

Energy Sector

2018 Report – Key Findings



148 companies in the sector

Vigeo Eiris Energy & Utilities cluster

Research manager: Julie Quiedeville
julie.quiedeville@vigeo-eiris.com

Analysts:

Sami Bouaida
Hunde Dhugassa
Hamza El Mernissi
Ahmed El Hitmi
Mariana Islas

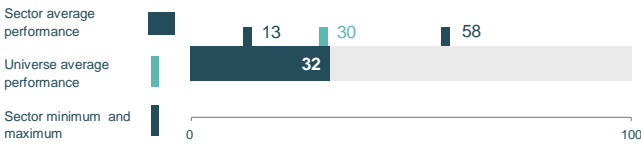
Rachid Lamsairhri
Kachi Nwanna
Abderrahim Ouaderzan
Sanae Outifa
Svetlana Smith

Vigeo Eiris press contacts

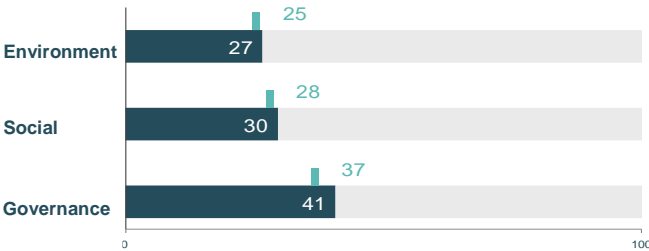
Anita Legrand
anita.legrand@vigeo-eiris.com
+33 (0) 1 55 82 32 44

Safiya Juma
safiya.juma@vigeo-eiris.com
+44 (0) 20 3752 5768

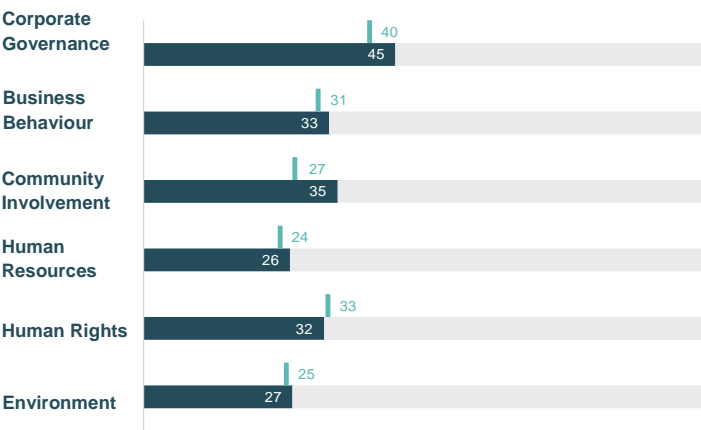
Key Findings 2018 – Energy sector



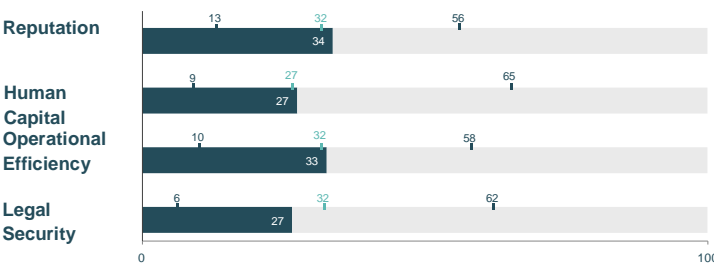
ESG PERFORMANCES – Sector & Universe



DOMAIN PERFORMANCES – Sector & Universe



RISK MITIGATION



TAKEAWAYS

- Energy is one of the highest carbon emitting sectors, while companies' energy transition performances remain weak.
- Investors concerns about this weak performance translate into different strategies, namely activism and divestment.
- Companies still display limited performances regarding fundamental human rights and remain highly exposed to allegations.
- Oil drilling and transportation safety: from recent disasters to upcoming risks.
- Companies' performances mostly improved on the topics of Board of Directors, Executive Remuneration, Social Dialogue and Community investment and engagement.

TOP PERFORMERS

Europe: Repsol (58/100)
 North America: ConocoPhillips (45/100)
 Asia Pacific: Oil Search (51/100)
 Emerging Markets: Ecopetrol S.A. (52/100)

MOST IMPROVED since 2017

Europe: Lundin Petroleum (+10)
 North America: Vermilion Energy (+10)
 Asia Pacific: Oil Search; Idemitsu Kosan (+4)
 Emerging Markets: Kunlun Energy (+13)

MOST MATERIAL DRIVERS

| | |
|--------------------------|---|
| ADVANCED (60-100) | |
| ROBUST (50-59) | |
| LIMITED (30-49) | <ul style="list-style-type: none"> Board of Directors Corruption Environmental strategy Health and safety Community investment and engagement Fundamental human rights Industrial accidents and pollution prevention Biodiversity |
| WEAK (0-29) | <ul style="list-style-type: none"> Climate Change |

CARBON FOOTPRINT

Share of companies in each level of carbon footprint intensity



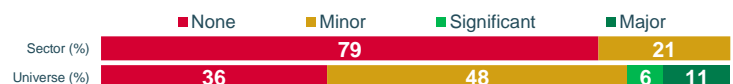
ENERGY TRANSITION

Share of companies in each level of energy transition performance



SUSTAINABLE GOODS & SERVICES

Share of companies in each level of involvement in goods and services contributing to sustainable development



CONTROVERSIES RISK MITIGATION

Share of companies in each performance level in terms of controversy risk management



Number of companies in Warning list: 9

■ Weak ■ Limited ■ Robust ■ Advanced ■ No controversies

About this document

This document is an extract of the Vigeo Eiris 2018 Report on the Energy 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.

If you are interested in knowing more, please contact our customer services team at: global-sales@vigeo-eiris.com.

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)

Vigeo Eiris methodology and rating services adhere to the highest quality standards. With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Boston, Brussels, Casablanca, Hong Kong, Milan, Montreal, Rabat, Santiago and Stockholm.

The Vigeo Eiris Global Network, comprising 7 exclusive research partners, is present in Australia, Brazil, Germany, Israel, Japan, Spain and Mexico. For more information: www.vigeo-eiris.com

Vigeo Eiris Press contacts:

| | | |
|---------------|--|-----------------------|
| Anita Legrand | anita.legrand@vigeo-eiris.com | +33 (0) 1 55 82 32 44 |
| Safiya Juma | safiya.juma@vigeo-eiris.com | +44 (0) 20 3752 5768 |

Disclaimer

Vigeo Eiris provides its clients with information and/or analyses or opinion on factual, quantitative or statistical, managerial, economic, financial, governance, social, or technical data, in relation to companies, brands, products or services, assessed individually or with respect to sectors, regions, stakeholders or specific themes. Vigeo Eiris is committed to making its best efforts when collecting, organising, consolidating, formatting, making available and/or delivering the aforementioned information, analyses and/or opinion to its clients. Although Vigeo Eiris ensures that it only uses publicly available information, the agency cannot guarantee its accuracy or completeness. The above elements (information, indicators, analyses, scores, and opinion) do not include or imply any approval or disapproval on their content from Vigeo Eiris, its executive officers, or its employees. These elements do not represent in any way a guarantee, or reference of legal, moral, philosophical, ethical or religious nature, supporting or opposing any investment or divestment decision, or any standpoint or opinion expressed in favour of, or against companies, products, services, sectors or regions directly or indirectly mentioned in Vigeo Eiris' deliverables. Our deliverables are not, and should not, be considered as a form of financial advice or recommendation. No investment or divestment decision should be attributed to the information or opinion provided by Vigeo Eiris. Our products and services must only be considered as one of the many elements related to the financial decision-making process. Vigeo Eiris, its methodology, brand, and employees, shall under no circumstances, be held responsible for any kind of consequence (including economic, financial, or legal) derived from the interpretation of its information, analyses, opinion, scores, and indicators. The terms of use of our products and services and their impacts stem from the sole responsibility of their users.

Partners and Offices

OUR PARTNERS:

Caer. Sitawi. Imug. Greeneye. Quick. Ecovalores. Ecodes.

OUR OFFICES:

| | | | |
|------------|-------------------|-------------------|--------------------|
| Boston | +1-617-428-0540 | Montreal | +1 514 686 6208 |
| Brussels | +32 2 206 67 91 | Paris | +33 1 55 82 32 40 |
| Casablanca | +212 522 87 14 77 | Rabat | +212 5 37 56 46 32 |
| Hong-Kong | +852 2588 3441 | Santiago de Chile | +56 2 32 24 64 25 |
| London | +44 203 752 5750 | Stockholm | +46 73 663 62 46 |
| Milan | +39 02 27 727120 | | |

