Accelerated investor and corporate action is critical for SDG Alignment

COVID-19 has revealed and amplified stark inequalities and slowed progress on key social and environmental challenges.

With less than nine years left to achieve the SDGs, our analysis shows that investors and companies must step up action and further align their portfolios and business models with the 17 Goals.

**Our coverage**

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>5,387</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>1,537</td>
</tr>
<tr>
<td>North America</td>
<td>1,299</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>1,108</td>
</tr>
<tr>
<td>3 sectors covered</td>
<td>300+ data points mapped</td>
</tr>
<tr>
<td>4,900+ companies worldwide*</td>
<td></td>
</tr>
</tbody>
</table>

* Not all the companies can align/contribute to every Goal because of sector’s specificities

**SDG Alignment Screening**

Applying a dual lens to each of the 17 SDGs

**Goal 1** No poverty
45% of banks and insurance companies align to Goal 1 by providing access to finance to vulnerable populations and SMEs.

**Goal 3** Good health & well-being
21% of companies are involved in activities such as alcohol or tobacco that are detrimental to the promotion of good health and well-being.

**Goal 8** Decent work & economic growth
16% of companies exhibit a low level of mitigation of conflicts with workers as well as controversies in the communities where they operate.

**Goal 15** Life on land
27% of companies have management systems in place to reduce their impact on biodiversity.

**Goal 13** Climate action
53% of companies in the energy and mining & metals sector are not yet offsetting their involvement in fossil fuels.

**SDG-aligned companies in our universe**

Progress on the SDGs remains uneven, and is not moving fast enough to meet the ambitious 17 goals by 2030.

<table>
<thead>
<tr>
<th>SDG</th>
<th>Net Contribution</th>
<th>Net Behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 17: Partnerships for the goals</td>
<td>18% 10G1</td>
<td>49% 10G2</td>
</tr>
<tr>
<td>Goal 1</td>
<td>4% 10G3</td>
<td>4% 10G4</td>
</tr>
<tr>
<td>Goal 2</td>
<td>19% 10G5</td>
<td>43% 10G6</td>
</tr>
<tr>
<td>Goal 3</td>
<td>19% 10G7</td>
<td>45% 10G8</td>
</tr>
<tr>
<td>Goal 4</td>
<td>29% 10G9</td>
<td>73% 10G10</td>
</tr>
<tr>
<td>Goal 5</td>
<td>8% 10G11</td>
<td>22% 10G12</td>
</tr>
<tr>
<td>Goal 6</td>
<td>14% 10G13</td>
<td>52% 10G14</td>
</tr>
<tr>
<td>Goal 7</td>
<td>34% 10G15</td>
<td>36% 10G16</td>
</tr>
<tr>
<td>Goal 8</td>
<td>38% 10G17</td>
<td>20% 10G18</td>
</tr>
<tr>
<td>Goal 9</td>
<td>38% 10G19</td>
<td>7% 10G20</td>
</tr>
<tr>
<td>Goal 10</td>
<td>19% 10G21</td>
<td>44% 10G22</td>
</tr>
<tr>
<td>Goal 11</td>
<td>23% 10G23</td>
<td>41% 10G24</td>
</tr>
<tr>
<td>Goal 12</td>
<td>22% 10G25</td>
<td>29% 10G26</td>
</tr>
<tr>
<td>Goal 13</td>
<td>3% 10G27</td>
<td>3% 10G28</td>
</tr>
<tr>
<td>Goal 14</td>
<td>3% 10G29</td>
<td>3% 10G30</td>
</tr>
<tr>
<td>Goal 15</td>
<td>3% 10G31</td>
<td>27% 10G32</td>
</tr>
<tr>
<td>Goal 16</td>
<td>2% 10G33</td>
<td>57% 10G34</td>
</tr>
<tr>
<td>Goal 17</td>
<td>2% 10G35</td>
<td>70% 10G36</td>
</tr>
</tbody>
</table>

* SDG 17 Partnership for the goals: Possible relevant business actions and limited companies in the sector’s specificities.
Non-Financial Corporates: Rating Activity During COVID-19
downgrades reveal a thorough and measured approach to credit during turbulent times.

Then & Now: the number of speculative grade corporate rated population

Speculative Grade

Total downgrades
corporate rated
Grade:
FALLEN ANGELS IN DETAIL

AMER

"Fallen Angels" are entities that move from
Fundamental auto trends, including stricter emissions regulation, autonomous driving
demand for bandwidth,
Connectivity will drive
$1,300 BN
Rising number of

Aaa
91
176
583
Caa
Speculative Grade

Top 10 sectors most affected by COVID-19*

25
new default cycle
vulnerability to a
Aerospace & Defense
Services: Consumer
Retail
Advertising, Printing & Publishing

22
AFV growth will drive
AFV growth will slow
demand for power
likely default or be
Infrastructure
Utility &
capex
and gasoline

10

31
OCT

The coronavirus pandemic will continue to hurt mass transit systems' financial performance across the United States.

16.2
-1.2%
3.8%
52%
-4.4%
15%
22%
30%
43%
44%
7%

7.4 billion
2022*
2023*

SEPTA
Denver RTD

City of Philadelphia

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