

THRIVE

HOW INTERNATIONAL COMPANIES
ARE STRENGTHENING U.S. COMMUNITIES

Published by

OFII

GLOBAL INVESTMENT GROWS
AMERICA'S ECONOMY

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HELPING U.S. COMMUNITIES THRIVE

As you will discover, international companies like Sodexo, Stop & Shop and Philips are making an incredible impact on local U.S. communities. Often this work goes unnoticed, perhaps because drawing attention to these efforts runs counter to the cultural traditions of many international companies.

Drawing on the expert analysis of Daniel Ikenson, an economist at the Cato Institute, this report illuminates—and quantifies—the outsized role that international companies play in generating social good.

Supplementing that rigorous analysis are a few real-world examples of how OFII member companies help communities across the country thrive.

OFII MEMBERS

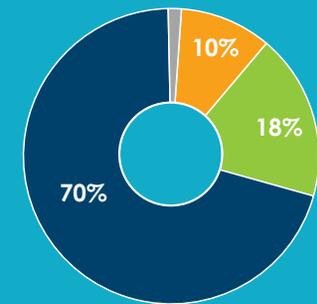
Representing the U.S. operations of many of the world's leading international companies, OFII ensures that policymakers at the federal, state and local level understand the critical role that foreign direct investment (FDI) plays in America's economy.

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|-------------------------------------|-----------------------------------|-------------------------------------|
| ABB Inc. | Daimler | Kering |
| Ahold Delhaize | Danfoss | Kerry |
| Airbus Group, Inc. | Danone | Kudelski Group |
| Air Liquide USA | Dassault Falcon Jet Corp. | LANXESS |
| Akzo Nobel Inc. | Dassault Systemes | The LEGO Group |
| Alfa Laval, Inc. (USA) | DENSO | Lehigh Hanson |
| Alibaba Group | Deutsche Telekom | Liberty Utilities |
| Allianz of North America | DHL | L'Oréal USA, Inc. |
| Anheuser-Busch | Diageo, Inc. | Louisville Corporate Services, Inc. |
| APG | Direct Energy | LVMH Moët Hennessy Louis |
| APL Limited | DLI North America | Vuitton |
| Aptiv | DSM North America | LyondellBasell |
| Arca Continental | Electrolux North America | Maersk Inc |
| Astellas Pharma US, Inc. | EMD Holding | Mahindra |
| AstraZeneca Pharmaceuticals | Emera, Inc. | MAHLE Industries |
| AVANGRID | Enel Green Power North America | Magna International |
| BAE Systems | ENGIE | Mallinckrodt |
| Balfour Beatty | E.ON North America | Marvell Semiconductor |
| Barrick Gold Corp. of North America | Ericsson | Mazda |
| Barry Callebaut | Essilor USA | McCain Foods USA |
| BASF Corporation | Experian | Medtronic, Inc. |
| Bayer Corp. | Ferguson Enterprises, Inc. | Michelin North America, Inc. |
| BBA Aviation | Fresenius Kabi USA, LLC. | Mitsubishi Electric US, Inc. |
| B. Braun Medical, Inc. | Fresenius Medical Care | Mizuho Bank, Ltd. |
| BHP Billiton | FUJIFILM Holdings America G4S | National Grid |
| BIC Corp. | Garmin International, Inc. | NEC Corporation of America |
| Bimbo Bakeries | GE Appliances, a Haier Company | Nestlé USA, Inc. |
| bioMérieux | Getinge Group | Nissan |
| BlueScope Steel North America | GlaxoSmithKline | Nokia |
| BNP Paribas | Global Atlantic Financial Company | Nomura Holding America, Inc. |
| Boehringer Ingelheim Corp. | Grifols | Novartis Corporation |
| Bombardier Inc. | Grundfos | Novo Nordisk |
| Bosch | Heineken USA | Ørsted North America Inc. |
| BP | Henkel Corporation | Panasonic Corp. of North America |
| Bridgestone Americas Holding | Hitachi, Ltd. | Pearson Inc. |
| Brookfield Asset Management | Honda North America | Permobil |
| BT | HSBC Bank North America | Permod Ricard USA |
| Bunge Ltd. | Huhtamaki | Philips North America LLC |
| Bunzl USA, Inc. | Hyundai Motor America | Pirelli |
| Capri Holdings | IKEA North America Services, LLC. | POSCO |
| CEMEX USA | Imerys | QBE the Americas |
| CGI Group | Infinion Technologies | Randstad North America |
| Chubb | Americas Corp. | Rassini International Inc. |
| CN | InterContinental Hotels Group | RELX Group |
| CNH Industrial | Indivior PLC | Restaurant Brands International |
| Compass Group USA | Ipsen Biopharmaceuticals, Inc. | Rio Tinto America |
| Continental Corporation | John Hancock Life Insurance Co. | Roche Holdings, Inc. |
| Cosentino Group | Johnson Controls | Rolls-Royce North America Inc. |
| CSL Behring | Johnson Matthey | Royal Bank of Canada |
| Credit Suisse Securities (USA) | | SABIC |
| CRH Americas, Inc. | | Safran USA |
| Daikin North America | | Samsung |
| | | Sanofi US |

- SAP America
- Sasol Chemicals (USA) LLC
- Schindler Elevator Corporation
- Schlumberger
- Schneider Electric USA
- Schott North America
- Shell Oil Company
- Shire Pharmaceuticals
- Sibelco Group
- Siemens Corporation
- Signify
- Smith & Nephew, Inc.
- Smithfield
- Smiths Group
- Sodexo
- Soffbank Group
- Solvay America
- Sony Corporation of America
- Spotify
- SSAB Americas
- Standard Chartered Bank
- Sumitomo Corp. of America
- Swiss Re
- Syngenta Corporation
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- The Tata Group
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- Thales USA, Inc.
- Thomson Reuters
- TOTAL Holdings USA, Inc.
- Toyota Motor North America
- Trafigura
- Transamerica
- UBS
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- Umicore
- Unilever
- Vivendi
- Voith Holding, Inc.
- Volkswagen of America, Inc.
- Volvo Group North America
- Westfield LLC
- White Mountains, Inc.
- Willis Towers Watson
- Wipro Inc.
- Wolters Kluwer U.S. Corporation
- WPP Group USA, Inc.
- Zurich Insurance Group

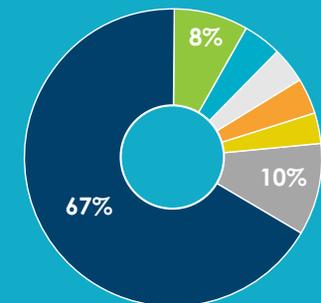
OFII MEMBERS
EACH EMPLOY
ON AVERAGE
MORE THAN
12,000 AMERICANS.

Membership by Region



- Americas
- Asia
- Europe
- Middle East & Africa

Membership by Industry



- Manufacturing
- Finance & Insurance
- Information
- Banking
- Professional, Scientific & Technical Services
- Retail Trade
- Other Industries

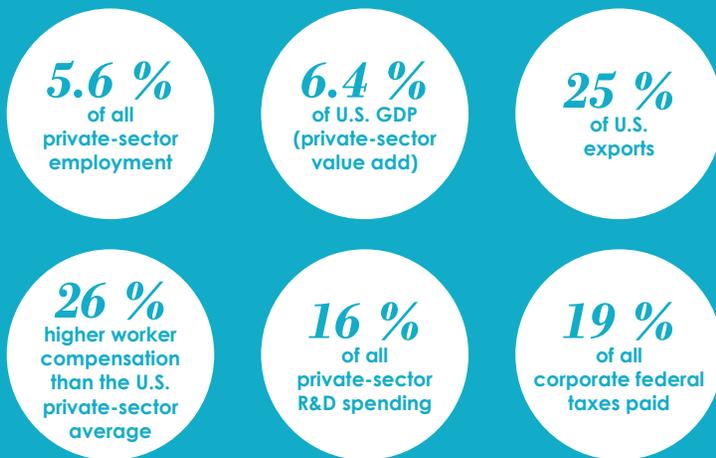
MEASURING THE SOCIAL GOOD PROVIDED BY INTERNATIONAL COMPANIES

In an environment as diverse and dynamic as the U.S. economy, demand and opportunities for investment are plentiful.

To remain atop global value chains and at the technological frontier, the U.S. economy requires continuous inflows of fresh capital to replenish the machinery, software, laboratories, research centers and high-end manufacturing facilities that harness our human capital, animate new ideas and create wealth.

On average, and increasingly over the years, the U.S. subsidiaries of companies headquartered abroad—referred to as international companies in this report—have contributed disproportionately to U.S. economic performance, as observed across a variety of objective measures.

Even though these entities as a group account for less than two percent of U.S. businesses with payrolls, international companies account for:



These direct contributions—as impressive as they are—provide only a partial picture of the impact that international companies have on American prosperity.

INTERNATIONAL COMPANIES INCREASED CHARITABLE CONTRIBUTIONS BY

123%

OVER THE PAST DECADE,

significantly above the 19 percent of growth seen in the overall private sector over that same period.

THE *VALUE* OF ESG

Academic literature finds that corporate policies related to environmental, social and governance (ESG) matters are good predictors of financial and economic success. Among the various academic findings are that:

A POSITIVE CORRELATION EXISTS BETWEEN CORPORATE ENVIRONMENTAL RESPONSIBILITY AND LONG-TERM STOCK PERFORMANCE;¹

A ROBUST RELATIONSHIP EXISTS BETWEEN CORPORATE SOCIAL RESPONSIBILITY (CSR) AND HIGH CREDIT RATINGS, SUCH THAT FIRMS WITH GOOD CSR SCORES OBTAIN LOWER FINANCING COSTS BECAUSE OF IMPROVED CREDITWORTHINESS BY WAY OF IMPROVING RELATIONS WITH STAKEHOLDERS, SIGNALING OPERATIONAL AND FINANCIAL EFFICIENCY AND REDUCING THE RISK OF BAD BEHAVIOR;²

COMPANIES WITH MORE WOMEN ON THEIR BOARDS GENERATE BETTER RETURN ON EQUITY;³ AND

GOOD ESG PERFORMANCE LOWERS BOTH THE COST OF EQUITY AND THE COST OF DEBT, WITH AN EMPHASIS ON THE IMPACT OF GOOD CORPORATE GOVERNANCE.⁴

A meta-study published in 2015, which considers the primary and secondary data of previous academic review studies, combining the findings of nearly 2,200 individual studies, is considered the most exhaustive overview of academic research on this topic.

Its main conclusions were that roughly 90 percent of those studies found a non-negative relationship between the implementation of ESG policies and corporate financial performance; a large majority of the studies reported positive relationships; and that positive relationship appears to be stable over time.⁵

OUR ANALYSIS

One of the most commonly cited sources for reliable information on these metrics are the Morgan Stanley Capital International (MSCI) ESG Indexes. MSCI ESG conducts research and catalogues companies' commitments to responsible practices in the realm of environmental, social and governance policies.

Raw data are collected that capture the risk exposure, practices and performance of some 8,600 global companies, from sources including government statistics, corporate annual reports, proxy filings, securities filings, environmental databases, websites, media sources and NGO publications.

The database used to analyze ESG factors included more than 150 metrics for over 7,000 companies from 81 different countries. The metrics are derived from raw data that measure companies' exposure to ESG risks and their performance in mitigating those risks.

Analyzing this data and grouping companies based on their global headquarters' location, allows us to better quantify the relative ESG strength of international companies, including members of the Organization for International Investment (OFII members).

FINDINGS

As you would expect, introducing high-performing, time-tested, top-tier companies into the pool of domestic entities in an industry can only improve the economic outcome. Companies abroad that rise to the tops of their industries, by definition, have histories of making better than average choices.

Those decisions about design, production, distribution, marketing and customer relations generated results that put these companies in better positions to raise capital, expand in their industries, diversify into others and ultimately qualify to compete globally.

WITH OVERALL AVERAGE SCORES SURPASSING 16 PERCENT HIGHER THAN THE SCORES OF U.S. DOMICILED COMPANIES, INTERNATIONAL COMPANIES—SPECIFICALLY, OFII MEMBERS—ARE RAISING AMERICA'S ECONOMIC, LABOR, ENVIRONMENTAL AND SOCIETAL ADVANTAGES.

The premium delivered from international companies is most pronounced on policies related to environmental practices (31.4%), but also significant on social policies (17%).

Table 1 provides a summary of how OFII member companies compare to the overall U.S. private sector.

For example, OFII members scored 117.2 percent higher than the average U.S. company in terms of their product carbon emissions score. That is just one key indicator that contributes to the overall Environmental Pillar Score, where OFII members registered 16.5 percent higher than the average U.S. firm. Appendix A provides a full description of each of these key indicators.

TABLE 1

OFII MEMBER COMPANIES OUTPERFORM THE U.S. AVERAGE

OFII members regularly score higher than the average U.S. company on a variety of key ESG indicators. Here are percentages by which they exceed the U.S. average:

OVERALL WEIGHTED AVERAGE SCORE	16.5%
ENVIRONMENTAL PILLAR SCORE	31.4%
Product Carbon Footprint Score	117.2%
Carbon Emissions Score	37.0%
Opportunities in Clean Tech Score	36.6%
Biodiversity and Land Use Score	28.3%
SOCIAL PILLAR SCORE	17.1%
Privacy and Data Security Score	65.5%
Human Capital Development Score	64.3%
Health and Safety Score	36.8%
GOVERNANCE PILLAR SCORE	2.4%
Gender Diversity Score	37.2%
Anti-Corruption and Stability Score	19.4%
Corporate Governance Score	5.5%

Source: OFII analysis of Morgan Stanley Capital International (MSCI) ESG Indexes, accessed Fall 2018.

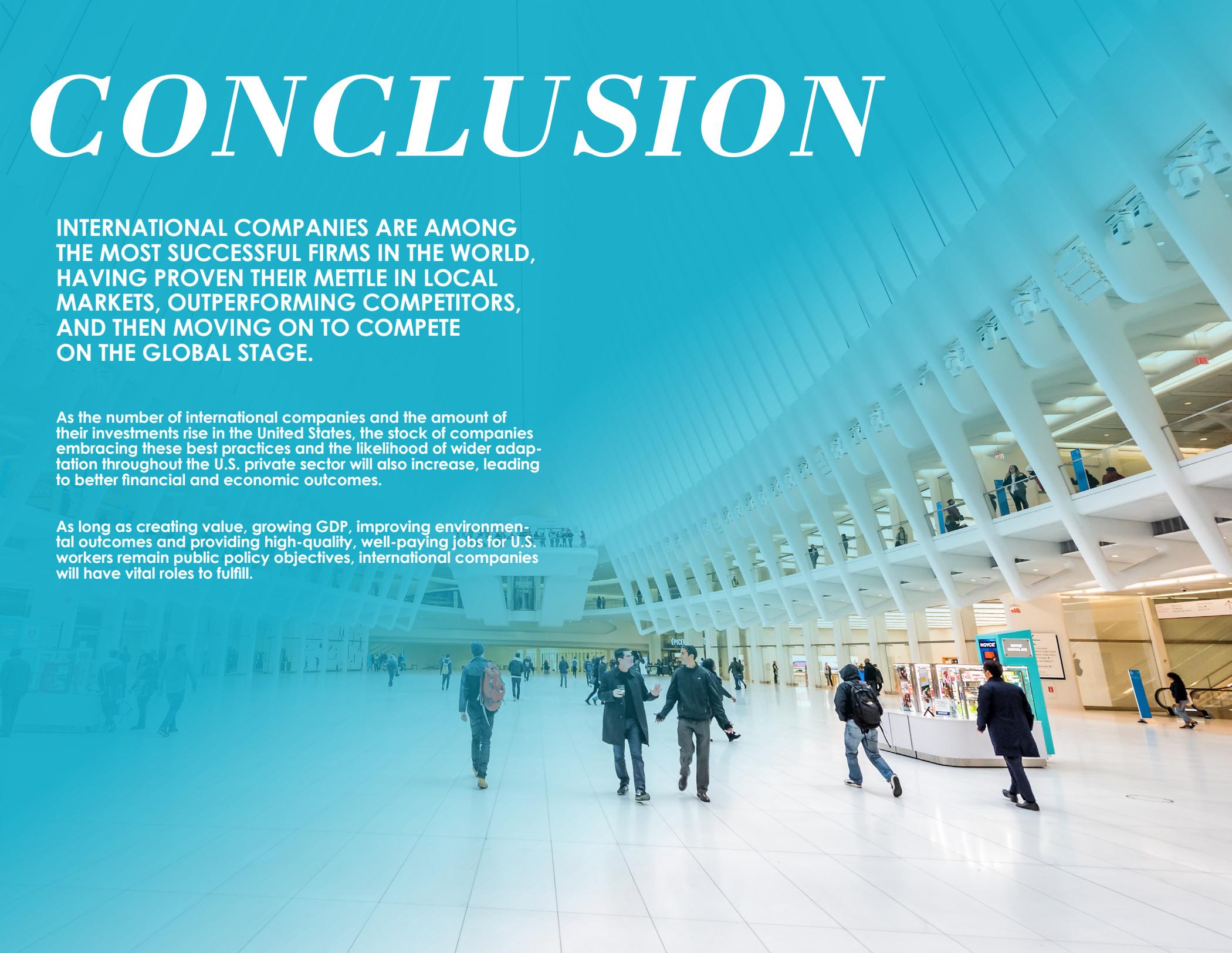
Among the most striking findings from this analysis are the international premiums attached to policies that have become extremely important for workers, management, shareholders, consumers and policymakers alike: human capital development and data privacy.

Companies that engage in policies geared toward managing and cultivating their human resources by offering formalized training programs, and actively measure and seek to improve the satisfaction of their employees, tend to be more successful. On this metric, OFII's member companies offer a premium of 64.3 percent over the average U.S. employer.

Likewise, as policymakers and the marketplace compel companies to do more to protect data and ensure privacy, those companies that have already adopted effective policies will be ahead of the curve. And the fact that they are already committed to this objective reflects positively on the company's management philosophy.

As the data show, OFII's member companies score better than U.S. domiciled companies do when it comes to protecting data and ensuring privacy, ranking, on average, 65.5 percent higher.

CONCLUSION



INTERNATIONAL COMPANIES ARE AMONG THE MOST SUCCESSFUL FIRMS IN THE WORLD, HAVING PROVEN THEIR METTLE IN LOCAL MARKETS, OUTPERFORMING COMPETITORS, AND THEN MOVING ON TO COMPETE ON THE GLOBAL STAGE.

As the number of international companies and the amount of their investments rise in the United States, the stock of companies embracing these best practices and the likelihood of wider adaptation throughout the U.S. private sector will also increase, leading to better financial and economic outcomes.

As long as creating value, growing GDP, improving environmental outcomes and providing high-quality, well-paying jobs for U.S. workers remain public policy objectives, international companies will have vital roles to fulfill.



GRIFOLS OVER 220 U.S. LOCATIONS GLOBAL HQ: SPAIN

Grifols created the Community Outreach Program for its network of donor centers to help generate awareness for the importance of plasma donation and the diseases that plasma-derived medicines help treat.

Grifols plasma donor centers are a neighbor of choice in more than 220 locations across the United States.

Since the Community Outreach Program first rolled out in September 2017, Grifols plasma donor centers and its employees have participated in more than 4,000 community outreach events.

The program tracks the outreach, lays out best practices and establishes a minimum level of activity expected of all centers. The specific engagement efforts are left to each individual plasma donor center, as they know their own community best.

Some communities may need the food pantry shelves restocked, while others may need

an extra set of hands at the local Humane Society.

Some centers are near military bases and feed the troops alongside the USO, and others may help clean up the roads that run through their community.

Activities include partnering with more than 50 local U.S. food pantries to donate 15,000 meals to people in need, holding donation drives collecting \$16,000 worth of school supplies—enough to outfit more than 150 local students with backpacks and supplies to set themselves up for a successful year, and providing charitable contributions.

All of this shows how Grifols is an active, responsible and supportive community partner.

IDENTIFYING COMMUNITY NEEDS

RESTORING URBAN TREASURES



HEINEKEN USA WASHINGTON, SEATTLE, HOUSTON & PHILADELPHIA

GLOBAL HQ: THE NETHERLANDS

Sustainability is woven into the ethos of Heineken, and the commitment to Brewing a Better World unites the company and its 250+ global brands.

Heineken USA aims to actively connect with and serve the communities in which the company does business or calls home. The goal of [Heineken's Cities Project](#) was to improve urban areas through local historical restoration projects.

By partnering with communities across the country, Heineken took a personalized approach and was able to gain expertise from local residents about what projects would mean the most to them.

In the summer of 2017, Heineken focused on 10 different monuments and sites in U.S. cities and partnered with the Bruno Mars 24K Magic U.S. Tour to raise more than \$400,000 for projects across the United States.

Fans were given a chance to receive concert tickets in exchange for supporting select projects on Indiegogo, a crowdfunding platform, offering a direct line of involvement for local community members interested in making a difference

in ways unique to their city's needs.

Heineken then set financial goals for each of their Cities Projects in order to raise the appropriate funds.

For each city, Heineken had a goal of raising \$15,000. Heineken's team was extremely pleased that the financial goals were not only met, but surpassed for each project.

In fact, four city projects garnered more than \$40,000 in funding:

In Washington, D.C., Heineken helped repair four of Union Station's 46 legionnaire statues.

In Seattle, it restored one of the quirkiest pieces of the city's history—the prism glass sidewalks of Pioneer Square.

Home of the world's first domed stadium, Houston's now vacant Astrodome will come alive again through renovations and a multi-day festival that will showcase its new capabilities.

Through Heineken's *Bring Philadelphia's Rail Park to Life* initiative, three miles of abandoned railroad tracks will be transformed into a new public park.

DRIVING HOME TEEN SAFETY

MICHELIN NORTH AMERICA NATIONWIDE

GLOBAL HQ: FRANCE



Photo courtesy of Carlos Delgado/AP Images for Michelin North America.

In 2014, Michelin North America identified a life-threatening problem: Improperly maintained tires were contributing to numerous car accidents, the number one cause of teen deaths in the United States. Twelve percent of those crashes are directly related to poor fire maintenance, and research showed that neither parents nor driver's education materials were equipped to educate teens about this important topic.

In fact, only two states were teaching tire safety in driver's education classes.

In response, Michelin launched the [Beyond the Driving Test initiative](#) in partnership with the Federation Internationale de l'Automobile (FIA), setting a goal of gaining commitments from all 50 states to include consistent information about tire safety in new driver training materials.

By summer 2017, all 50 states committed to include this life-saving information in education materials.

Michelin then zeroed in on moving teens from tire safety awareness to action. Teens

care about air pressure and tread depth—but it has more to do with their sneakers than their tires.

Capitalizing on the recent sneaker craze, Michelin partnered with Vans to motivate teens to get involved in tire safety through the #StreetTreadContest.

For a chance to win a pair of limited-edition Michelin-inspired Vans, teens used social media to share a photo showing that they know how to check a tire's tread depth using a penny and/or know how to check tire pressure.

Street Tread has been a major success in driving teens to action and connecting the dots between something teenagers are passionate about, their shoes, and a serious, life-saving issue that is too often overlooked, tire maintenance.

Michelin expects that the Street Tread experience will stick with young adults and create diligent fire-care habits that they will in turn pass along to others.

NATIONAL GRID PUERTO RICO GLOBAL HQ: THE UNITED KINGDOM



POWERING PUERTO RICO

On September 20, 2017, Hurricane Maria struck the U.S. territory of Puerto Rico, making its devastating mark on the lives of more than three million residents.

The category four storm created the largest power outage in U.S. history, and the world's second-largest power outage on record.

While National Grid is often called upon to provide mutual aid to neighboring regions during periods of large power outages, the company had never witnessed the kind of devastation that this hurricane brought to a community.

In response, National Grid joined forces with the state of New York and sent 158 National Grid line-workers to the island [to restore power under unprecedented conditions](#).

Working 16-hour workdays without breaks for nearly six weeks, National Grid line-workers were able to achieve nearly 90,000 incident-free work hours and restore power to the community.

Back in New York, 40 employees worked tirelessly behind the scenes to ensure that power was successfully restored to 98 percent of the San Juan district by February 2018.

National Grid's commitment did not stop there—it has since continued to partner with communities in Puerto Rico to help the island rebuild from this devastating natural disaster.

The lasting effects of this initiative were not only that National Grid was able to help restore power for customers in a disaster-stricken area, but also that National Grid was able to build strong relationships in the community that will continue for many years to come.

PHILIPS NORTH AMERICA NATIONWIDE

GLOBAL HQ: THE NETHERLANDS

SUPPORTING VETERAN CAREGIVERS



For the 5.5 million spouses, parents, siblings and other loved ones who often set aside their personal lives and careers to care for military and veteran family members, it can be a journey in total isolation. To help improve the lives of these caregivers with better support and access to healthcare, [Philips partners with the Elizabeth Dole Foundation](#) (EDF) and the U.S. Department of Veterans Affairs (VA).

One of these support systems is the Hidden Heroes Cities Program, established by the EDF in 2016 to help caregivers share best practices and provide resources. The program has grown from 85 to 123 cities during Philip's relationship with the EDF.

Philips also partners with the VA and the EDF to [host educational baby showers](#) for military parents—making it easier for these young parents, who are often away from their support systems at home, to find a sense of community and cope under high stress.

Telehealth technology, is another way Philips is improving the lives of military and veteran families. Using telehealth, caregivers can now access better monitoring systems and communicate instantly with doctors.

Veterans are examined through virtual appointments via tablet or laptop with medical professionals who are hundreds, or even thousands, of miles away.

This face-to-face interaction relieves patients and family members from the burden of endless highway hours and travel expenses, making healthcare more accessible and affordable.

By 2018, Philips has supported more than 3,000 military and veteran families across the country and helped to establish better support for caregivers cities alongside the EDF and VA organizations.

FOSTERING EMPLOYEE GIVING

RANDSTAD NORTH AMERICA NATIONWIDE

GLOBAL HQ: THE NETHERLANDS

Randstad With Heart, a global online corporate social responsibility (CSR) community that was launched in 2018, connects Randstad employees worldwide to further the company's collaborative take towards CSR.

Many Randstad employees were already personally involved in philanthropy, using internal communication mechanisms to promote their cause, engage colleagues and raise funds, but there was no way to support these efforts or quantify their impact.

Recognizing an opportunity to more broadly support their employees' CSR efforts, Randstad launched a new platform that allows employees to find local volunteer opportunities, as well as record their team and individual volunteer efforts and charitable donations.

Randstad With Heart provides one location for employees to

find and donate to charitable organizations, while improving Randstad's ability to quantify its employees' impact both nationally and globally.

To further encourage charitable activism within the company, all full-time associates are awarded eight paid volunteer hours per calendar year to use towards the cause of their choice.

In the United States alone, nearly half of Randstad employees have participated in Randstad With Heart, logging more than 14,400 hours of volunteer time and donating close to \$50,000 in the six months since the platform's initial launch.

One particularly successful initiative was Operation Care Package, where dozens of field offices participated, creating care packages for U.S. troops.

AHOLD DELHAIZE FREETOWN, MASSACHUSETTS

GLOBAL HQ: THE NETHERLANDS

CONVERTING WASTE INTO ENERGY

As part of doing business as a grocery retailer, many of Ahold Delhaize's stores generate food waste. One of the company's top priorities is the reduction of waste going into landfills.

In order to accomplish its sustainability goal, Ahold Delhaize's Stop & Shop Supermarket Company [opened a state-of-the-art, Green Energy Facility](#) in Freetown, Massachusetts, that uses a natural process called "anaerobic digestion" to convert inedible food waste that cannot otherwise be donated, into clean energy.

Each day, tons of inedible food waste from 208 Stop & Shop stores is brought to the 24,000 square-foot green energy facility to be processed and converted into biogas.

The biogas fuels a generator that, in turn, generates electricity capable of producing up to 40 percent of the energy needed to power heating, lighting and air conditioning systems in Stop & Shop's adjacent distribution center.

The Stop & Shop Green Energy Facility is unique in that it is the only one of its kind on the east coast, and one of only two like it in the United States.

Unlike anaerobic digesters used in manufacturing or agriculture, the Green Energy Facility not only diverts food waste from landfills, it transforms it into clean energy. In addition, it generates a nutrient-rich soil that is then used to make compost.

Ahold Delhaize's initiative has kept more than 70,300 tons of food waste out of American landfills and generated nearly 14,000 megawatts of clean electricity for the adjacent 1.1 million sq. ft. Stop & Shop distribution center since the facility launched in early 2016.

BUILDING OPPORTUNITY FOR PTSD VETERANS



BNP PARIBAS NEW YORK, NEW YORK GLOBAL HQ: FRANCE

BNP Paribas' approach to corporate social responsibility is to develop financial solutions to some of society's most pressing issues.

With that in mind, BNP Paribas has recently become actively involved in Pay for Success contracts (PFS), also known as Social Impact Bonds.

For example, BNP Paribas was a lead investor in the Veterans Coordinated Approach to Recovery and Employment, or Veterans CARE, bond after successfully partnering with the state of Connecticut on its first Pay for Success contract.

[Veterans CARE](#) is a \$5.1 million Pay for Success initiative that supports unemployed or underemployed veterans with post-traumatic stress disorder (PTSD) in attaining competitive, compatible employment.

This initiative is effective because it uses the power of finance and capital markets to sustain much needed social programs, in this case aiming to improve both economic and well-being outcomes for veterans suffering from PTSD.

In fact, BNP Paribas' investment is the first Pay for Success contract aimed at serving America's veterans. The project has been bolstered through the participation of Social Finance, the U.S. Department of Veterans Affairs (VA) and local governments throughout the United States.

Through Veterans CARE, local VA medical centers have started delivering Individual Placement and Support (IPS), a personalized approach to supported employment, to up to 500 veterans over the next three years.

The project measures four outcomes for success: earnings, sustained competitive employment, fidelity to the IPS model and job satisfaction.

This initiative has also increased enthusiasm and inspired many employees, creating a sense of deep meaning in what BNP Paribas views as its core values.

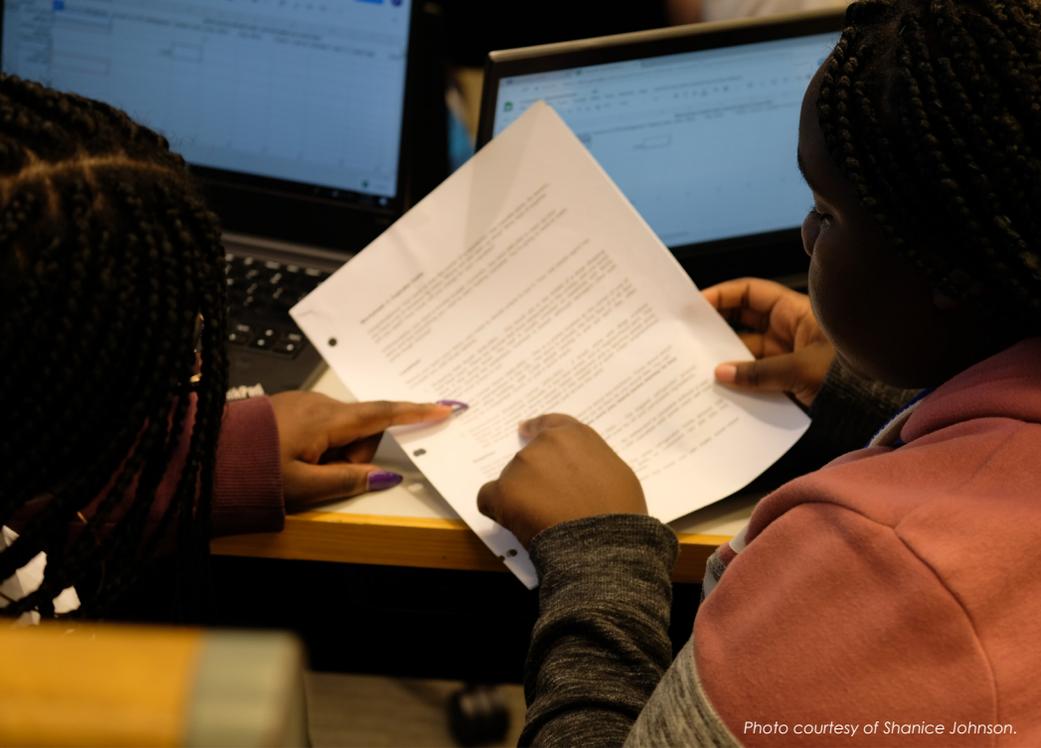


Photo courtesy of Shanice Johnson.

INSPIRING STEM AT THE SMASH ACADEMY

TE CONNECTIVITY PHILADELPHIA, PENNSYLVANIA GLOBAL HQ: SWITZERLAND

The TE Connectivity Foundation is committed to connecting and strengthening communities through access to technology and engineering for all, with a focus on women and under-served populations.

The [TE Connectivity Foundation](#) partnered with SMASH, a free, multi-year program providing access to technology and engineering for under-served youth that is successful in many regions across the United States.

The TE Connectivity Foundation's grant amplified the mission of SMASH by funding the launch of a SMASH Academy at the Wharton School of Business in Philadelphia for local high school students.

This funding supported a three-year intensive summer program for local teens.

Furthermore, the TE Connectivity Foundation's funding helped to create an alumni network to

ensure that ongoing support is available for those who have participated in the program across the country.

Widening the lens through which students around the world view STEM careers is just one example of how TE Connectivity's work with [the SMASH Academy](#) is fulfilling the company's purpose of creating a safer and more sustainable, productive and connected future.

SMASH scholars have outsized success after the program: 100 percent of scholars graduate high school, 91 percent graduate college, 76 percent enroll in a STEM field in college and 64 percent graduate college with a STEM degree.

PROVIDING SUPPORT FOR PATIENTS WITH CHRONIC CONDITIONS

TEVA PHARMACEUTICALS MOUNT SINAI, NEW YORK

GLOBAL HQ: ISRAEL

Teva Pharmaceuticals is dedicated to driving social impact through efforts focused on contributing to healthy communities and leading a responsible business.

As part of its commitment to address the global threat of non-communicable diseases, in 2017, [Teva Pharmaceuticals launched a partnership](#) with Mount Sinai's Arnhold Institute for Global Health in New York to develop solutions for patients with multiple chronic conditions (MCC).

MCC refers to the presence of two or more chronic conditions. It is a public health challenge impacting one-in-three people around the world.

The initial phase of the partnership assessed the health and cost burden of MCC and uncovered insights into patient-centered approaches for people with MCC.

Mount Sinai, as one of the largest health systems in the United States, provides a comprehensive picture of MCC-related challenges across the healthcare system—from patients to policy.

Key learnings include the need to improve methods for identi-

fying patients with MCC in the healthcare system, updating provider guidelines to treat those with MCC and increasing patient access to self-management interventions.

Other complementary research examining combinations, or clusters, of chronic diseases set the stage for new ways of looking at the burden of MCC and designing effective treatments.

Teva also has collaborated with other partners to support MCC work.

Enhancing Access2Care is a two-year program that expands access and improves care for underserved populations in the United States. Funded by Teva and implemented by Direct Relief and Volunteers in Medicine (VIM), the program provides funding to VIM clinics to support delivery of primary and preventive healthcare for patients with MCC.

From improving access to treatment to creating new treatments for patients with two or more chronic conditions, Teva is working to improve the quality of life for patients with MCC in communities in the United States and around the world.



OFII MEMBERS ARE LEADERS IN ENVIRONMENTAL SUSTAINABILITY

OFII member companies are global leaders in environmental sustainability. Of the 24 industry group leaders that comprise the Dow Jones Sustainability Index, more than half are international companies that operate in the United States.

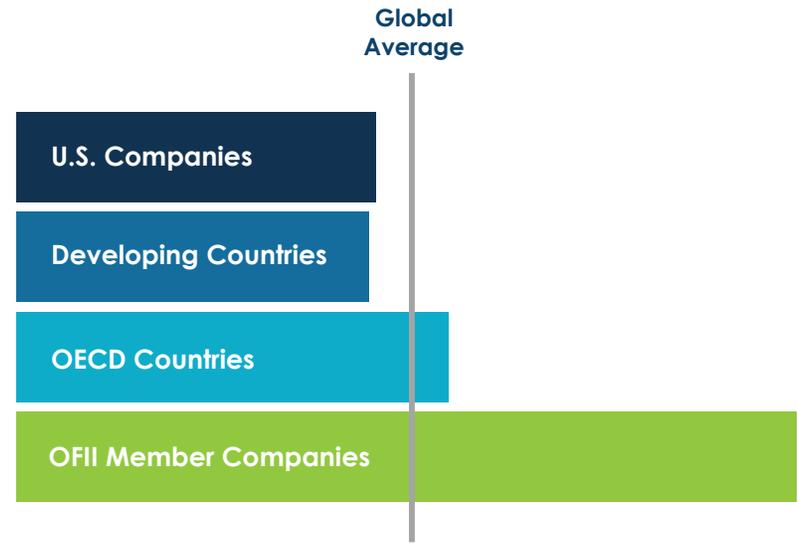
As our analysis shows, their overall Environmental Pillar Score, which analyzes companies' performance across several different sustainability metrics, registers 16.5 percent higher than the average U.S. firm.

OFII members also score an impressive 117.2 percent higher than the average U.S. company in terms of reducing their product carbon emissions.

FIGURE 1

OFII Members Are Leaders in Lowering Product Carbon Footprint

Higher score equals lower product carbon footprint



Source: OFII analysis of Morgan Stanley Capital International (MSCI) ESG Indexes, accessed Fall 2018.

Figure 1 shows how different groups of companies scored in the product carbon footprint metric—as well as the weighted global average for this metric. The above groups are defined as the following:

- **Global Average:** The average score of all companies recorded that had a score (a non-missing value) for this metric.
- **U.S. Companies:** The average score for all U.S.-based companies, of which there were 2,332.
- **Developing Countries:** The average score for all companies based in developing countries, of which there were 1,140.
- **OECD Countries:** The average score for all companies based in non-U.S. OECD countries, of which there were 3,117.
- **OFII Member Companies:** The average score for all companies that are members of the Organization for International Investment, of which there were 164.



GROWING LOCAL PARTNERSHIPS IN THE WINDY CITY

SODEXO CHICAGO, ILLINOIS

GLOBAL HQ: FRANCE

Sodexo's local sourcing of produce in the Chicago area leverages partners across its supply chain to positively impact the community of Chicago.

To do so, [Sodexo has partnered](#) with Midwest Foods, a woman-owned and operated regional produce distributor, and the Chicago Botanic Garden's Windy City Harvest program to support small, local Chicago businesses and farmers by leveraging Sodexo's purchasing power to create demand for Chicago-grown products.

Sodexo has initiated a multiplier effect as its partners scale their businesses by providing career development opportunities for at-risk community members, increasing access to affordable and nutritious choices for food deserts, and supporting local sustainability efforts.

Specifically, Sodexo has supported a 34 percent year-over-year growth in produce volume by Windy City Harvest.

The partnership has enabled Windy City Harvest to expand its operations and community programming, training over 1,000 urban farmers, including teens, apprentices and ex-offenders, incubating over 30 farm businesses, and providing 1,800 healthy produce boxes to low-income families.

The Local Food Committee formed by Midwest Foods to support Windy City Harvest has fostered sustainability improvements, including the reduction of food waste through better demand planning and an "imperfect produce" program.

Through Sodexo's local sourcing efforts in the Chicago area, the company was able to develop a supply chain network that is enabling positive outcomes for the community. This includes an increased capacity of Chicago-based farmers, more inclusive access to healthy food and support for local sustainability efforts.

BRINGING MORE TO THE BREAKFAST TABLE

TATE & LYLE SCHAUMBURG, ILLINOIS GLOBAL HQ: THE UNITED KINGDOM

As a food ingredients company, Tate & Lyle understands the important contribution that a healthy, balanced diet plays in creating a happy, healthy and fulfilling life.

In the Chicago area, the home of Tate & Lyle's Global Innovation Centre, far too many students start their day without a healthy breakfast, making success in the classroom a real challenge.

Tate & Lyle's Global Innovation Centre partnered with Schaumburg, Illinois's District 54 Foundation to support students at their neighborhood school—Enders-Salk Elementary—through the Food 4 Thought program.

The [Food 4 Thought program](#) matches sponsors with local schools that need help ensuring that students start their days with a healthy breakfast.

Tate & Lyle wanted to do more than provide breakfasts, though. It saw an opportunity to bring more to the breakfast table.

So, together with the school and staff, Tate & Lyle began planning a true partnership—one that helps teachers, parents and students excel by bringing the company's passion, expertise and community spirit to them.

As Enders-Salk Elementary and Tate & Lyle's partnership deepened in 2017, the connection and cadence of their involvement grew steadily.

Tate & Lyle is now taking the lead on hosting lessons and demonstrations for Enders-Salk Elementary, including teaching food groups to first-graders and kicking off the fourth, fifth and sixth grade 2019 science fair.



OFII MEMBERS ARE LEADERS IN SOCIAL RESPONSIBILITY

OFII member companies are global leaders in social responsibility. Not only do they help regional economies grow by sourcing much of their supply chain from U.S. small businesses, generating three additional U.S. jobs for every U.S. worker they hire, international companies pay an average of **\$81,000 annually in wages and benefits**. That's 26 percent more than the private-sector average.

When an international company invests in the United States, they bring much more than the capital needed to operate. They often "import" expertise and industry know-how, including world-class workforce training programs. Whether it be a white-collar apprenticeship program, an IT job in rural America or a manufacturing certificate, American workers have opportunities to pursue high-quality careers close to home thanks to international companies.

In fact, international companies **employ 20 percent of America's manufacturing workforce**. These companies help diversify America's economy, making it more resilient to downturns, and are deeply rooted in the communities in which they operate (see [Figure 2](#)).

CHARITABLE CONTRIBUTIONS BY INTERNATIONAL COMPANIES HAVE GROWN BY **123%**

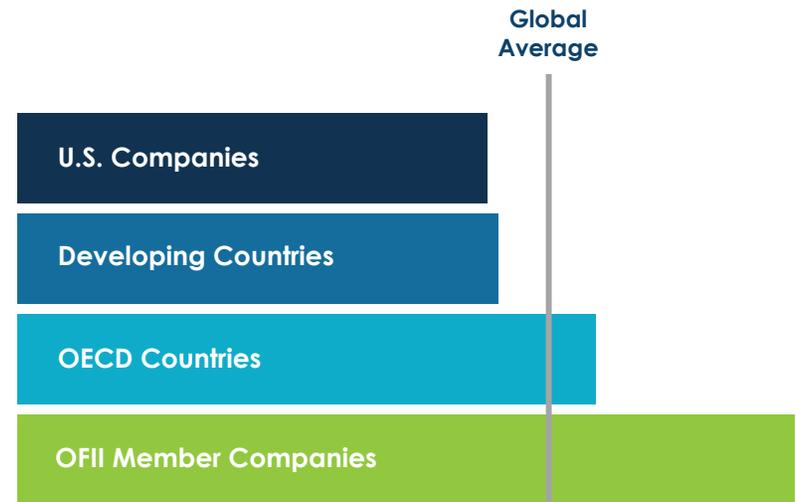


Source: Organization for International Investment's Economic Bedrock report, released in October 2018.

FIGURE 2

OFII Members Are Leaders in Protecting Privacy & Data

Higher score equals greater privacy & data security



Source: OFII analysis of Morgan Stanley Capital International (MSCI) ESG Indexes, accessed Fall 2018.

Figure 2 shows how different groups of companies scored in the privacy & data security metric—as well as the weighted global average for this metric. The above groups are defined as the following:

- **Global Average:** The average score of all companies recorded that had a score (a non-missing value) for this metric.
- **U.S. Companies:** The average score for all U.S.-based companies, of which there were 2,332.
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FORMING THE FUTURE OF FEMALE LEADERS

ERICSSON
DALLAS, TEXAS
GLOBAL HQ: SWEDEN

The new mission of the Girl Scouts goes far beyond its honored legacy of cookies, crafts and campfires—it is to put 2.5 million girls into a progressive STEM (Science Technology Engineering & Mathematics) leadership pipeline by 2025.

This mission aligns intimately with Ericsson's mission to increase the diversity of the U.S. workforce, and to close the gender gap in STEM careers.

The Girl Scouts are truly the experts in empowering girls, and they rely on partners like Ericsson that are the experts in STEM to achieve their critical mission. By working with the Girl Scouts across every Ericsson North American site, employees can make a difference that is both locally meaningful and nationally effective.

Specifically, this collaboration has resulted in the development of a digital assistant for STEM volunteerism called Jumpstart. [Jumpstart was created](#) to help volunteers acquire confidence and competence in leading girls through STEM education experiences. Even in the

beta stage, the Jumpstart program has received an 83 percent Net Promoter score in its first trial and is being extensively augmented and developed by the Ericsson-Girl Scouts Alliance. Net Promoter Score is an index from -100 to 100 that measures the willingness of users to recommend a solution to others.

The Ericsson-Girl Scouts Alliance strategic collaboration also entailed the deployment of 1000 ft. of high-tech Ericsson fiber throughout the 92-acre, state-of-the-art, \$14 million STEM Center of Excellence, located in Southwest Dallas, preparing the center for 5G, IOT, and transformative Information and Communication Technology (ICT) educational experiences.

Tomorrow's workforce starts today. The Girl Scouts are the preeminent leadership organization for girls in North America; their evolving and exciting partnership with Ericsson aims to move the needle and provide a true Jumpstart to their National STEM Pledge to encourage 2.5 million girls to pursue STEM fields by 2025.



NOVO NORDISK HOUSTON, TEXAS

GLOBAL HQ: DENMARK

Urbanization is a global phenomenon with more than two-thirds of the world's population expected to reside in urban settings by 2050. Simultaneously, diabetes prevalence rates are on the rise worldwide.

In response, Novo Nordisk created [Cities Changing Diabetes](#), a global program that operates as a public-private partnership in close to two dozen cities around the world to address the public health epidemic of diabetes in urban settings. The unique characteristics and infrastructure of Houston, Texas, spurred Novo Nordisk Inc. to implement the Cities Changing Diabetes program there.

Through a research partnership with the University of Texas School of Public Health, [Cities Changing Diabetes Houston](#) conducted quantitative and qualitative research to better understand the factors that exist in Houston that make residents vulnerable to developing Type-2 diabetes.

To foster community participation and empower Houstonians, Cities Changing Diabetes built a strong core of engaged local organizations.

As a result, nearly 100 community stakeholders are actively engaged in "Action Work Groups" aimed at implementing five unique projects that they

conceptualized and developed based on the research findings:

Faith & Diabetes, which trains health leaders from Houston's faith-based organizations to provide a diabetes self-management education program to members of their congregation. So far, 48 trainers representing 24 faith communities have taken the training, potentially reaching more than 75,000 Houstonians.

Disaster Preparedness and Diabetes, which created a plan to implement diabetes pop-up clinics in Houston-area shelters in the event of a natural disaster.

The Houston Diabetes Resource Center, an extensive online resource for people with diabetes, their caregivers, employers and health care providers.

Diabetes Peer Support, which works to increase the number of virtual and in-person peer support programs for people with diabetes in the city.

The Employer Diabetes Prevention Program, which works with employers to increase their offerings of the diabetes prevention program. So far, nine employers in Houston are participating in the Centers for Disease Control and Prevention-funded pilot program to demonstrate the application of the DPP for employees with prediabetes.

IMPROVING HEALTH IN HOUSTON

SASOL CHEMICALS SOUTHWEST LOUISIANA

GLOBAL HQ: SOUTH AFRICA



READYING AMERICA'S WORKFORCE

Sasol Chemicals (USA) LLC created the [Southwest Louisiana Workforce Resource Guide and Scholarship program](#) in partnership with local workforce development and education leaders to address Southwest Louisiana's 20 percent unemployment rate and prepare for a looming \$117 billion industrial economic boom.

To determine how best to address the unemployment issue and enable local residents to take advantage of the tremendous economic opportunity to come, Sasol conducted formal research and personally engaged local community stakeholders.

The [workforce resource guide program](#) that Sasol produced includes a step-by-step guide to choosing a career path, acquiring training, certifications and basic life skills, preparing a resume and ultimately securing a job in support of area industry.

Furthermore, the program connects community members with job training and social service resources, one-on-one mentorship, career counseling and workforce readiness services. Following the successful launch of the how-to guide, Sasol and

its community partners expanded the program to provide financial assistance to cover tuition, transportation, childcare and other costs associated with educational advancement.

To date, Sasol has invested nearly \$742,000 in the Workforce Resource Guide, mentor training services, career counseling and the Workforce Scholarship Program.

Sasol also spearheaded the sustainability component of the initiative, generating an additional \$200,390 in donations from other corporate sponsors.

The guide's scholarship component has helped more than 170 recipients graduate from technical programs. In addition, more than 200 people have participated in the Workforce Readiness Seminars, which provide information on various professionalism topics.

Sasol's workforce resource guide and scholarship initiative has helped the Southwest Louisiana area attain one of the lowest unemployment rates in the country.

OFII MEMBERS ARE LEADERS IN ETHICAL GOVERNANCE

OFII member companies are global leaders in corporate governance. Having succeeded in their home markets, they have grown operations in local communities across the United States.

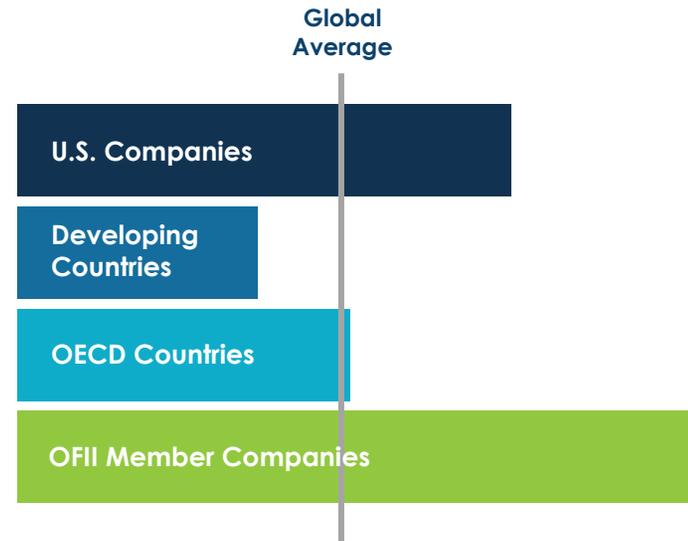
They have also brought with them industry know-how and a tradition of stable corporate governance. While OFII members are on par with U.S. companies in terms of their overall corporate governance score, our analysis shows that they exceed the U.S. average in terms of gender diversity by 37 percent (see [Figure 3](#)). They also are global leaders in terms of anti-corruption and corporate stability.

In short, they are productive, responsible companies providing high-quality jobs for U.S. workers.

FIGURE 3

OFII Members Are Leaders in Promoting Gender Diversity

Higher score equals greater gender diversity



Source: OFII analysis of Morgan Stanley Capital International (MSCI) ESG Indexes, accessed Fall 2018.

Figure 3 shows how different groups of companies scored in the gender diversity metric—as well as the weighted global average for this metric. The above groups are defined as the following:

- **Global Average:** The average score of all companies recorded that had a score (a non-missing value) for this metric.
- **U.S. Companies:** The average score for all U.S.-based companies, of which there were 2,332.
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IGNITING INNOVATIVE THINKING



HITACHI SOUTHERN CALIFORNIA GLOBAL HQ: JAPAN

The Hitachi Teacher's Choice newspaper-based program, in partnership with the *Los Angeles Times*, acts as an education unit to [provide Southern California students](#) with the opportunity to learn more about STEM.

Through the Teacher's Choice program, copies of the LA Times are delivered to participating classrooms every day, along with weekly curriculum guides for teachers to utilize in STEM lessons.

As part of a classroom's enrollment in the Teacher's Choice program, Hitachi also sponsors a poster contest.

In their most recent contest, students were asked to design a robot that would have a positive impact in their community.

This contest garnered the most entries in the history of the program. In fact, more than 350 students from over 100 southern California area schools submitted posters, with many entries coming from schools that had never participated before.

Because of cutbacks in science education in many U.S. schools, many students are not able to learn about robotics or participate in STEM-related activities until they are further along in their education.

By taking on this program, Hitachi has shown its concern for U.S. communities and how we can create solutions to everyday problems. Importantly, Hitachi's poster contest allowed for students to come up with real-life solutions that would help to change the world in which they live in.

In surveys taken after the program ended, many teachers said that it was a huge deal for the STEM students to reach outside of their comfort zone and communicate their ideas through art.

Furthermore, this program has encouraged young students to consider careers in the scientific and technical fields.

APPENDIX A

METHODOLOGY

The Morgan Stanley Corporate Investment ESG Indicators (MSCI ESG) is one of the most commonly cited sources for reliable information on corporate ESG activities. MSCI ESG conducts research and catalogues companies' commitments to responsible practices in the realm of environmental, social, and governance policies. Raw data are collected that capture the risk exposure, practices, and performance of some 6,800 companies (2,333 U.S. companies, 4,512 foreign companies) representing more than 80 different countries, from sources including government statistics, corporate annual reports, proxy filings, securities filings, environmental databases, websites, media sources, and NGO publications.

The database used to analyze ESG factors included over 150 metrics. The metrics are derived from raw data that measure companies' exposure to ESG risks and their performance in mitigating those risks. Most of the metrics are presented on a scale of 0-10 (with 10 being the best) and are grouped into "environmental," "social," or "governance" policies. Each of those broad categories is called a pillar, and each pillar is scored by weight averaging the scores of the constituent elements.

The **environmental metrics** include:

- **Carbon Emissions Score.** Companies that proactively invest in low-carbon technologies and increase the carbon efficiency of their facilities score higher on this key issue. Companies that allow legal compliance to determine product strategy, focus exclusively on activities to influence policy setting, or rely heavily on exploiting differences in regulatory frameworks score lower.
- **Carbon Footprint Score.** Companies that measure and reduce carbon emissions of their products throughout the value chain and implement programs with their suppliers to reduce carbon footprint score higher on this key issue. Companies that fail to identify or evaluate the carbon footprint of their products or that lack programs to reduce carbon emissions throughout the supply chain and distribution score lower on this key issue.
- **Biodiversity & Land Use Score.** Companies that have policies and programs designed to protect biodiversity and address community concerns on land use, score well on this benchmark. Companies with operations that disturb large and/or fragile, bio-diverse areas and lack strategies to minimize and mitigate biodiversity losses, score poorly.

- **Opportunities in Clean Tech Score.** Companies that proactively invest in product and services addressing issues of resource conservation and climate change score higher on this key issue. Companies lacking strategies and investments targeting these areas score lower on this key issue.

The **social metrics** include:

- **Health & Safety Score.** Companies with comprehensive H&S management and superior track record operating in countries with lower level of industrial fatalities score higher on this key issue, while companies with poor strategy and track record score lower.
- **Human Capital Development Score.** Companies that proactively manage human capital development through offering competitive benefit packages, implementing formalized training programs, and actively measuring employee satisfaction score highest on this key issue. The companies that rely heavily on highly-skilled employees but show no evidence of such employee engagement score poorly on this key issue.
- **Privacy & Data Security Score.** Companies with comprehensive privacy policies and data security management systems and companies that do not have business models reliant on trafficking in personal data score well on this key issue. Companies offering few or no assurances regarding the protection of personal data score lower, as do those with business models that rely on trafficking in personal data without consent.

The **governance metrics** include:

- **Corporate Governance Score.** This key issue evaluates the extent to which companies' corporate governance practices in specific governance areas – audit, board, compensation/remuneration, shareholder rights – pose financial risks to shareholders.
- **Anti-Corruption & Stability Score.** Companies that have programs, guidelines, and clear policies to avoid corrupt business dealings; have strong partnerships with local communities; and have high level of disclosure and transparency score higher on this key issue. Companies with a history of community opposition, that face security problems, and lack transparency in ESG and financial information score lower on this key issue.
- **Gender Diversity.** Does the board have at least one female director? Those that do receive a 1.

APPENDIX B

END NOTES

¹ Cai, L and C. He (2014), "Corporate Environmental Responsibility and Equity Prices", *Journal of Business Ethics*, 125: 617-635.

² Attig et al. (2013), "Corporate Social Responsibility and Credit Ratings", *Journal of Business Ethics*, 117: 679-694.

³ Flood, C. "Gender-diverse companies are more productive," *Financial Times*, March 11, 2018.

⁴ Clark, G. et al. (2015), "From the Stockholder to the Stakeholder: how sustainability can drive financial outperformance", March 2015.

⁵ Friede, G. and Busch, T. and Bassen, A. (2015), "ESG and financial performance: aggregated evidence from more than 2000 empirical studies", *Journal of Sustainable Finance & Investment*, 5:4, 210-233, DOI: 10.1080/20430795.2015.1118917.

