Heavy Construction Sector

2018 Report – Key Findings

Vigeo Eiris Infrastructure cluster

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59 companies in the sector
ESG Sector Report

Key Findings 2018 – Heavy Construction

TOP PERFORMERS
Europe: Vinci (58/100)
North America: Aecon Group Inc (30/100)
Asia Pacific: Obayashi (37/100)
Emerging Market: Grana Y Montero (39/100)

MOST IMPROVED since 2017
Europe: Salini Impregilo (+19)
North America: No progress
Asia Pacific: No progress
Emerging Market: No progress

MOST MATERIAL DRIVERS

<table>
<thead>
<tr>
<th>ADVANCED (60-100)</th>
<th>ROBUST (50-59)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited (30-49)</td>
<td>Weak (0-29)</td>
</tr>
</tbody>
</table>

- Environmental strategy
- Boards of Directors
- Fundamental human rights
- Corruption
- Health and safety
- Reorganisation
- Use of buildings

CARBON FOOTPRINT
Share of companies in each level of carbon footprint

<table>
<thead>
<tr>
<th>Moderate</th>
<th>Significant</th>
<th>High</th>
<th>Intense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector (%)</td>
<td>29</td>
<td>51</td>
<td>17</td>
</tr>
<tr>
<td>Universe (%)</td>
<td>49</td>
<td>31</td>
<td>14</td>
</tr>
</tbody>
</table>

ENERGY TRANSITION
Share of companies in each level of energy transition performance

<table>
<thead>
<tr>
<th>Weak</th>
<th>Limited</th>
<th>Robust</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector (%)</td>
<td>71</td>
<td>20</td>
<td>8</td>
</tr>
<tr>
<td>Universe (%)</td>
<td>69</td>
<td>23</td>
<td>5</td>
</tr>
</tbody>
</table>

SUSTAINABLE GOODS & SERVICES
Share of companies in each level of involvement in goods and services contributing to sustainable development

<table>
<thead>
<tr>
<th>None</th>
<th>Minor</th>
<th>Significant</th>
<th>Major</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector (%)</td>
<td>14</td>
<td>76</td>
<td>47</td>
</tr>
<tr>
<td>Universe (%)</td>
<td>37</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

CONTROVERSIES RISK MITIGATION
Share of companies in each performance level in terms of controversy risk management

<table>
<thead>
<tr>
<th>Weak</th>
<th>Limited</th>
<th>Robust</th>
<th>Advanced</th>
<th>No controversies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of companies in Warning list: 1</td>
<td>14</td>
<td>41</td>
<td>22</td>
<td>42</td>
</tr>
</tbody>
</table>

TAKEAWAYS
- Despite being one of the highest CO2-emitting industrial sectors, Heavy Construction companies mainly demonstrate weak energy transition performances.
- Less than 10% of companies include Human Rights in their risk management framework.
- Heavy Construction companies are subject to frequent controversies on business ethics, including corruption and anti-competitive practices.
- Although companies are increasingly aware of their employees’ and subcontractors’ high exposure to safety risks, their performance on this issue remains weak.
- Good progress has been observed in the areas of non-discrimination and the promotion of diversity.
ESG Sector Report

About this document

This document is an extract of the Vigeo Eiris 2018 Report on the Heavy Construction General sector. The full report contains:

- More detailed information on performances and impacts highlighted here (data for each zone, historical evolution on 3 years of global performance and on each criterion, top performers on each domain, etc.)
- Detailed description of each takeaway on risks and opportunities
- The overview of methodological framework applied to the sector (weights of criteria, nature of stakeholders’ expectations and their vulnerability on each topic).
- Detailed description of the methodology of all Vigeo Eiris research lines.

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About Vigeo Eiris

Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organisations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organisations.

Vigeo Eiris offers a wide range of services:

- For investors: decision-making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more)
- For companies & organisations: supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more)

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