon economy and in stimulating sustainable development. In identifying and addressing growing environmental challenges and the associated risks, financial institutions can benefit by leveraging their expertise in financial innovation. The opportunity to offer new financial instruments allows financial institutions to integrate ESG in each of the business segments. Our revised questions allow for clearer disclosure on the innovative offerings across all business operations (Wholesale/Corporate/Investment Banking, Retail Banking, Asset Management, Wealth Management, Stock Exchanges, Insurance Underwriting) made available by companies, as well as for simplified disclosure on how companies integrate ESG criteria in their different business segments.

Further Information

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CSA Resource Center

Visit our Resource Center www.robecosam.com/csa/resources to access:

- Webcasts
- Methodology documents
- Sample questionnaires

Website

For more information about the SAM Corporate Sustainability Assessment, visit our website: www.robecosam.com/csa

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