

Principal SDG Contributions of Index Constituents



Graph: The Sustainable Development Goals highlighted for each company represent the goals correlated to the theme(s) for which they were eligible for selection in the index.

SOLACTIVE SUSTAINABLE GOALS EUROPE MV INDEX

Contributions to the 17 SDG



SDG Contribution

The contribution to the 17 objectives of the SDG is achieved through a projection model of the 8 SDG themes taking into account the behaviour and services of the issuers

Issuer Focus

Natural Resources

Carrefour displays an advanced performance in the Natural Resources theme. The French company reports formalised commitments with quantified targets in relation to its management of impacts from energy consumption and atmospheric emissions: Carrefour aims at reducing its energy consumption by 30% and its GHG emissions by 70% by 2025 compared to 2010. The company signed the Fashion pact, in line with the Science-Based Targets initiative and including objectives to reach 100% renewable energy across its operations by 2030 and zero-net emissions by 2050. Carrefour implements innovative measures such as energy-saving lighting solutions (LED lightning and motion detectors), recovering the heat energy generated by cooling facilities and reusing it for heating and using renewable energy in the design of some buildings, among others. In addition, it has implemented a strategy that aims at identifying the level of refrigerant leaks and their causes, allowing it to define a CO2 emissions' reduction plan. It also uses CO2-based refrigeration systems and tests alternatives to traditional fluids which have a lower impact on climate change and ozone layer destruction. The company has robust performance in tackling its impacts from transportation: it aims to reduce CO2 emissions linked to transport by 30% by 2025 compared to 2010 levels and has set up advanced measures such as improving truck loading and optimising the distances travelled, favouring alternative methods of transport, modernising its fleet by switching to trucks that run on biomethane and emit less pollution and make less noise. However, it is not transparent regarding its transport mix.

Fair Work

Carrefour

Carrefour displays an advanced performance in the Fair Work theme. Indeed, the company's commitment to non-discrimination explicitly defines most of the categories and the management processes to which these apply. Carrefour commits specifically to at least 40% of women appointed to key positions within the group and to 4% of disabled persons in its global workforce by 2025. The company implements exhaustive measures to support these commitments, notably diversity training, monitoring, grievance mechanism in the frame of the ethical principles including discrimination and affirmative action programmes such as the Women leader program that promotes women's achievements. It also has extended paternity leave systems, flexitime and job-sharing initiatives. As a result, both the share of women in management positions and the share of employees with disabilities has increased continuously from 2014 to 2018 respectively to 42% and 3.4%. The company's performance in terms of respect for freedom of association and the right to collective bargaining is also considered advanced: it has signed a groupwide agreement with a Global Union Federation and its commitment is detailed and addresses all its responsibilities. Carrefour also addresses health and safety issues with significant measures including training and awareness raising, internal monitoring of accident frequency, severity indicators and absenteeism across the group, risk assessments (it developed an H&S software) and health and safety on-site audits, as well as extensive means to address stress at work and ergonomics specifically. However, Carrefour's workplace accidents severity rate has increased by 13% from 2014 to 2018. Finally, in terms of management of reorganisations, the company has signed a framework agreement with employee representatives on reorganisations and reports relevant measures such as employment protection plans, early retirement in some countries, internal or external mobility measures for employees with defined professional projects and outplacement services.

Issuer Focus

Corporate Governance

Carrefour displays an advanced performance in the Corporate Governance theme. The company discusses CSR issues at Board level and has set up a CSR Committee that is part of the Board. In addition, the Board's diversity appears to be advanced - 41% of administrators are women. Moreover, the Audit Committee has a comprehensive role in overseeing internal and external controls, including CSR risks, and the company publishes significant CSR reporting on key material issues, which are assessed by a third party. In addition, the company has presented to shareholders and investors its CSR strategy covering all relevant CSR issues. All elements of executive remuneration are disclosed on an individual basis while CSR performance objectives are considered in the determination of variable remuneration of senior executives. However, only 35% of the Board's members are considered independent - the Chairman of the Board is not independent - and elections are staggered.

Carrefour

Societal Development

Carrefour displays an advanced performance in the Societal Development theme. Carrefour's commitment to promote local social and economic development addresses all its responsibilities. The company's reported measures include the promotion of local suppliers and social investment initiatives, and on-going dialogue with local communities to mitigate the impacts of its activities such as the creation of a commercial area. However, the company reports only on gross taxes paid and there is no breakdown on a regional or country basis. Carrefour's commitment to respect and promote human rights in society is backed by a system implemented throughout the company that includes external investigations of allegations, as well as training and awareness raising, a human rights risk cartography and internal & external audits. Moreover, it has set up a comprehensive system to manage sustainable relations with its suppliers; Carrefour offers fair trade products across the world and intends to develop imported products from producers with fair trade and organic farming certification. Finally, Carrefour has integrated social issues into contractual clauses with its suppliers and their audits are carried out by independent external auditors.

Issuer Focus

Societal development

Red Electrica (RE) obtains an advanced score on this theme. RE's actions to promote local social and economic development include capacity building (training of students in areas related to management of electricity grids and systems), infrastructure development programmes in collaboration with local communities (i.e lighting projects) and social impacts assessments. Furthermore, Red Electrica reports transparently on its taxes, and does not operate in IMF offshore financial centres or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules. Though there is no disclosed commitment on promoting access to energy, the Company reports on rural electrification projects in Peru and partnerships with "Energy without Borders Foundation" in developing countries. The company's commitment towards human rights addresses the privacy and indigenous rights and is supported by extensive measures including, among others, internal and external audits, employees' training and grievance mechanisms. Finally, RE commits to include social factors in its supply chain, the suppliers and supply management department being directly involved in these matters. Supplier questionnaire, support and risk assessments as well as training of employees in charge of purchasing are part of the measures put in place by the company. External audits are also conducted but these only concerned 7% of the company's suppliers in 2018.

Business ethics

Red Electrica

Red Electrica (RE) displays an advanced performance on this theme. The company's commitment to preventing corruption addresses its main responsibilities and is supported by a Compliance unit and more specifically by an ethics manager directly involved on this issue. RE provides training to relevant employees and has worked on the development of an e-learning training programme in collaboration with the Spanish Global Compact Network for suppliers on corruption prevention. The company's internal and external controls to prevent corruption include approval procedures for gifts, whistleblowing systems, internal and external audits as well as risk assessment. The company states that no formal complaints were internally reported in 2018. Regarding its lobbying activities, RE has signed the EU Transparency Register Code of Conduct, provides specific training on these matters to its employees, discloses its lobbying activities on the EU Transparency register and monitors the associated budget, that is publicly disclosed.

Corporate governance

Red Electrica achieves an advanced performance in the Corporate Governance theme. The Board of Directors and its committees display a high level of independence and diversity (42% are women) and there is a CSR committee that is part of the Board. The Audit Committee plays a comprehensive role in overseeing internal and external controls, and CSR risks are said to be monitored by the Company's internal controls system through a series of processes that include a reporting system to the Board. Moreover, the Company's CSR strategy is presented to shareholders and investors and the variable executive remuneration is tied to CSR performance metrics.

Issuer Focus

United Utilities

Corporate governance

United Utilities achieves an advanced performance in Corporate governance. The Board and its Committees display a high level of independence, one third of directors are women and CSR issues are discussed at Board meetings and overseen by a dedicated committee. The company's internal control system covers CSR risks such as health & safety, career management and water safety, with a reporting to the Board twice a year. Moreover, United Utilities presents its CSR strategy to shareholders. Executive remuneration is based on financial and CSR performance targets and is disclosed on an individual basis. Besides, the ratio of CEO compensation versus average employee salary has decreased between 2017 and 2019. Lastly, the ability of shareholders to vote during AGMs is not restricted and the company respects the "one share - one vote" principle.

Basic needs

United Utilities is a UK-based company providing wastewater treatment services, including the operation of over 77,000 kilometres of wastewater pipes, which are used to collect and treat wastewater at one of 569 wastewater treatment works. The company reports that wastewater services and charges represented 49.8% of its revenue in FY 2018 (ended March 2019). United Utilities also operates over 40,000 kilometres of water distribution pipes, distributing approximately 1.7 billion litres of water to 7.2 million customers every day. This includes the operation of 91 water treatment plants, where water collected from the environment is treated and made potable prior to distribution. The company reports that water services and charges represented 42.1% of its revenue in FY 2018.

Fair work

United Utilities displays an advanced performance in Fair work. The company discloses a comprehensive commitment to labour relations supported by an Employee Relations Framework agreement signed with the main trade unions. Moreover, United Utilities reports on training, career break opportunities and affirmative action programmes, among others, to uphold its gender diversity targets, and the share of women in management positions increased over the 2017-2019 period. United Utilities also reports on several means to mitigate the impact of reorganisations on employees including internal mobility programmes, outplacement services and early retirement. In terms of career management, employees have annual performance reviews and the number of training days per employee increased between 2017 and 2019. Lastly, United Utilities has set 2030 targets towards health & safety, is OHSAS 18001 certified and reports on extensive means to promote wellbeing at work, such as an employee assistance programme and stress training for employees and managers.

Issuer Focus

Basic needs

Hera

Hera is engaged in the provision of integrated water services and in the distribution and sale of gas in Italy. The company provides water sewerage and purification services with over 18,000 km of pipelines managed and 1,000 plants and purification systems. It also provides water distribution services to 1.5 million of customers. The Water cycle segment, which includes water treatment, wastewater treatment and water distribution accounted for 13.1% of the company's total revenue in 2019. In addition, the company provides waste collection services to 189 municipalities in Italy and treated a total of 7,175 kilotonnes of waste in 2019. The Environment segment revenue, which includes waste collection, waste treatment, and recycling services, accounted for EUR 1,191 million, representing 17.2% of the company's total revenue in 2019.

Energy & Climate Change

Gecina

Gecina is a French real estate investment company specialised in the rental of commercial real estate and residential properties. The company develops, buys, sells and rents properties in France. It reports that 79% of all surface areas delivered in 2018 were HQE certified (French certification awarded to building construction and management that stands for "high environmental quality"), with eight assets obtaining the BREEAM In Use certification (assessment and certification scheme designed to help building managers reduce and improve the environmental performance of existing non-domestic buildings). As of December 2018, 58% of Gecina's office space had HQE Operation certification and BREEAM In Use, representing 59.4% of the company's total floor space.

Corporate Governance

Gecina achieves an advanced performance in Corporate Governance. Its Board members display a high level of independence (55% of its members) and diversity (45% are women) and have a broad expertise, reinforced by regular training. The company has a CSR Committee that is part of the Management Committees and has been transparent on presenting its CSR strategy to shareholders, which covers all relevant CSR issues. The Audit Committee has a comprehensive role in overseeing internal and external controls, and relevant processes dedicated to the management of CSR risks are in place. In terms of shareholders' rights, no restriction has been identified. Finally, the company reports on its executives' remuneration. However, it is not transparent on long term incentives' performance conditions and the ratio of CEO compensation vs. average employee salary has increased over the 2017-2019 period.