

# Industrial Goods & Services Sector

## 2018 Report – Key Findings



93 companies in the sector

### Vigeo Eiris Industrials cluster

Research manager: Daniele Spagnoli  
[daniele.spagnoli@vigeo-eiris.com](mailto:daniele.spagnoli@vigeo-eiris.com)

Sector expert: Daniele Spagnoli

Sector analysts:

Ana Belen Colazo  
Fatima Ezzahra El Fadeli  
Hind El Yaagoubi  
Joaquin Fuenzalida  
Alexander Paeck  
Martina Costa

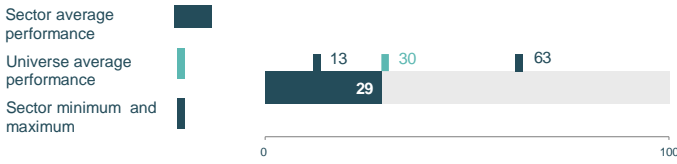
Kahle McDonough  
Zainab Harrak  
Antonia Latapiat  
Yassine Legrouri  
Henry Brown

### Vigeo Eiris press contacts

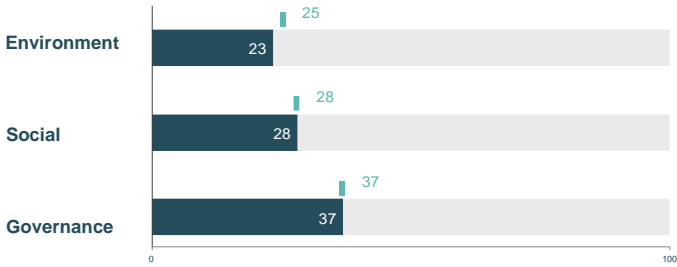
Anita Legrand  
[anita.legrand@vigeo-eiris.com](mailto:anita.legrand@vigeo-eiris.com)  
+33 (0) 1 55 82 32 44

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

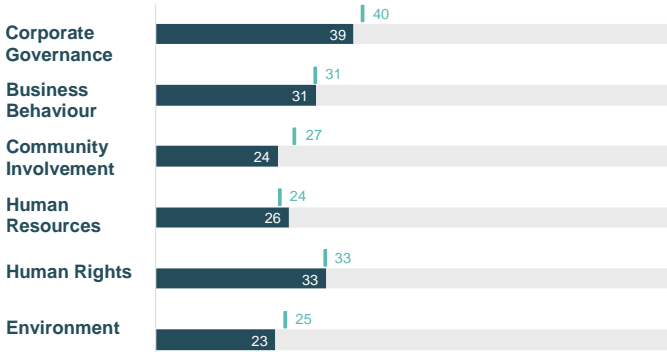
# Key Findings 2018 – Industrial Goods & Services sector



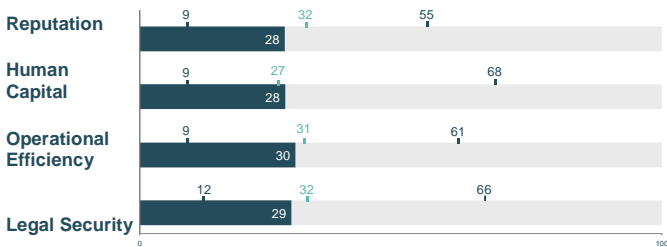
## ESG PERFORMANCES – Sector & Universe



## DOMAIN PERFORMANCES – Sector & Universe



## RISK MITIGATION – Sector & Universe



## TAKEAWAYS

- ▶ Business ethics remains a key challenge for IGS companies which achieve an average limited performance on the issue and face several related controversies.
- ▶ IGS companies have been facing several restructurings in recent years but their performance is undermined by their lack of transparency on how they manage the issue.
- ▶ The IGS sector is increasingly exposed to human rights violations across operations and supply chains, but only 11% of the sector displays a robust or advanced performance on the issue.
- ▶ Energy is key for the sector as IGS companies are highly involved in energy intensive and carbon emitting activities, but their efforts in transitioning towards a low-carbon economy remains insufficient.
- ▶ Due to the nature of its activities, the sector is highly vulnerable to health and safety issues, and is exposed to relevant associated reputational, legal and operational risks. However, companies' overall performance on the issue is weak.

## TOP PERFORMERS

Europe: CNH Industrial (63/100)  
 North America: 3M Company (48/100)  
 Asia Pacific: Komatsu (45/100)  
 Emerging Markets: Ferreycorp (40/100)

## MOST IMPROVED since 2017

Europe: Kion Group (+8)  
 North America: No progress  
 Asia Pacific: No progress  
 Emerging Markets: Hanwha (+8)

## MOST MATERIAL DRIVERS

<b>ADVANCED (60-100)</b>	
<b>ROBUST (50-59)</b>	
<b>LIMITED (30-49)</b>	<ul style="list-style-type: none"> <li>• Corruption</li> <li>• Board of directors</li> <li>• Non-discrimination and diversity</li> <li>• Health and safety</li> </ul>
<b>WEAK (0-29)</b>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Reorganisation</li> <li>• Use and disposal of products</li> </ul>

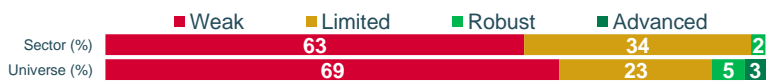
## CARBON FOOTPRINT

Share of companies in each level of carbon footprint



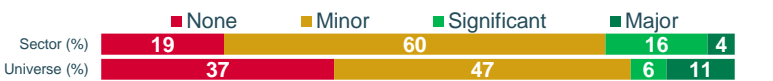
## ENERGY TRANSITION

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



## About this document

This document is an extract of the Vigeo Eiris 2018 Report on the Industrial Goods & Services 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.

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

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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 6 exclusive research partners, is present in Australia, Brazil, Germany, Israel, Japan and Spain. For more information: [www.vigeo-eiris.com](http://www.vigeo-eiris.com)

### Vigeo Eiris Press contacts:

Anita Legrand	<a href="mailto:anita.legrand@vigeo-eiris.com">anita.legrand@vigeo-eiris.com</a>	+33 (0) 1 55 82 32 44
Safiya Juma	<a href="mailto:safiya.juma@vigeo-eiris.com">safiya.juma@vigeo-eiris.com</a>	+44 (0) 20 3752 5768

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### 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
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Milan	+39 02 27 727120		

