
SDG TRENDS AND MARKET DEVELOPMENTS

Stoxx Innovate to Invest annual conference

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Who We Are

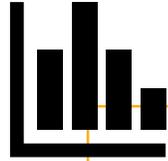
- » The largest pure-play investment research and ratings firm dedicated to responsible investment and ESG research
- » Around 500 professional staff with more than half engaged in research.
- » In excess of 550 clients
- » Over 25 years experience in the fields of ESG and corporate governance research.
- » Owned by: Senior management, Morningstar, PGGM, ABN AMRO MeesPierson, Renewal Partners.



Research & Ratings: asset owners	Research & Ratings: asset managers	Sustainability Bonds 2 nd opinion

Sustainalytics' Key ESG Research Areas

A broad range and extended coverage of listed issuers



ESG RISK

ESG Risk Ratings and analysis for approx. 11,000 companies

Corporate Governance reports and insights for approx. 4,000 companies

Controversy analysis for approx. 12,000 companies globally

Carbon Risk Rating. Assessment of companies' unmanaged carbon risk

Country research. Including: sanctions research and high risk countries

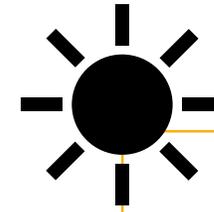


Values Alignment

Negative Screening Research. Approx. 20 product involvement areas researched, including controversial weapons and thermal coal, on a global universe of companies of over 11,000 companies

International norms and conventions. Research and analysis on companies compliance with the UN Global Compact, and it's underlying norms and conventions

Controversy analysis, for approx. 12,000 companies globally



Impact

Sustainable Development Analytics.

Analysing company alignment with the Sustainable Development Goals: operational and product alignment

Positive Product Solutions.

Research on solutions to environmental or social challenges. Coverage of 11,000 companies

How do we measure alignment?

We take a value chain approach to our assessment, considering both a company's operational and product alignment.

- » **Operational Alignment:** considers a company's preparedness and performance (alignment), alongside involvement in controversies (misalignment).
- » **Product Alignment:** considers level of involvement in sustainable product and services (aligned products), like renewable energy, and controversial products (misaligned products), like thermal coal.



Key Questions to think about...

1. How to express commitment to a thematic area?
 - » Exposure based: investing in the companies with the best solutions and/or excluding those companies that are actively engaging negatively
 - » By also looking at how well positioned management is to a thematic area
2. How would you like to position this across the asset allocation mix?
 - » Within the Core Strategy, i.e. as a baseline screen
 - » Within the Thematic bucket/allocation
3. How do you typically invest in thematic portfolios, i.e. through a comingled fund, SMA or ETF?
4. Are you looking to gain broad diversified market exposures?
5. Are you okay to sacrifice performance or experience increased risk/volatility in order to contribute to this commitment?