



novethic

RESEARCH

OVERVIEW OF
ESG
RATING
AGENCIES

SEPTEMBER 2013

INTRODUCTION	4
Environmental, Social and Governance analysis	4
A consolidating market.....	5
ESG-related products and services	6
Certification	9
INTERNATIONAL RATING AGENCIES	10
EIRIS Ltd	10
GMI Ratings.....	13
Inrate	15
MSCI ESG Research.....	17
oekom research	20
Sustainalytics	23
Vigeo	25
NON-FINANCIAL DATA PROVIDERS	28
Asset4 / Thomson Reuters.....	28
Bloomberg.....	29
RepRisk.....	30
SPECIALISED AGENCIES	31
EthiFinance.....	31
Ethix SRI Advisors	33
Ethos Services	35
Global Engagement Services.....	36
Maplecroft	38
Solaron	39
Trucost	40
Camradata Analytical Services and Merrill Lynch	41
LOCAL AGENCIES	42
Europe.....	42
Middle East.....	43
Asia-Pacific.....	44
America[s]	46
SUMMARY TABLES	47
International rating agencies	42
Non-financial data providers	43
Specialised agencies	44
Local agencies	50

© Novethic 2013

Total or partial reproduction of the content of this document is prohibited without the prior consent of Novethic. Using or citing the quantified data is allowed, provided that the source is indicated.

INTRODUCTION

The ESG rating market has developed considerably over the past fifteen years and has already undergone an initial phase of consolidation (2008-2010). A growing number of agencies have cropped up, while others have disappeared – most often taken over by a competitor. For the first edition, published in 2011, Novethic had established an overview of the agencies in a changing market. Two years on, the number of agencies seems to have stabilised. However, the ESG rating market is still a dynamic one as agencies are offering a more and more diversified range of products and services to investors.

Most agencies have created complementary products and services to the ESG ratings of issuers, such as controversy alerts and engagement services. The growing number of partnerships between international and local agencies enables the former to offer a wider geographic coverage of issuers. Other partnerships lead generalist agencies to offer their clients an access to specialist agencies (specialised in the evaluation of GHG emissions, in controversy alerts or engagement).

The ESG rating market is becoming more concentrated around the biggest agencies, which now offer a complete range of products and services and a large geographic coverage to responsible investors. This trend is illustrated by the cases of two well-known specialised agencies in governance: GMI Ratings and Ethos Services. Both of them have branched out and now offer an ESG analysis service to their clients.

This report aims to provide an overview of the range of ESG-related products and services available to investors. In light of the multiplicity of actors providing ESG ratings for all kinds of activities, Novethic has chosen to limit itself to those that provide such services to investors.

The agencies have been broken down by category (non-specialised international agencies, specialised agencies and local agencies). Within each category, they are listed in alphabetical order or by region.

The Novethic Research Centre mainly used information available on agency websites to prepare this overview.

Environmental, Social and Governance analysis

The field of Environmental, Social and Governance (ESG) analysis has been developed since the end of the 1990s. The process assesses the Environmental, Social and Governance (ESG) policies of companies, countries and other types of securities issuers (local governments, supranational organisations, para-public organisations, etc.). Based on this analysis, the rating – generally attributed by specialised agencies – serves to compare the ESG practices of the various issuers of both listed and unlisted securities and is used by investment managers to build SRI funds.

Unlike financial rating agencies, ESG rating agencies are paid by investors. Their analysis is primarily based on publicly available data reported by the companies as well as information produced by NGOs, governmental organisations or trade unions. This type of rating is also referred to as a "declarative rating", as opposed to a "requested rating" (ESG audit performed at the request of the company or government and paid for by the issuer) also offered by some agencies.

Brokers, the traditional providers of financial analysis on companies, have also begun to offer non-financial analysis by setting up dedicated teams. In France, Kepler Cheuvreux, Natixis, Oddo Securities and SGCIB (Société Générale Corporate and Investment Banking) propose

analyses that generally take into account ESG issues which have a financial impact on the companies in their business sector. They also provide services that monitor the day-by-day non-financial news at companies.

A consolidating market

Sector concentration

The leading non-specialised international ESG rating agencies active in France include Vigeo (France), MSCI ESG Research and GMI Ratings (US), EIRIS (UK), oekom (Germany), Inrate (Switzerland) and Sustainalytics (Netherlands).

Most of them are the result of mergers or acquisitions of long-standing agencies set up in the 1990s. This shift towards consolidation can be explained by a business model that has grown more complex due to the focus on establishing independence from the issuers reviewed and the financial instability of the pioneer agencies.

Founded following the acquisition of ARESE in 2002, Vigeo set up operations in Belgium in 2005 by taking over Stock at Stake, Ethibel's research centre (now Vigeo Belgium), and in Italy in 2007 as a result of the takeover of Avanzi SRI Research (now Vigeo Italia).

Sustainalytics was formed from the consolidation of the former members of SIRI Company¹ in 2008: Analistas Internacionales en Sostenibilidad (Spain), Dutch Sustainability Research (Netherlands) and Scoris (Germany).

More recently, MSCI ESG Research was set up as a result of the 2010 takeover of RiskMetrics by MSCI, a specialised provider of financial indices. RiskMetrics had itself bought the governance consulting agency ISS (US) in 2007, along with two ratings agencies in 2009, Innovest (US) and KLD (US).

A second American agency, GMI Ratings, was formed in 2010 through the merger of three firms — The Corporate Library, GovernanceMetrics International and Audit Integrity, specialised in governance and companies accounting. GMI Ratings analysis today ESG practices of issuers.

Lastly, Inrate was formed from the 2010 merger of two historic Swiss agencies: Centre Info (set up in 1990) and Inrate (set up in 1995).

International development

ESG rating agencies have also developed internationally either by establishing partnerships with local organisations to extend the coverage of their research and ESG ratings to major international and regional indices or by opening research subsidiaries or regional sales offices abroad.

EIRIS has built research partnerships with a number of local rating agencies such as CAER (Australia and New Zealand), Ecodes (Spain), Greeneye (Israel), IMUG (Germany) and KOCSR (South Korea).

In 2009, Sustainalytics merged with Jantzi Research Inc. (Canada), bought Responsible Research (Singapore) in May 2012 and recently formed a partnership with Sustinvest in South Korea.

Along with their international development, ESG rating agencies offer investors a broader range of products and services.

¹ Between 2000 and 2008, SIRI Company (Switzerland) was a group encompassing local agencies, notably CAER (Australia), Centre Info (Switzerland), DSR (Netherlands) and KLD (United States). The network was used to circulate the research conducted by each institution on its respective local market based on a shared system and methodology.

Providers of financial and non-financial data

Three leading international providers of financial services – Bloomberg, MSCI (see above) and Thomson Reuters – have entered the market at the end of the years 2000. They see ESG integration as a promising new focus.

In 2009, Thomson Reuters took over Asset4, a Swiss company offering a global database of ESG information. This specific tool was added to traditional financial information circulated in about a hundred countries. Thomson Reuters acquired Point Carbon in 2010, an information provider specialised in energy and the carbon market.

Bloomberg is progressively developing an in-house ESG expertise. The "ESG profiles" of issuers are not yet available for all 30,000 companies of its financial base, but the number of indicators and profiles available are steadily growing. In 2009, Bloomberg acquired New Energy Finance (UK), an information provider in renewable energy and the carbon market.

These providers enable investors to have access to raw data and to link them easily to financial data.

ESG-related products and services

Major international rating agencies most often offer a range of products that generally includes company ratings, country ratings and analyses of compliance with standards (norm-based analysis). In contrast, other smaller agencies have specialised. Trucost (UK), for example, measures companies' environmental impacts. Ethifinance (France) produces ESG ratings on both listed and unlisted small and mid-cap companies. Solaron (India) assesses companies operating in emerging markets.

ESG rating agencies provide their clients with databases of ratings that are calculated by applying weightings of the ESG criteria defined by the agency.

ESG analysis of companies

ESG rating agencies analyse companies in three areas: Environment, Social and Governance (ESG criteria). Each area covers multiple criteria (work-related accidents, energy consumption, greenhouse gas emissions, etc.) as well as standards (ILO² conventions, United Nations Global Compact³, and so on). Each criterion is then analysed based on the policies set out by the company, the implementation of these measures, the reporting on the initiatives taken and the performance of these initiatives. Agencies use these analyses to determine a rating for each criterion and an overall rating for each company. This rating can be used to compare companies based on ESG criteria. The criteria and weighting system between criteria may differ according to business sector (e.g. CO₂ emissions of a range of vehicles specific to automobile manufacturers). ESG rating agencies use information from various sources: the companies themselves (public documents, specific questionnaires, telephone and face-to-face contact), stakeholders (NGOs, trade unions, governmental organisations, etc.) and the media. As no common framework exists for ESG ratings, each agency has developed its own methodology. However, most agencies use the same base of international standards to establish opposable rating criteria.

Analysis of small and mid-cap companies

Some ESG rating agencies focus on small and mid-cap quoted companies or unlisted companies for private equity investors. This requires a different methodology and increased

² ILO: International Labour Organization.

³ <http://www.unglobalcompact.org/>

resources, which often include on-site visits to collect the necessary data, which is generally not available to the public.

Analysis of countries

ESG rating agencies have also developed methodologies to analyse countries. Investors can use these analyses to build SRI bond and money market funds invested in government debt. These methodologies are generally based on the ratification of major international conventions and available statistics and data (World Bank, Eurostat, Transparency International, etc.). The indicators are then aggregated to assign a rating to each country.

Analysis of supranational organisations and local governments

ESG rating agencies increasingly focus on supranational issuers (European Investment Bank, World Bank, etc.) and local governments (town councils, urban communities, general councils, regional councils, etc.) to meet the demand for analyses from SRI bond funds. They have developed ESG rating methodologies using criteria that are specific to these issuers.

Norm-based analysis

Norm-based analysis consists of analysing issuers according to their compliance with international standards and conventions, e.g. the conventions of the International Labour Organization, the Universal Declaration of Human Rights, etc. The framework of the ten United Nations Global Compact principles is also frequently used as a corpus for norm-based analysis as they cover the main ESG issues. After checking information sources, allegations of the violation of standards or conventions are classified according to their degree of seriousness and redundancy and the quality of the issuer's reaction.

Controversy alerts

Controversy alert services monitor several sources (media, NGOs, trade unions, etc.) to identify potentially questionable ESG practices. This type of alert may be a service in itself (e.g. RepRisk) or part of ESG or norm-based analysis.

Engagement

Shareholder engagement refers to investors' stance on ESG issues, requiring that the companies in which they invest improve their practices. These requirements take the form of a structured approach based on direct dialogue with the company and long-term monitoring. Investors can use different pressure tactics if the dialogue approach does not prove effective: public disclosure on the progress of the engagement approach and the company's shortcomings on sustainable issues, impact on management that may go from a freeze to divestment, or the exercise of shareholder rights, i.e. questions in general meetings, voting against proposed resolutions, support or filing external resolutions.

A growing number of ESG rating agencies are offering engagement services, which consist in identifying major engagement themes based on their ESG analyses of companies, and in guiding investors in their dialogue and engagement process. They also provide reporting services or bring together investors for collaborative engagement initiatives.

Governance and proxy voting

Investors have access to many different proxy voting agencies, including: Deminor (Belgium), Ethos services (Switzerland), Manifest Information Services (UK) and Proxinvest (France) for Europe; ISS, Glass Lewis and GMI for the United States. Some of these agencies have a global coverage, and they are providing general assembly's resolutions analysis and proxy voting services to investors.

ESG evaluation of portfolios

More and more ESG rating agencies offer investors an ESG evaluation service of their portfolios, whether or not they are SRI. It can, for example, take the form of an average ESG rating for asset owners who use multiple asset managers and wish to have a common methodology to compare their portfolios. Average ratings can also be useful for asset managers wishing to determine the ESG performance of a non-SRI portfolio.

Requested ratings

A CSR (corporate social responsibility) rating requested by a company consists in auditing the implementation of its CSR strategy, either as a whole, or on a specific social or environmental aspect or within a defined scope (country, division, etc.). A few ESG rating agencies, such as Ethifinance and Vigeo in France, provide requested ratings in addition to their other products. However, requested ratings and declarative ratings represent separate services as they may be a source of conflict of interest. Other agencies, such as Arcet Cotation, BMJ Ratings and CFIE (*Centre Français d'Information sur les Entreprises*) in France are dedicated to this type of service.

Apart from ratings requested by companies, ESG rating agencies also provide ratings of bond issues that finance environmental or social projects, usually launched by local governments. The objective of these ratings is to certify the environmental or social benefit of the projects.

SRI indices

Most SRI indices are established by ESG rating agencies which use their analysis methodology to select issuers included in the index. Agencies also often use a provider of traditional indices to create an SRI index (e.g. Dow Jones for the DJSI, FTSE for the FTSE4GOOD). These indices can be used as a basis to compare the performance of SRI funds or even to build SRI index funds. Moreover, SRI indices play an important role in influencing companies ESG strategy, as they are willing to be included in such indices. They highlight a positive assessment of their sustainable development policy, which in turn boosts their reputation.

Main Indices	
Providers	Indices or families of indices
Calvert	The Calvert Social Index
CRD Analytics	Global Sustainability Index, Cleantech 100, Life Sciences
Domini	Domini 400 Social Index
ECPI	ECPI Indices
EIRIS	FTSE4Good Index Series
EthiFinance	Gaïa Index
Maplecroft	Climate Innovation Indexes
MSCI	MSCI ESG Indices and Barclays MSCI (Fixed Income Indices)
oekom	Global Challenges Index
OWW	Responsibility Malaysia SRI Index, Responsibility Singapore SRI Index
SAM	DJSI
Sustainalytics	Jantzi Social Index, STOXX Global ESG Leaders Indices
Vigeo	ASPI Eurozone, Ethibel Sustainability Index, Euronext Vigeo
Thomson Reuters	Thomson Reuters Index

RobecoSAM, subsidiary dedicated to SRI and partner of DJSI

RobecoSAM is a Zurich-based investment manager set up in 1995 that currently employs about 100 people. In 1999, it launched a range of SRI indices with Dow Jones. The indices are established using a proprietary method of assessing companies based on ESG criteria. Each year, the 2,500 largest companies are invited to participate in this assessment based on an industry-specific questionnaire. RobecoSAM also compares companies with their peers in a given sector using quantitative and qualitative criteria. RobecoSAM used to sell its analyses to investment managers before it was bought by the Dutch finance group Robeco in 2006. RobecoSAM is now a subsidiary specialised in ESG expertise and thematic fund management.

Website: www.robecosam.com

Certification

In 2004, a voluntary European standard was introduced on the quality and transparency of methodologies and processes used by ESG rating agencies. This standard, ARISTA 3.0, replaced the former CSRR-QS 2.1, in 2012, in order to include the assessment of new products and services developed by those agencies. It has been formulated by the Association for Independent Corporate Sustainability and Responsibility Research (AI CSRR). This association was founded in 2002 at the request of the European Commission to promote confidence in ESG analyses offered by specialised agencies. Its members include the leading European ESG rating agencies. Ten agencies (CAER, Ecodes, EIRIS, EthiFinance, GES, IMUG, oekom, Vigeo, KOCSR and Greeneye) have received ARISTA 3.0 certification, awarded for the 2012-2015 period.

www.aristastandard.org/

INTERNATIONAL RATING

AGENCIES

EIRIS Ltd

Presentation

History

EIRIS Ltd was set up in 1983 in the United Kingdom and boasts over 30 years of experience in ESG analysis for investors. The agency initially focused on research on exclusion criteria but, since the 2000s, offers a broad range of ESG research products.

Capital structure

EIRIS Ltd is a fully owned subsidiary of the EIRIS Foundation.

Certification

In 2012, EIRIS Ltd has received ARISTA 3.0 certification from the AI CSRR.

www.eiris.org

Organisation

Team and location

Including its partners' analysts, EIRIS Ltd has access to 64 people dedicated to ESG research. EIRIS Ltd is based in London with sales offices in Paris and Boston.

Partnerships

EIRIS Ltd has formed partnerships with CAER (Pacific), Ecodes (Spain), Ecovalores (Mexico), Greeneye (Israel), IMUG (Germany) and KOCSR (South Korea). It delegates research to these agencies on companies in their respective countries, thus benefiting from additional staff (about twenty analysts).

An analysis partnership was established with the University of Stellenbosch Business School (USB) for South African companies and enabled the composition of the JSE 2010 Socially Responsible Investment (SRI) Index.

Finally, Conflict Risk Network, a former programme of United to End Genocide, has become part of EIRIS' global research platform in May 2013. Conflict Risk Network delivers information on corporations operating in Sudan, Burma and other conflict-affected areas.

EIRIS Ltd products and services	
EIRIS Portfolio Manager (EPM)	Provides access to detailed ESG assessments of more than 3,000 companies listed in the main stock market indices on over 200 indicators. The system also features a negative screening module for ethical exclusions that depends on the degree of a company's involvement in a controversial sector (weapons, alcohol, tobacco, etc.).
EIRIS Emerging markets services	Provides access to ESG assessments of 300 of the largest capitalisation in emerging countries. It provides also sector-based and norm-based screening for 800 companies. This service is developed through the EIRIS Ltd network of partners in those countries.
Convention Watch	Provides norm-based (human rights, labour rights, corruption, etc.) analysis of allegations made in the press or by NGOs and classifies them based on their seriousness and the reliability of the source. In the event of evidenced violation, dialogue is engaged with the company. The company's response is rated based on its relevance. Reports are updated every three months. 3,700 companies are covered, of which 700 in emerging countries.
Climate Change Toolkit	Used to analyse companies in terms of their climate change risks and opportunities. A portfolio can be compared to any other benchmark.
PRI Toolkit	Aids financial institutions in complying with the PRI (Principles for Responsible Investment ⁴).
Sustainability Rating	Rates companies from A to E, giving EIRIS Ltd global assessment of companies' performance through the analysis of their mitigation of ESG risks.
Country Sustainability Ratings	ESG rating tool covering more than 70 countries.
ESG News Monitor	Selects press articles on the ESG performance of about 5,000 companies.
Controversial Weapons Monitor	Identifies manufacturers of controversial weapons, covering 13,000 companies. Information is updated every three months.
Engagement Service	Assists investors in their theme-based engagement or controversy-led engagement approach.
Voting service	Supports investors in integrating ESG considerations into their voting policy, implementing policy by providing voting recommendations on specific resolutions and introducing reporting on voting and engagement.

EIRIS Ltd provides ratings as well as raw data that can be personalised into investors' own client analysis tools.

⁴ <http://www.unpri.org/principles/>

SRI indices

Created in 2001, the FTSE4Good family of indices is built based on EIRIS Ltd research and analyses. UNICEF is also a partner in defining methodology. The methodology for building the index is open-ended. The criteria for inclusion in the index are reviewed and become increasingly stringent every year.

Methodology

Companies are analysed on 80 ESG research criteria. Each includes a number of indicators (200 in all) covering the following areas: environment, stakeholders, human rights and governance. Each indicator leads to a score (poor, medium, good, excellent) which enables the evaluation of the company on the issue in question. Analysts examine publicly available data, send companies questionnaires, consult stakeholders such as NGOs and use specialised databases. EIRIS Ltd also has extensive historical data on companies' involvement in controversial business sectors (alcohol, animal testing, gambling, etc.), the use of which can be personalised by clients.

Countries are analysed using a grid of over 40 indicators.

GMI Ratings

Presentation

While GMI Ratings is traditionally known for its analysis of corporate governance, it now offers ESG analysis of companies.

History

GMI Ratings was formed in 2010 through the merger of three firms — The Corporate Library, GovernanceMetrics International and Audit Integrity. Each of the predecessor companies date to 2000.

Capital structure

GMI Ratings is privately held. Most of the company's equity is held by the founders of the firm, its board of directors and senior management.

www.gmiratings.com

Organisation

Team and location

GMI Ratings has offices in London, New York, Los Angeles and Portland (US). The research, data and editorial team includes 40 people.

Partnerships

GMI Ratings has a partnership with Trucost, allowing its clients to have access to some of Trucost's key environmental metrics.

Since June 2013, GMI Ratings has integrated some data of Ethix SRI Advisors, including involvement of corporate issuers in activities such as adult entertainment, tobacco, gambling and firearms, in business practices violating international norms, in banned weapons, or in countries with repressive regimes.

GMI Ratings products and services

ESG Ratings	ESG ratings, research and real-time updates on about 6,000 companies worldwide based on 150 selected risk factors (ESG KeyMetrics®). ESG ratings serve as an indicator of long-term business sustainability.
AGR® Ratings	Accounting and governance risk (AGR) research and ratings are calculated for more than 18,000 global companies. The AGR ratings serve as an indicator of short-term investment risk.
Global LeaderBoard	Tool that maps relationships between corporations and corporate board members. GLB provides detailed information and relationship-mapping tools for more than 370,000 directors and 270,000 corporate officers at 70,000 corporate entities worldwide.

Methodology

The ESG rating is based on 150 Key Metrics®, segmented into six E, S and G categories: Board, Compensation, Ownership and Control (which includes shareholder rights and takeover defence issues), Accounting, Environmental Performance and Social Performance.

Within each category, companies are assigned flags for those key metrics that have been found to be indicative of a negative E, S or G risk factor. Issues related to governance are also flagged. A raw score for each company is calculated by summing the flags across all component areas and events; this score is then converted to a percentile in two ways, once in comparison to the universe as a whole and once in comparison to the company's home market. Percentiles for each of the five component scores are also evaluated in the same manner to assess the company's score in relation to all companies rated and in relation to its company's regional peers.

Presentation

History

Inrate is one of the oldest SRI rating agencies in continental Europe. The Switzerland-based agency is today the result of the 2010 merger between Centre Info SA (set up in 1990) and Inrate SA (set up in 1995).

Capital structure

Inrate is owned by its management and employees, the Pier-Luigi Giovannini Foundation, NEST pension fund and INFRAS.

www.inrate.com

Organisation

Team and location

Inrate employs an SRI team of about twenty multi-disciplinary analysts. Offices are located in Fribourg and Zurich. Inrate has also access to 22 more analysts through an international network of partners, in charge of collecting and validation of raw data.

Partnerships

Inrate has established research partnerships over the years, notably with ESG rating agencies: Covalence (Switzerland), Corporate Governance Agency (Switzerland), Infrac (Switzerland), SIRIS – Sustainable Investment Research Institute (Australia).

Inrate products and services	
ESG assessments	Inrate examines how companies integrate ESG issues into their products, services, strategy and operations to identify the leaders in ESG integration.
Screening	Inrate screens companies for practices or products likely to infringe on the ethical investment principles expressed by an investor. This service can be customised and provides a recommendation in addition to the information needed to make an exclusion decision, thus allowing investors to reduce reputational risk. Screening mainly covers the following sectors: tobacco, weapons, nuclear energy, GMOs, gambling, pornography and alcohol. Controversial practices primarily include human rights violations, corruption and environmental damage.
Portfolio analysis	This investment decision-making tool consists of analysing the ESG risks faced by companies in the portfolio. Those risks can be linked to the UN Global Compact, human rights or any environmental issue.
Sustainability universes	Inrate provides its clients with tailor-made investment universes, by selecting for example companies developing themed products and services, such as water, climate change, mobility...
Climate change assessments	envIMPACT® measures the climate change risks to which companies are exposed. Developed in 2005, this quantitative model assesses companies' carbon intensity along the entire value chain of their products and services (lifecycle analysis). Investors can therefore calculate the carbon footprint of their investments, create a low-carbon portfolio or reduce the carbon intensity of an existing portfolio. This tool uses both sector-based statistics and greenhouse gas emissions reporting produced by companies.

Methodology

Analysts are specialised by theme and sector. Research universe covers about 2,600 companies on the international markets and more than 200 bond issuers (supranational organisations, countries). Inrate has strong coverage of small caps and companies in emerging countries.

Inrate is unique in taking into account ESG impact on the entire life cycle of the company's products and services.

The ESG criteria applied are specific to each sector, breaking down into four main categories: environment, human resources, social issues and governance.

Presentation

History

MSCI ESG Research (US) is the result of the absorption of several ESG research providers. MSCI bought RiskMetrics (US) in March 2010. RiskMetrics had previously bought ISS (Institutional Shareholder Services) in 2007, then Innovest Strategic Value Advisors (US) in February 2009 and KLD (US) in November 2009. In 2005, the US governance consulting agency ISS, founded in 1985, had bought IRRC (Investor Responsibility Research Center). KLD, founded in 1988 by Peter Kinder, Steve Lydenberg and Amy Domini, and Innovest Strategic Value Advisors, set up in 1995 by Dr. Matthew Kiernan, were ESG analysis providers.

Capital structure

MSCI ESG Research belongs to the MSCI Group (Morgan Stanley Capital International) offering different investors' services: indices through MSCI, risk management with Barra RiskMetrics, governance consultancy and proxy voting with ISS and finally ESG research with MSCI ESG Research.

www.msci.com/products/esg/

Organisation

Team and location

The 90 MSCI ESG Research analysts are spread over three continents in ten offices including New York, Toronto, Boston, Paris, London, Manila, Sydney, Beijing or Mumbai.

For the governance entity (ISS), Paris office analysts exclusively cover the French market. Other governance analysts are based in Brussels, London, New York and Manila.

Partnership

MSCI ESG Research has established, in October 2012, a partnership with Factset, a data provider, enabling their clients to have access to MSCI research.

MSCI ESG Research products and services	
MSCI ESG Business Involvement Screening Research (BISR)	This selection tool is based on ethical or sector-based criteria and covers all of the listed companies worldwide, i.e. 30,000 to 40,000 companies. The service can be customised, from a chosen universe (investment region, index, portfolio) to filters (sector, country, controversial issue, etc.) as well as the filter level itself. 33 controversial businesses are analysed.
MSCI ESG Impact Monitor (IM)	This norm-based analysis tool is used to monitor violations of international standards and conventions. This monitoring system checks 31 indicators broken down into five categories: human rights and community, labour rights and supply chain management, governance, environment, customers. The available universe comprises 5,000 companies including the MSCI World (1,800) and the MSCI ACWI Index. The analysts use Lexis Nexis database.
IVA (Intangible Value Assessment)	IVA is used to assess the impact of ESG aspects on companies from a financial perspective and position companies within their sector. Each sector is assessed regarding key issues and company is given a rating to rank it among its peers. Key issues per sector can be changed by clients: they can add or remove assessment factors, adjust the weighting of factors in line with their own analysis process and determine their own ratings. Alerts on severe controversies based on the Global Compact are available through this product.
Fixed Income	MSCI ESG Research offers to fixed income portfolio managers: <ul style="list-style-type: none"> - The three preceding services covering 90% of the Barclays Global Aggregate Index market cap. - An ESG analysis tool of 91 countries (Sovereign Rating), including the 32 OECD countries, all EU Members and more than 50 local governments.
Portfolio Analytics	MSCI ESG Research offers fund managers an evaluation of their portfolio. Average ESG rating of the portfolio (according to the IVA scores) can be compared to the MSCI World or the MSCI ESG World. Portfolio can be assessed by the BIRS (analysis of controversial sectors) or the IM (analysis of controversy).

MSCI has set up a "custom" team that handles special client requests.

SRI indices

MSCI has developed a full range of ESG indices that are updated on a quarterly basis.

- Best-in-class indices
- SRI Indices excluding sectors and/ or activities
- Environmental-themed indices
- Ex-controversial weapons indices.

Methodology

The available universe comprises 5,000 companies including MSCI World or MSCI ACWI Index. 3 to 5 key issuers are determined for each sector in total of 34 possible. Each company receives a grade and analysts produce a sectorial review including key issues chosen and highlight best and worst practices.

ESG analysts do not engage with companies. Dialogue with companies is established for the data in IVA, but no audits or questionnaires are conducted. All sectors are reviewed every year.

Presentation

History

oekom Research was created in Germany in 1993 inside the publishing house specialised on environmental subjects Ökom Verlag (founded in 1989). The entity initially developed environmental ratings and its niche positioning on analysis of unlisted German bond issuers, in particular the *Länder*, accelerated its international development. Today, oekom provides information on the ESG performance of companies, business sectors, local authorities and countries. Thanks to its extensive experience in the area, the agency is often deemed the European leader in country ratings.

Capital structure

oekom is 90%-owned by private investors and 10%-owned by a small group of institutional investors, including an environmental foundation, a publishing company and two religious orders.

Certification

In 2012, oekom has received ARISTA 3.0 certification from the AI CSRR.

www.oekom-research.com

Organisation

Team and location

oekom employs 34 analysts focused on ESG research. The team is based in Munich and opened a sales office in Paris in 2011.

Partnership

In 2012, oekom concluded a partnership with GES (Global Engagement Services) enabling its clients to have access to GES engagement services.

oekom research products and services	
Responsible Investment Advisory	Helps investors to define and implement their SRI policy.
Investment Universes	oekom provides its clients with tailor-made investment universes.
ESG Portfolio Check	Social and environmental quality portfolio evaluation
ORBIT	Database providing the 1,000 companies and the 52 countries ORBIT analysis. It can be used as a benchmark tool allowing: a detailed ESG benchmark on indicator level, definition of individual peer groups, easy identification of strengths and weaknesses of a company or a country, summary of the industry sector and the total universe for each indicator.
ORBIT companies	ESG rating of more than 1,000 companies on international markets on more than 100 indicators.
ORBIT countries	ESG rating of more than 50 bond issuers (German Länder, supranational organisations, countries).
Controversial Weapons Monitor	Data on approximately 200 international companies for which there are reasonable grounds to suspect that they manufacture controversial weapons (nuclear weapons, biological/chemical weapons, mines, cluster munitions, uranium munitions).
oekom Controversy Monitor	Database providing controversies on more than 3,000 companies. The 7,000 controversies gathered enable investors to evaluate and manage environmental, human rights, corruption... controversies.
Engagement Services	Assists investors in the definition and implementation of their engagement policy, and the follow up of companies' improvements. Access to the GES Engagement Forum is included in this service.
Alert Services	Monthly newsletter about investment-relevant events relating to issuers.
PRI Toolbox	A variety of tools, which will enable current and potential signatories to implement the six PRI Principles.

SRI index

The BÖAG Börsen AG, the Hanover and Hamburg stock exchanges, asked oekom to build the Global Challenges Index, initiated in 2007.

Methodology

Company ratings

An initial filter analyses 3,000 companies based on public information, determining which issuers are eligible for the "Prime" status. Companies are rated using 100 different environmental and social criteria, a third of them being sector-specific. Analysts then contact companies to discuss or complete the assessment. A detailed report is available for each issuer, which are rated from A+ to D-. A total of about 550 companies represent the oekom Prime Universe.

Country ratings

oekom analyses countries using 150 criteria to measure their environmental and social performance drawing on a variety of sources (NGOs, international organisations and administrative bodies). To obtain the "Prime" status, the country must be given a final rating of at least B+ on a scale ranging from D- to A+. oekom mentions in each country report the areas that could result in its exclusion (nuclear energy, corruption, euthanasia, and so on).

Sustainalytics

Presentation

Sustainalytics is an ESG rating agency that provides information on more than 4,000 companies, countries and public institutions throughout the world.

Sustainalytics provides two types of services to investors, described here, and to companies. For the latter, Sustainalytics offers Global Reporting Initiative (GRI) training and the Sustainability Market Intelligence, a tool enabling them to identify major sustainability sector trends.

History

Sustainalytics was formed in 2008 from the consolidation of former members of the SIRI Company: Dutch Sustainability Research (Netherlands), Scoris (Germany) and Analistas Internacionales en Sostenibilidad (Spain). In 2009, Sustainalytics merged with Jantzi Research Inc. (Canada), and bought Responsible Research (Singapore) in May 2012.

Capital structure

The main shareholders of Sustainalytics are Triodos Bank, MeesPierson, PGGM and the agency managers.

www.sustainalytics.com

Organisation

Team and location

Sustainalytics has its head office in Amsterdam with offices in Boston, Frankfurt, Paris, Singapore, Toronto and Timisoara, and sales offices in Bogotá, Bucarest, San Francisco, Brussels, London and Copenhagen. Michael Jantzi, the founder of Jantzi Research Inc., is the Chairman and CEO of the new entity. Sustainalytics employs about 70 ESG research analysts.

Partnerships

In 2011, Sustainalytics formed a research partnership with the South Korean company Sustainvest, and with the Chinese SynTao. Sustainalytics collaborates with STOXX on the Global ESG Leaders indices.

Sustainalytics products and services	
Sustainalytics Global Platform	ESG ratings of companies, thematic research, sector studies and alerts service.
Country Risk Monitor	ESG ratings of countries.
Controversial Weapons Radar	Research on companies involved in controversial weapons: anti-personnel mines, biological and chemical weapons, cluster bombs, depleted uranium weapons, nuclear arms, white phosphorus weapons.
Global Compact Compliance	This tool is used to ensure that issuers are in compliance with the Principles of the Global Compact.
Controversial industry and products analysis	Sustainalytics analyses company involvement in controversial industries and products (pornography, alcohol, controversial weapons, tobacco, ammunition, fur, gambling, GMOs, military contracting, nuclear energy) and provides its clients with each company's degree of involvement.
Range of investor services	Sustainalytics developed a range of additional services aimed at investors: application of the Principles for Responsible Investment, implementation of sustainable development policies, support in engagement, etc.

Sustainalytics' rating universe includes more than 4,000 companies on international markets, supranational organisations and countries.

SRI index

The Jantzi Social Index®, developed in partnership with Dow Jones Indexes, consists of the 60 largest capitalisations in Canada with the highest Jantzi ratings based on ESG criteria.

The STOXX Global ESG Leaders Indices is a family of four indices (STOXX Global ESG Environmental Leaders, STOXX Global ESG Social Leaders, STOXX Global ESG Governance Leaders and STOXX Global ESG Leaders Indices) based on ESG data provided by Sustainalytics.

Methodology

Company ratings

Sustainalytics assesses ESG performance of companies using sector-specific indicators. Analysis is based on a set of data collected from various sources (companies, media, NGOs, etc.). The Sustainalytics model includes between 60 and 100 indicators sector-weighted. With its Best-of-Sector™ methodology, Sustainalytics identifies the leaders and laggards in each industry. Controversies linked to ten ESG themes are also available.

Country ratings

Sustainalytics assesses countries exposure to ESG risks regarding 31 indicators. Country exposure to natural risks, its human development, the level of press freedom or its conflict involvement, are some of those indicators. Coverage consists in 150 countries and is updated every three months.

Presentation

History

Vigeo was founded in 2002 after acquiring the activities of ARESE (first French agency set up in 1997). The agency has since developed internationally with the acquisition of Stock at Stake, the research entity of the Ethibel Forum (Belgium), in 2005 and of Avanzi SRI Research (Italy) in 2006, which became respectively Vigeo Belgium and Vigeo Italy. Vigeo opened offices in Casablanca in 2004, Japan in 2010 and London in 2011.

Vigeo features two separate entities: Vigeo Rating and Vigeo Enterprise, dedicated respectively to ESG ratings for investors and social responsibility audits for companies.

Capital structure

Vigeo's governance is multi-faceted: about 27% of its capital is held by companies (within a limit of 2% of the capital per company), 26% by trade unions and NGOs and slightly more than 46% by asset managers and pension funds, including Group BPCE, the reference shareholder. The Board of Directors is made up of three representatives from each group of shareholders and five independent directors.

A Scientific Board composed of independent experts approves and challenges the methodological decisions and oversees their proper application.

Certification

In 2012, Vigeo Rating received ARISTA 3.0 certification from the AI CSRR.

www.vigeo.com

Organisation

Team and location

Nicole Notat, former general secretary of the CFDT, the French Democratic Confederation of Labour, one of France's largest trade unions, is the founder and Chairman of Vigeo. Vigeo has more than 70 analysts and nearly 20 auditors based in Paris, Brussels, Milan, London, Tokyo and Casablanca.

Partnerships

Through its partnership with Morningstar, Vigeo provides its clients with an access to Morningstar's SRI Funds Service, a database of all European SRI Funds open to individual investors. Using this database, Vigeo has since 2001 published an annual study entitled "Green Social and Ethical Funds in Europe", which gives an overview of European SRI mutual funds.

Moreover, in cooperation with EURONEXT, Vigeo operates a family of seven ESG indices (see below).

It has also established partnerships with Novaster, a Spanish investment consultancy; UNI Global Union and UITA, two global trade union federations; WWF, in relation to GHG emissions analysis; Transparency International on the issues of lobbying and corruption; l'Orée sur la Biodiversité, a French organisation and the ILO Office in charge of human rights.

Finally, Vigeo has formed partnerships with more than 40 researchers from 24 different universities, such as the Darden School of Business (US) and the École Polytechnique (France).

Vigeo products and services	
EQUITICS-research	The Equitics® ratings database comprises the analyses of 2,500 issuers from the main international indices. Each issuer is analysed according to sector specific indicators. Each rating is daily monitored and clients are warned if an event is impacting an issuer rate.
Equitics Alertes	Vigeo offers continuous alerts on controversial issues.
Equitics Engagement	Vigeo offers a range of engagement services to investors, from the definition of an engagement policy to concrete engagement actions.
Equitics sector Research	Analysis of 35 sectors consisting in identifying major sustainability trends.
Convention Monitor	Vigeo analyses company involvement in the violation of one or several Global Compact principles.
Sustainable Country Research	The Sustainable Country Rating® database includes the scores and benchmarks of over 160 sovereign countries based on the analysis of more than 120 ESG risk and performance indicators in three areas: 1) Environmental Protection, 2) Social Protection and Solidarity and 3) Rule of Law and Governance.
Controversial Weapons	Vigeo analyses company involvement in controversial weapons (anti-personnel mines, cluster bombs or chemical, biological and nuclear weapons).
Disputable activities	Vigeo measures company involvement in more than 30 controversial activities.
Portfolio ESG risks analysis	Vigeo evaluates the ESG risk profile of portfolio.

SRI index

Vigeo operates two families of indices: the Ethibel Sustainability Indices (ESI) and the Euronext Vigeo indices. The seven Euronext Vigeo indices are composed of companies with the top Vigeo ESG assessments: Euronext Vigeo World 120, Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, Euronext Vigeo US, Euronext Vigeo Benelux 20, Euronext Vigeo France 20 and Euronext Vigeo United Kingdom 20.

Methodology

Vigeo Rating measures the performance of companies based on 38 ESG issues in six fields (environment, human rights, human resources, community involvement, business behaviour, corporate governance) and analyses the related reputational, human, legal and operational risks. The analysis criteria are based on international conventions and globally recognised standards from international organisations (UN, ILO, OECD, etc.).

Issues are weighted by business sector. The rating tool for each sector includes 20 to 25 issues and more than 300 indicators are used per company.

For each issue, company strategy and managerial processes are reviewed in detail. Three aspects are assessed: the relevance of commitments with regard to policy, the efficiency of policy implementation (resources, budgets, application scope), and results (quantitative indicators, controversial issues).

NON-FINANCIAL DATA PROVIDERS

Asset4 / Thomson Reuters

Presentation

Thomson Reuters acquired the Swiss Zug-based provider Asset4 in November 2009. Founded in 2003, Asset4 provides research that combines both financial and non-financial information. Asset4 was the first agency to supply raw ESG data that could be used by investors to devise their own ESG analysis of issuers.

www.thomsonreuters.com

Organisation

The team comprises more than 120 analysts, most of who are based in Mauritius and Bangalore in India. They are grouped into seven teams to cover different sectors. A quality team is based in Switzerland and a sales team in London. Asset4 benefits from the Thomson Reuters network with locations in about one hundred countries worldwide.

Products and services

Asset4 sells raw data as well as data processing tools for classifying companies. With *the Asset Master Professional* system, ratings can be entirely customised in terms of criteria and weightings. Tailored reporting can also be generated. The system can be used to configure alerts on ESG-related topics.

Thomson Reuters launched a family of eight SRI indices in 2013. Four of them are composed of the main US market cap: Thomson Reuters US Large Cap Environmental Index, Social Index, Governance Index and ESG Index; and the four others by the main global market cap: Thomson Reuters Global Large Cap Environmental Index, Social Index, Governance Index and ESG Index. These indices are composed by companies with the best ESG performance according to Asset4 data.

Methodology

Asset4 offers integrated assessments of 4,300 companies (including MSCI Emerging Markets) based on four areas: financial performance, environmental performance, social performance and corporate governance. These criteria cover 18 categories including 250 key performance indicators and 750 criteria. Asset4 is fully transparent on each data point by systematically providing clients with the ratings and information sources used. The Asset4 system is based exclusively on publicly available data collected from companies, NGOs, the press, etc. The Asset4 database features historical data dating back to 2002 on more than 1,000 companies.

Presentation

In 2009, Bloomberg launched an ESG data offer to complete its vast database of company financial information for investors. ESG data for 5,000 companies of 68 countries and governance data for 5,000 more companies are available.

www.bloomberg.com/bsustainable/

Organisation

Bloomberg's ESG team is composed of more than 35 analysts based in London, New York, New Delhi, Princeton, Shanghai and Hong Kong. They collect, classify information and help their clients to integrate ESG criteria in their portfolio management.

Products and services

The model developed by Bloomberg consists of collecting public ESG information released by companies (CSR reports, annual reports, websites) or other public sources such as the Carbon Disclosure Project. ESG data are linked to financial information, and they can be used with all traditional Bloomberg tools. The Bloomberg ESG Scorecard rates and classifies performance of companies or portfolios, the Bloomberg ESG Valuation Tool materializes ESG performance, and the Bloomberg Industries identifies ESG issues and classifies best and worst companies' reactions regarding these issues. Bloomberg offers continuous alerts through Bloomberg News.

Methodology

The information provided to Bloomberg clients is collected once they are publicly-available and classified in the "ESG data" section of the Bloomberg database. All data available can be linked to a public document from the company concerned. Data are checked, standardised to be comparable and annually updated.

Presentation

The RepRisk tool was developed by Ecofact, a Zurich-based social and environmental risk research and analysis centre founded in 1998. Since 2010, RepRisk AG is an independent company.

RepRisk focuses on assessing companies' reputational risk and monitoring controversial issues.

www.reprisk.com

Organisation

RepRisk is based in Zurich and has over 40 analysts based in North America, Europe and Asia.

Products and services

RepRisk covers 40,000 companies, listed or not, 9,000 projects, 5,700 NGOs and 4,900 governmental bodies. The tool is used to identify and assess publications on companies' social and environmental aspects that could represent a financial or reputational risk. RepRisk offers this web-based service to banks, insurance companies, wealth managers, pension funds, etc. It provides raw data and fact sheets with a rating for each company.

Partnership

RepRisk concluded partnerships with several financial data providers or IT providers: Factset, Interactive Data, SIX Financial Information and SunGard, as well as with Ethix SRI Advisors and the Japan Research Institute.

Methodology

RepRisk's assessment is based on performance as observed by independent third-parties, combining reactions across different media, over 700 NGO websites, newsletters, websites, news, blogs and other available sources. Data is updated on a daily basis.

The RepRisk tool attaches each controversy to the issuer according to 27 ESG issues (for example local pollution, forced labour or tax evasion) and to 28 topic tags ("hot topics"), such as palm oil, Arctic drilling, tobacco, gambling or water scarcity. Any violation of the 10 Principles of the United Nations Global Compact is also analysed.

Based on the RepRisk assessment, a risk level called an RRI (RepRisk Index) is attributed to each company, ranging from 0 (lowest) to 100 (highest). The RRI is calculated regarding the frequency, severity and novelty of controversies on a monthly basis and is monitored over the two previous years. Each company is placed on a world map, indicating where controversial issues are concentrated. Moreover, RepRisk also attributes average ratings per business sector, thus ranking the company within its sector.

SPECIALISED

AGENCIES

EthiFinance

Presentation

EthiFinance provides products and services to investors, and consulting CSR services dedicated to companies. Moreover, a consulting company ExFi Partners, created in 2011 in partnership with INDEFI is dedicated to private equity and infrastructure asset managers. (<http://exfi-partners.com/home.html>)

History

Founded in late 2003, EthiFinance first began by analysing French and European corporations on demand, before becoming specialised in rating both listed and unlisted small and mid-cap companies. EthiFinance has also been rating countries since 2007.

Capital structure

EthiFinance is a public limited company (*société anonyme*) that obtained the status of Société Coopérative d'Intérêt Collectif (SCIC, or social cooperative company) in 2004. This status was renewed in 2009 for five years.

The partners consist of categories within which the "one person, one vote" rule applies. Each category appoints a representative that sits on the Board of Directors, where voting rights break down as follows: EthiFinance employees (14%), EthiFinance clients (32%), experts that contribute to the external development and representation of EthiFinance (26%), other financial backers (28%). Listed issuers are not represented in the capital structure.

Certification

In 2012, EthiFinance has received ARISTA 3.0 certification from the AI CSRR.

www.ethifinance.com

Organisation

The team is composed of seven full-time analysts based in Paris.

Partnerships

EthiFinance works in partnership with Inrate in Switzerland and Good Bankers in Japan. The EthiFinance universe changes every year based on client demand. EthiFinance analyses around 350 listed companies and 20 unlisted companies.

EthiFinance products and services	
GEOL	ESG rating of mid and large caps and unlisted organisations.
Global Risk Rating (G2R)	ESG rating of countries. (Coverage of more than 100 countries)
Ethi Observer	Monitoring tool evaluating the ESG reputation risk of portfolio companies.
Ethi News	Weekly press review on ESG issues.
Consulting services in CSR and SRI.	

Methodologies

ESG rating of companies

In 2004, EthiFinance defined its analysis methodology which is updated annually. It features two ratings: Large Caps for listed large capitalisations, Small & Mid Caps for listed and unlisted companies. These ratings are weighted by sector to emphasise predominant issues.

The EthiFinance system covers four themes – governance, social, environment and external stakeholders – broken down into 22 categories with 194 specific quantitative or qualitative criteria. Criteria can apply to all the companies or depend on the sector or region. For a number of issues, the rating assesses the company's engagement, system implemented, reporting and performance.

In addition to its analyses based on public documents, EthiFinance also engages in dialogue with the companies and their stakeholders. The agency conducts on-site visits if necessary, in particular to analyse mid-cap companies (systematic on-site visits and/or meetings with management).

ESG rating of countries

EthiFinance and Oresys (firm specialised in management and organisation consulting) have built a web-based system to assess country risk using sustainable development criteria.

The Global Risk Rating (G2R) incorporates 81 indicators that reflect countries' engagement, application of measures and performance regarding major sustainable development issues. This determines both a quantitative and qualitative assessment of countries based on data from multilateral organisations (World Bank, IMF, OECD, ILO, WHO, UN, etc.), regional supranational organisations (European Commission, EBRD, African Development Bank, Asian Development Bank), research institutes and NGOs.

SRI index

In 2009, EthiFinance and IDMidCaps, in partnership with Middlednext and the SFAF (French Society of Financial Analysts), launched the GAIA Index, the first SRI index for mid-cap companies. This index covers the 70 French companies with the best EthiFinance ratings in ESG performance out of a sample of more than 223 mid-cap companies representing 75% of the stocks in the CMS 190 index.

Ethix SRI Advisors

Presentation

Ethix SRI Advisors was established in Sweden in 1999 and still belongs to its founding members: the consulting firm Wassum, the Swedish pension fund AP7 and Amundi (formerly SGAM).

Ethix SRI Advisors developed expertise in norm-based exclusions, analysis of controversial sectors and dialogue and engagement with companies.

www.ethix.se

Organisation

The team is composed of about fifteen analysts employees based in Stockholm, Copenhagen, Helsinki and London.

Partnerships

Ethix established a partnership with Innovest (now MSCI ESG Research) in 2003, with Hermes EOS in 2007, with Reprisk in 2011 and with GMI Ratings in 2013.

Ethix SRI Advisors products and services	
Norm-Based Screening©	Assessment of companies' compliance with international standards on human rights, environmental protection, labour rights and anti-corruption norms. The Norm-Based Screening© database covers companies of the MSCI World and Emerging Markets indices, totalling more than 7,000 companies.
Sovereign Bonds©	Assessment of countries' compliance with international standards on human rights, environmental protection, labour rights and anti-corruption.
Controversial Weapons Screening©	Assessment of companies' involvement in anti-personnel mines, cluster munitions, biological, chemical weapons, depleted uranium and nuclear weapons.
Sector-Based Screening©	Assessment of companies' involvement in industries and products such as alcohol, fossil fuels, tobacco, gambling, pornography or weapons.
Nordic Sustainability Stars©	Assessment of companies' environmental and social policies, covering more than 260 Nordic companies.
Engagement and dialogue	Support for investors in implementing their engagement policy based on the Norm-Based Screening research tool. Proxy voting services are also available.
Policy Development	Help investors to develop and implement their policy for responsible investment.

Methodology

The analysis criteria applied by Ethix SRI Advisors are based on international conventions and globally recognised standards for international humanitarian law, human rights, environmental protection, anti-corruption regulations and governance from international organisations (UN, ILO, OECD, etc.).

Ethix SRI Advisors also uses data from the following providers: RepRisk, Thomson Reuters, Janes, Soloron, Syn Tao, ECPI, Hermes, Manifest and SIX Telekurs.

Ethos Services

Presentation

Ethos Services provides consulting services in responsible investment and developed an expertise in engagement and proxy voting. Since 2011, Ethos Services provides also ESG analysis of companies.

History

Ethos Services is fully-owned by Ethos, the Swiss Foundation for Sustainable Development, which was created in February 1997 by two Geneva-based pension funds and is currently composed of 143 institutional investors.

www.ethosfund.ch

Organisation

Teams and location

Ethos Services is located in Geneva and the team is composed of fifteen people.

Ethos Services products and services	
Proxy Voting	Ethos provides analyses of all items of shareholder meeting agendas of the largest Swiss listed companies, as well as administrative support to exercise voting rights.
Company Dialogue	Ethos proposes two different engagement services, the Ethos Engagement Pool for listed companies in Switzerland, and the Collaborative Engagement, for listed International companies.
Sustainability Ratings	Ethos analyses Environment, Social and Governance performance of the hundred largest listed companies in Switzerland and all companies included in the MSCI World Index.
ESG Analysis	An in-depth sustainability analysis of the hundred largest listed companies in Switzerland and all companies included in the MSCI World Index. It includes comparison with companies in the same sector and benchmarking against market standards.
Screening for Sector-Based Exclusions and Serious Controversies	Ethos analyses companies to check whether they should be excluded from a sustainable portfolio if a significant part of the company's sales is derived from a sensitive sector (armament, tobacco, nuclear industry, genetically modified organisms...), or in case of serious controversies (breach of human rights, major damage to the natural environment...).
Portfolio Screening	Ethos conducts a screening of existing portfolios based on environmental, social and corporate governance criteria as well as on exclusion criteria.

Global Engagement Services

Presentation

GES (Global Engagement Services) is a provider of engagement services focusing on supporting asset owners and asset managers to develop and implement integrated investment strategies with environmental, social and governance considerations.

GES is a privately company which was founded in 1992 by two former Greenpeace employee.

Certification

In 2012, GES has received ARISTA 3.0 certification from the AI CSRR.

www.ges-invest.com

Organisation

Teams and location

GES has a team of 40 employees dedicated entirely towards corporate engagement. GES is headquartered in Sweden (Stockholm) and has offices in Denmark (Copenhagen), Poland (Zielona Gora) and Switzerland (Zurich) as well as engagement professionals based in Asia, North and South America.

Partnerships

GES works in conjunction with ICCR (Interfaith Center on Corporate Responsibility) in North America, Manifest in England (proxy voting), Nasdaq OMX (since 2004) to create index families for the Nordic market and SIRP (Sustainable Investment Research Platform), a Swedish research centre.

Since 2012, oekom and GES concluded a partnership enabling clients of oekom research to use GES global engagement services, while GES clients have access to the services offered by oekom research and its detailed ratings of companies and countries.

GES products and services	
GES Global Engagement Services	<p>GES offers its clients structured engagement solutions in different areas covering global investment indices.</p> <ul style="list-style-type: none"> - Business Conduct Engagement in companies, which have been documented to conduct business in a manner contrary to well-established international ESG guidelines. - Risk Transparency Engagement in all companies in an investment universe in order to improve reporting and transparency. - Thematic Engagement in companies on specific ESG risks. - Emerging Markets Engagement in order to improve ESG preparedness and reduce risk on investments in emerging markets. <p>All engagement activities follow a systematic engagement process with specified clear goals aiming to reach measurable result. The investor is updated on the process development in real time via the GES Engagement Forum, a transparent web-based interface and a collaborative tool for a long-term active ownership process.</p>
GES Global Ethical Standard®	A screening tool for engaging in or avoiding investments in companies, which are documented to conduct business in a manner contrary to international norms on environmental, social and corporate governance issues.
GES Risk Rating	An analysis of risks in the companies' methods of dealing with the environment, social and corporate governance issues. The analysis is based on international norms on ESG issues and evaluates both the companies' present status and preparedness for the future
GES Controversial	An analysis of companies' involvement in controversial sectors (weapons, tobacco, alcohol, pornography, gambling, etc.).
PRI Consulting	A service to assist clients wishing to sign and implement the PRI.
GES Alert Service	A service providing clients with weekly news briefings on recently reported incidents allegedly violating international norms on ESG issues.
OMX GES Indexes	In 2004, GES Investment Services and NASDAQ OMX joined forces to launch a family of SRI indices on the Nordic markets.

Methodology

GES bases all its analysis and engagement work on internationally accepted norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises. These standards are widely accepted by governments, industry and a range of stakeholders, and therefore provide a solid basis for measuring company performance in the analysis, and setting goals for improvement during the engagement process. GES monitors and analyses approximately 18.500 companies worldwide.

Maplecroft

Presentation

Maplecroft is a non-financial data provider founded in 2001 by Alyson Warhurst, professor at Warwick Business School and based in Bath, UK.

Maplecroft's academically-driven approach was initially focused on country risks. Products relating to companies' ESG risks were then developed to meet investor demand.

www.maplecroft.com

Organisation

The company is employee-owned. Jim O'Neill, Chairman of Goldman Sachs Asset Management, privately invested in Maplecroft and advises the company in its development.

Maplecroft boasts an international multi-disciplinary team and is expanding rapidly, with more than 70 experts including about 50 analysts.

Products and services

Maplecroft is notably recognised for its interactive maps that identify high-risk regions based on one or more ESG issues. The agency also produces country and business risk indicators, dashboards and reports on a wide range of ESG risks, covering topics such as CO₂ emissions, hunger, iron deficiency, tuberculosis risk, corruption, and so on.

Maplecroft created three Climate Innovation Indexes (CII) that rate up to 360 US companies publicly involved in climate change programmes. Each company is analysed, rated and ranked based on five pillars: management, mitigation, emissions reductions, innovation and adaptation.

Maplecroft also offers an alert system on news items with the direct link to the source and links to all company social responsibility reports.

Methodology

Maplecroft's approach is based on the analysis of more than 500 risks and covers five themes: global risks, political risks, legal and regulatory environment, human rights and climate change.

Solaron

Presentation

Solaron Sustainability Services is an ESG rating agency specialised in emerging countries. It was started in 2007 in Bangalore (India) in partnership with Innovest (now MSCI ESG Research). Innovest remained Solaron's only client until the agency diversified its client base in 2009. Solaron is unique in that its analysts are based exclusively in emerging countries.

www.solaronworld.com

Organisation

65 analysts based in Africa, North America, Latin America, Asia, Europe, Middle East, Pacific and Russia cover about 3,000 companies from emerging markets.

Partnerships

Solaron provides research on companies in emerging countries for Tomorrow's Company as part of the "Tomorrow's Corporate Reporting" (TCR) project. Solaron has also forged research partnerships with Inflection Point Capital Management and Inrate.

Solaron products and services	
emData	ESG database (about 200 quantitative and qualitative criteria) on 3,000 companies from emerging markets.
emScreen	Company exclusion tool that can be customised based on their involvement in about ten controversial sectors. Coverage: MSCI ACWI.
emNews	Alert system for controversial news on companies.
emRatings	ESG assessment of companies with a special methodology adapted to emerging countries. Coverage: MSCI EM 850.
emCustom	This service allows investors to fully customise the Solaron's tools.
Corporate Services	Consulting, training, research and reporting.

Methodology

Solaron believes that the traditional "best in class" approach is not best-suited to emerging countries. It therefore developed its "best-in-context" approach, which accounts for the specific characteristics of each local market. Information is collected on-site in partnership with NGOs, consumer organisations, shareholders and governmental organisations.

History

Founded in 2000, Trucost is a UK-based provider of non-financial data specialised in the environmental impacts of companies. Trucost is owned by private investors.

www.trucost.com

Organisation

Trucost employs about 15 analysts in London, five in India and two in the United States. The Indian analysts perform most of the initial analysis of company reports (data collection).

Trucost also set up an Advisory Panel made up of academics involved in designing and improving the analysis model.

Trucost is based in London with sales offices in Boston, New York and Rio de Janeiro.

Partnerships

Trucost developed partnerships with about thirty entities, including the Carbon Disclosure Project, rating agencies (GMI Ratings or the Chinese Syn Tao for examples), data providers like Factset, banks, consulting companies... Full list of partners is available on their website.

Services

Trucost's assessment universe covers more than 4,500 companies on international markets (including emerging markets), with consistent data going back ten years and updated on an annual basis.

Trucost offers information, analyses and advisory services to institutional investors, companies and governments.

Trucost quantifies companies' environmental impacts (emissions and use of natural resources) according to the proportion of revenues from their different businesses. It then attributes a cost based on statistics from various sources, establishing a cost profile for each company.

Trucost's data enables companies to assess the environmental footprint of their supply chain.

The model can also be used to determine a portfolio's carbon footprint or environmental footprint (greenhouse gases, water, waste, air pollution, use of natural resources). As such, portfolios can be optimised based on environmental criteria.

Trucost has recently developed an environmental engagement service primarily aimed at its UK clients.

Trucost's client base breaks down into 50% asset managers and 50% companies seeking to assess the environmental footprint of their suppliers.

Methodology

Through its model created in partnership with academics (about 15 internationally renowned professors), Trucost has established environmental profiles for 464 industries that cover about 100 different impacts. The model also analyses the interaction and flows of capital between

sectors to examine the supply chain specific to each sector. Trucost uses public data provided by companies, other organisations such as the Carbon Disclosure Project or governments that also collect data on business sectors. If there is no data on a company, the model can extrapolate existing sector statistics by taking into account the breakdown of revenues according to the company's different sectors. This method is used to cover unlisted companies that publish limited environmental reporting.

Trucost is developing quantitative indicators that emphasise their financial impacts. Each environmental risk is quantified and conveyed as a financial cost, which can easily be integrated into traditional financial analysis.

Camradata Analytical Services and Merrill Lynch

Camradata Analytical Services (a provider of financial data for investors) and the ESG research service of Bank of America Merrill Lynch launched an ESG Geographic Portfolio Analysis service in March 2012, which provides profiles of the geographic ESG-exposure of portfolios.

Clients of the service have access to a global database that merges data on the geographic distribution of more than 4,000 companies' activities with ESG risk indicators in 214 countries. These risk indicators, 172 in total, are grouped into 28 themes, ranging from climate change to corruption. The database also allows a portfolio's ESG risk exposure to be compared to the average ESG exposure of its benchmark.

LOCAL

AGENCIES

Europe

Covalence (Switzerland)

Created in 2001 in Geneva, Covalence developed the EthicalQuote, a reputation index tracking more than 2,800 companies based on ethical criteria. Companies are rated on a quarterly basis, and analyses are based on public documents.

www.covalence.ch

ECPI (Italy)

Created in 1997, ECPI (formerly Ecapital Partners) is a Milan-based independent company and member of Eurosif. It offers sector exclusion screening, private equity analyses and ESG indices. ECPI conducts ESG research on various players, including about 3,600 companies, 300 governments and supranational organisations and 350 hedge funds and funds of hedge funds.

www.ecpigroup.com

Ethical Screening (United Kingdom)

Ethical Screening is based in Cheltenham, UK, and offers positive and negative screening services that cover 1,000 companies worldwide. It also screens ethical funds available in the United Kingdom.

www.ethicalscreening.co.uk

Forética (Spain)

Founded in 2000, Forética is a not-for-profit organisation that encompasses about a hundred entities. It promotes corporate ethics and CSR in Spain and Latin America. Among its services is the ESG assessment of companies.

www.foretica.org

Fundación Ecología y Desarrollo - ECODES (Spain)

Set up in 1992, Fundación Ecología y Desarrollo (ECODES) is a private independent foundation specialised in sustainable development and social responsibility. The NGO is active in CSR and SRI. Since 1999, ECODES has actively participated in promoting CSR in Spain, developing services aimed at institutional investors, companies, governments and NGOs. The ECODES team comprises three ESG analysts. ECODES analyses Spanish, Portuguese and Mexican

companies for EIRIS. In 2012, ECODES received ARISTA 3.0 certification from the AI CSRR for its analyses performed on behalf of EIRIS. www.ecodes.org

IMUG Investment Research (Germany)

Set up in 1999 and based in Hanover, Germany, IMUG (Institut für Markt-Umwelt-Gesellschaft) is an independent organisation owned by six individuals. The institute has been an EIRIS research partner since 2001.

In 2012, IMUG received ARISTA 3.0 certification from the AI CSRR for its analyses performed on behalf of EIRIS. IMUG analyses German, Swiss and Austrian companies, including about a hundred small caps. It also conducts research on bond issuers.

www.imug.de

Novaster (Spain)

Established in 1985 in Spain, Novaster is a consulting and audit firm for investment funds and partner of Vigeo. It has a commercial partnership with Vigeo. Its clients are based in Spain and South America.

www.novaster.net

RFU (Austria) since 1997

Austrian agency, RFU provides ESG ratings of companies, countries, local governments and supranational organisations. Issuers are analysed according to 400 social and environmental indicators.

www.rfu.at/

Standard Ethics (Italy)

Since 2002, Standard Ethics provides ratings of the 40 largest listed Italian companies (FTSE MIB) and OECD countries. Standard Ethics is based in Brussels and in London. It provides also consulting services and requested ratings.

www.standardethics.eu/

Middle East

Greeneye (Israel)

Located in Israel, Greeneye conducts ESG research and analyses of Israeli companies. The company is an EIRIS research partner and provides environmental consulting services to the Maala CSR Tel Aviv Stock Exchange Index. In 2012, Greeneye received ARISTA 3.0 certification from the AI CSRR for its analyses performed on behalf of EIRIS.

www.greeneye.co.il

Asia-Pacific

CAER (Australia)

Established in 2000, CAER (Centre for Australian Ethical Research) is an independent not-for-profit organisation whose ESG analysis covers the largest 300 Australian groups (ASX 300 index), smaller listed companies invested in by research clients and selected New Zealand and Pacific companies. CAER is owned by private individuals and the Centre for Environmentally Responsible Investment. CAER analyses the largest 300 Australian groups for EIRIS and its clients, and has an exclusive license to distribute the EIRIS Portfolio Manager (EPM) ESG research platform. EIRIS methodology and analysis criteria are used for this service. In 2012, CAER received ARISTA 3.0 certification from the AI CSRR for its analyses performed on behalf of EIRIS.

www.caer.org.au

Eco-Frontier (South Korea)

Eco-Frontier is a Korean consulting firm specialised in sustainable development since 1995. The company offers sustainable finance consulting and an extra-financial rating service of Korean companies. Eco-Frontier uses two ratings models developed by RiskMetrics (now MSCI ESG Research) in its ESG assessments: EcoValue21™ for environmental concerns and IVA™ for social issues. Thanks to its partnership with MSCI ESG Research, Eco-Frontier analyses more than 2,200 companies across 60 different business sectors.

www.ecofrontier.com

KOCSR (South Korea)

KOCSR (Korea CSR Research), a South Korean agency established by NGOs and a charity, provides ESG analysis on Asian companies. It is the research partner which is carrying out analysis on companies in Hong Kong, Singapore and China for EIRIS. In 2012, KOCSR received ARISTA 3.0 certification from the AI CSRR for its analyses performed on behalf of EIRIS.

www.ko-csr.com

Regnan (Australia)

Established in Sydney, Australia in 2002, Regnan offers ESG analysis of Australian listed companies and engagement services.

www.regnan.com.au

RepuTex (Australia)

Founded in 1999, RepuTex is based in Melbourne with an office in Hong Kong. RepuTex is specialised in carbon risk analysis (sector trends, forecasts and the calculation of VaCR (Value at Carbon Risk)). The firm employs 30 analysts. The ESG research universe covers about 1,200 companies in Asia. RepuTex has also designed indices on Asia, Australia and two Global (nuclear and solar) indices.

www.reputex.com

SIRIS (Australia)

SIRIS (Sustainable Investment Research Institute) is based in Melbourne, Australia, and was created in 2000. SIRIS is an independent company and majority-owned by its staff. The analysts conduct ESG research on about 1,500 companies in Australia, New Zealand and Southeast Asia. SIRIS also offers governance research, proxy voting advisory and engagement services.

www.siris.com.au

SolAbility (South Korea)

SolAbility was set up in 2005 as a Swiss-Korean joint venture based in South Korea. It is specialised in the ESG analysis of about 2,000 companies operating in 12 countries in Southeast Asia and in Russia. SolAbility set up a web-based platform, the SolAbility Sustainable Investment Solution (SolAsis). It developed an analysis methodology called "ESG 2.0" founded on new indicators. This methodology is based on the analysis of actual managerial and operational practices rather than the traditional academic indicators from companies' sustainable development reports. SolAbility developed the Sola 50 Index on the Korean market, built using this methodology. SolAbility also offers governance analysis and shareholder engagement services along with a greenhouse gas emissions reduction assistance service.

www.solability.com

SourceAsia (United Kingdom)

Managed by Paul Wenman, SourceAsia is a UK firm specialised in the analysis of Asian companies. It developed the InvestAssure ethical screening tool for investors, which covers Asian companies. This service is combined with the CSR China web alert service to identify controversial issues that may impact Asian companies. Companies are monitored for the following issues:

- Non-compliance with human rights
- Non-compliance with the ILO international conventions
- Serious violations of individuals' rights in war and conflict
- Environmental damage
- Corruption
- Violations of fundamental ethical standards

The Norwegian Government Pension Fund Global selected SourceAsia and CSR China to monitor Asian companies.

www.source-asia.net

Sustinvest (South Korea)

Set up in 2006 in South Korea, Sustinvest developed a multi-criteria ESG analysis methodology, ESGValue™. This analysis model focuses on corporate responsibility in the value chain. Sustinvest monitors listed Korean companies. Sustinvest has forged strategic partnerships with Trucost (2009) and Sustainalytics (2011) and developed a whole range of services recently: alert service, engagement and proxy services and SRI indices.

www.sustinvest.com

Syn Tao (China)

Co-founded in 2002, Syn Tao provides consulting, research and training services in CSR and SRI. It has a service of Media screening identifying incidents or allegations of illegal, unethical, environmentally damaging or socially irresponsible corporate conduct.

www.syntao.com

The Good Bankers (Japan)

Established in 1998 by Mizue Tsukushi, The Good Bankers was the first ESG rating agency in Japan. In 1999, The Good Bankers launched the first Japanese SRI fund, the Nikko Eco-Fund. Initially, The Good Bankers' company analysis covered only the environmental pillar. It then extended its ratings criteria to the two other pillars, social and governance. The agency is a partner of EthiFinance, a member of Eurosif since 2006 and signatory to the PRI since 2007. Based in Tokyo, the SRI team is composed of nine SRI analysts. As of early 2011, The Good Bankers covers a universe of 1,000 Japanese companies.

www.goodbankers.co.jp

America[s]

CRD Analytics (United States)

Founded in 1981, CRD Analytics is an independent provider of sustainability analysis based in New York. CRD Analytics developed the proprietary analysis tool, SmartView™, based on over 150 quantitative financial, environmental and social performance indicators. SmartView™ is used as part of a best-in-class approach. CRD Analytics has also developed ESG indices built using this tool: Global Sustainability Index (2,000 international companies), Clean Tech 100 and six Life Sciences indices. CRD Analytics is specialised in building custom indices.

www.crdanalytics.com

Ecovalores (Mexico)

Established in 2000, Ecovalores is a not-for-profit environmental and SRI consulting agency based in Mexico. In 2003, Ecovalores, in partnership with the Monex Financial Group, created the first Mexican environmental trust fund. Ecovalores supplies EIRIS and the Mexican stock exchange for its SRI indices with data on Mexican companies.

www.ecobanca.org

Summary tables

The tables below present the main characteristics and types of ESG analysis of each rating agency for an easier comparison of the agencies within each category of this overview.

International rating agencies

		EIRIS	GMI RATINGS	INRATE	MSCI ESG RESEARCH	OEKOM RESEARCH	SUSTAINALYTICS	VIGEO
		United Kingdom 1983	USA 2010	Switzerland 1995	USA 2010	Germany 1993	Netherlands 2008	France 2002
PRODUCTS AND SERVICES	Extra-financial analysis of companies	✓	✓	✓	✓	✓	✓	✓
	Analysis of countries	✓		✓	✓	✓	✓	✓
	Analysis of supranational organisations and local governments*	✓		✓	✓	✓	✓	✓
	Analysis of small and mid-caps*	✓	✓		✓		✓	✓
	Norm-based analysis	✓		✓	✓		✓	✓
	Sector-based/ethical exclusions	✓		✓	✓	✓	✓	✓
	Alerts/Controversial issues	✓	✓	✓	✓	✓	✓	✓
	SRI indices	✓			✓		✓	✓
	Proxy voting	✓			✓			
	Engagement	✓			✓	✓	✓	✓
	CSR Audits					✓		✓
	Environmental focus			✓		✓		
Emerging countries focus	✓							
RESOURCES & COVERAGE	Number of analysts	35	40	40	70	34	70	70
	Number of companies analysed	3,000/3,700/ 13,000**	6,000	2,500	3,000/ 30,000**	3,000	4,000	2,500
	Number of countries analysed	70	NA	100	90	50	150	170
EXTERNAL AUDIT	ARISTA 3.0. Certification	✓				✓		✓

* Custom universe generally determined by client ** Depending on product

Non-financial data providers

		ASSET4 (Thomson Reuters)	BLOOMBERG	REPRISK
		Switzerland 2003	USA 2009	Switzerland 1998
PRODUCTS AND SERVICES	ESG analysis of companies	✓	✓	
	Analysis of countries			
	Analysis of supranational organisations and local governments*			
	Analysis of small and mid-caps*	✓	✓	
	Norm-based analysis			✓
	Sector-based/ethical exclusions			✓
	Alerts/Controversial issues	✓		✓
	SRI indices			
	Proxy voting			
	Engagement			
	CSR Audits			
	Environmental focus			
	Emerging countries focus			
	RESOURCES & COVERAGE	Number of analysts	100	30
	Number of companies analysed	3,400	5,000	40,000 + 9,000 projects
EXTERNAL AUDIT	ARISTA 3.0. Certification			

* Custom universe generally determined by client

Specialised agencies

		ETHIFINANCE	ETHIX	ETHOS SERVICES	GES	MAPLECROFT	SOLARON	TRUCOST
		France 2003	Sweden 1999	Switzerland 1997	Sweden 1992	United Kingdom 2001	India 2007	United Kingdom 2000
PRODUCTS AND SERVICES	ESG analysis of companies	✓	✓	✓	✓	✓	✓	✓
	Analysis of countries	✓	✓			✓		
	Analysis of supranational organisations and local governments*							
	Analysis of small and mid-caps*	✓	✓					
	Norm-based analysis		✓		✓			
	Sector-based/ethical exclusions	✓	✓		✓		✓	
	Alerts/Controversial issues	✓	✓		✓	✓	✓	
	SRI indices	✓			✓	✓		
	Proxy voting		✓	✓				
	Engagement		✓	✓	✓			✓
	CSR Audits	✓					✓	✓
	Environmental focus							✓
Emerging countries focus						✓		
RESOURCES & COVERAGE	Number of analysts	7	20	15	50	50	65	20
	Number of companies analysed	200	> 7,000	100	"main global indices"	360 US companies	3,000	4,500
	Number of countries analysed	106				All		
EXTERNAL AUDIT	ARISTA 3.0. Certification	✓			✓			

* Custom universe generally determined by client

Local agencies

		CAER	COVALENCE	CRD ANALYTICS	ECPI	ECODES	ECOVALORES	ECO-FRONTIER	ETHICAL SCREENING	FORETICA	GREENEYE	IMUG
		Australia 2000	Switzerland 2001	USA 1981	Italy 1997	Spain 1992	Mexico 2000	South Korea 1995	United Kingdom 1997	Spain 2000	Israel NA	Germany 1999
PRODUCTS AND SERVICES	ESG analysis of companies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Analysis of countries	✓			✓							✓
	Analysis of supranational organisations and local governments*				✓							✓
	Analysis of small and mid-caps*	✓							✓			✓
	Norm-based analysis		✓				✓	✓	✓			
	Sector-based/ethical exclusions	✓			✓	✓	✓	✓	✓		✓	✓
	Alerts/Controversial issues	✓	✓			✓	✓				✓	✓
	SRI indices		✓	✓	✓		✓	✓			✓	
	Proxy voting	✓							✓			
	Engagement	✓							✓			
	CSR Audits		✓									✓
	Environmental focus											
Emerging countries focus												
RESOURCES & COVERAGE	Number of analysts	NA	NA	NA	NA	3	NA	8	NA	NA	NA	NA
	Number of companies analysed	300	> 500	2,000	3,600	NA	NA	2,200	1,000	NA	NA	NA
AUDIT EXTERNAL	ARISTA 3.0. Certification	✓				✓					✓	✓

* Custom universe generally determined by client

		KO-CSR	NOVASTER	REGNAN	REPUTEX	RFU	SIRIS	SOLABILITY	SOURCE ASIA	STANDARD ETHICS	SUST INVEST	SYN TAO	THE GOOD BANKER
		South Korea	Spain	Australia	Australia	Austria	Australia	South Korea	United Kingdom	Italy	South Korea	China	Japan
		NA	1985	2002	1999	1997	2000	2005	NA	2002	2006	2002	1998
PRODUCTS AND SERVICES	ESG analysis of companies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Analysis of countries	✓				✓				✓			
	Analysis of supranational organisations and local governments*					✓							
	Analysis of small and mid-caps*												
	Norm-based analysis	✓							✓				
	Sector-based/ethical exclusions	✓	✓						✓				
	Alerts/Controversial issues	✓	✓						✓		✓	✓	✓
	SRI indices				✓			✓			✓		
	Proxy voting	✓		✓			✓	✓			✓		
	Engagement	✓		✓			✓	✓			✓		
	CSR Audits									✓	✓		
	Environmental focus				✓						✓		
	Emerging countries focus				✓			✓			✓		
RESOURCES & COVERAGE	Number of analysts	NA	NA	NA	30	NA	NA	NA	NA	NA	6	NA	9
	Number of companies analysed	NA/ 70 countries	NA	NA	1,200	NA	1,500	2,000	NA	40	400	NA	1,000
AUDIT EXTERNAL	ARISTA 3.0. Certification	✓											

* Custom universe generally determined by client

Overview of ESG rating agencies

Study conducted by Novethic SRI Research Centre

This overview was prepared based on information collected in April 2013. ESG ratings are currently evolving and developing. The agencies that produce them are therefore likely to change, while others may still emerge. As such, this Overview will be updated periodically should any major changes take place with one of the agencies or a new rating provider emerge.



Novethic, part of the French Caisse des Dépôts, is a research centre on Socially Responsible Investment (SRI). Founded in 2001, Novethic is currently the sole provider of statistics on SRI practices in France, studying the major trends and conducting more expansive studies on specific topics. Novethic's SRI Label, launched in 2009, provides a reliable point of reference for SRI funds available on the French market. www.novethic.com