



RI TRANSPARENCY REPORT

2020

Vigeo EIRIS

About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2020 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	🔒	n/a
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	✓	Public
SG 05	Outsourcing of services	✓	Private
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	🔒	n/a
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

Research and Data Provision			
Indicator	Short description	Status	Disclosure
RDP 01	Product type	✓	Public
RDP 02	Sources for research and/or rating	✓	Public
RDP 03	Stakeholder input	✓	Public
RDP 04	Up-to-date assessment and ratings	✓	Public
RDP 05	Balanced research and assessment	✓	Public
RDP 06	Consistency and comparability	✓	Public
RDP 07	Emerging ESG issues and trends	✓	Public
RDP 08	Client use of outputs	✓	Public
RDP 09		✓	Public
RDP End		✓	-

Confidence building measures

Indicator	Short description	Status	Disclosure
CM1 01	Other product offerings, processes and/or activities	-	n/a
CM1 02	Assurance of responses	✓	Private
CM1 End	Module confirmation page	✓	-

Vigeo EIRIS

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01

Mandatory

Public

Descriptive

OO 01.1 Select the location of your organisation's headquarters.

France

OO 01.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3 Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

240

OO 01.5 Additional information.[OPTIONAL]

28 nationalities are represented at Vigeo Eiris.

Reporting Year

OO 02	Mandatory	Public	Descriptive
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OO 02.1 Indicate the year end date for your reporting year.

31/12/2019

Signatory category and services

OO 03	Mandatory	Public	Gateway
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OO 03.1 Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)
- Other, specify(2)

OO 03.2 Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Reporting
- Active Ownership Services

Active Ownership Services

- Yes
- No
- Investment consultancy
- Other, specify (3)
- Other, specify (4)
- None of the above

OO 03.3 Attach a graph showing a breakdown of your business activities. [OPTIONAL]

OO 03.4 Additional information [OPTIONAL]

Vigeo Eiris is an international provider of environmental, social and governance (ESG) assessments and services for investors and issuers.

- For investors: we provide decision-making support covering sustainable and ethical investment approaches (including assessments, databases, portfolio analyses, benchmarks and more)
- For issuers: supporting the integration of ESG criteria into strategic operations (including sustainability bonds, sustainability linked loans, solicited ratings and more).

Vigeo Eiris has obtained ISO 9001: 2015 certification for its processes relating to methodology, rating, sale and delivery of its data to all types of investors and issuers.

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, New York, London, Brussels, Stockholm, Casablanca, Hong Kong, Milan, New York, Rabat and Santiago.

The Vigeo Eiris Global Network, comprising 4 exclusive research partners, is present in Brazil, Germany, Israel and Japan.

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Strategy and Governance

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Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

Vigeo Eiris is a global provider of environmental social and governance solutions serving the investor and issuer communities.

- The **Vision** of Vigeo Eiris is to catalyse the global shift towards a responsible and sustainable financial system.
- The **Mission** of Vigeo Eiris is to provide market participants with the ESG insight needed to manage risks and better address their social and environmental impacts.

In that context all of our business offerings integrate ESG within them. This is either by assessing the integration of ESG by an entity or instrument, or by providing tools that enable other parties (investors or issuers) to integrate ESG within their strategic operations.

From a philosophical perspective:

- Vigeo Eiris has built an approach to assessing sustainability risk and performance with the belief that social responsibility is not only a fiduciary duty but also a material driver of success.
- At the root of many of our products lie the international reference texts and standards that are shaping the responsible investment market place. We talk here of key frameworks such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the Ruggie Principles, the Green Social and Sustainability Bond principles etc. In that sense we endeavour to reflect in our assessment frameworks the legitimate rights and expectations of a range of stakeholders.

Beyond our role as an independent provider of research and analysis, Vigeo Eiris positions itself as a key player and active partner in dialogue with civil society organisations including NGOs, trade unions and European and international institutions. Thanks to our international presence, we are particularly proud to promote the dissemination of sustainable & responsible investment practices throughout the world. Our Communication on Progress to the UN Global Compact further highlights our philosophy and how we incorporate environmental, social and governance factors into our methodology. These documents are all available publicly online from our website.

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

Policy components/types

Policy setting out your overall ESG/RI approach

Public availability

URL

URL

<http://www.vigeo-eiris.com/about-us/methodology-quality-assurance/>

- Attachment
- Not publicly available
- Formalised guidelines on environmental factors

Public availability

- URL
- Attachment
- Not publicly available
- Formalised guidelines on social factors

Public availability

- URL
- Attachment
- Not publicly available
- Formalised guidelines on corporate governance factors

Public availability

- URL
- Attachment
- Not publicly available
- Formalised guidelines on engagement approach
- Formalised guidelines on (proxy) voting approach
- Other, specify (1)

Carbon offsetting policy

Public availability

- URL
- Attachment
- Not publicly available
- Other, specify (2)
- None of the above

SG 01.4

Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
- Regular RI/ESG policy awareness building for employees
- Establishment of policy review committee/team
- Remuneration linked to achieving ESG objectives
- Annual performance incentives
- Other, specify (1)

Vigeo Eiris also has an independent Scientific Committee that reviews key policies and innovations for the organisation.

- Other, specify (2)
- Other, specify (3)

No

SG 02**Mandatory****Public****Descriptive****SG 02.1**

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)

ISO Standards: ISO 26000, ISO 9000, ISO 14000, ISO 9001

- Other, specify (2)

Relevant European Union directives (eg: The Non Financial Reporting Directive)

- Other, specify (3)

IIRC International Integrated Reporting Framework

- None of the above

SG 02.2

Additional information. [OPTIONAL]

We use numerous international norms and standards to develop the content our analysis perspective within our ESG assessment solutions. Considering and effectively promoting these principles is not only *desirable* but also **necessary** to concretely implement social and environmental responsibility at a global level. Examples of these other texts are provided below (the list is illustrative, not exhaustive).

- UN Basic Principles on the Use of Force & Firearms by Law Enforcement Officials (1990)
- UN Declaration on the Rights of Indigenous Peoples, 2007
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1984)
- Geneva Convention relative to the Treatment of Prisoners of War (1949)
- Voluntary Principles on Security and Human Rights
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997)
- Convention on Biological Diversity (CBD).
- European Union's Habitats Directive, the World Wildlife Fund's (WWF) Eco- regions list and the IUCN's Red-List of Threatened Species.
- Forest Stewardship Council (FSC)
- Ottawa Convention (landmines) and Convention on Cluster Munitions

SG 03**Mandatory****Public****Descriptive****SG 03.1**

Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.

	Off the shelf	Tailored
Asset class-specific RI guidelines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sector-specific RI guidelines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Screening/exclusions policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Engagement policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SG 03.2

Provide a brief description of the key elements, any variations, or exceptions applying to these policies.

We develop the majority of our products and services in an industrialised fashion. The resulting outputs can then be tailored to specific client interests.

SG 04

Mandatory

Public

Descriptive

SG 04.1

Briefly describe how you include ESG/RI factors as part of your business offerings.

Business area

Active Ownership Services

How you include ESG/RI factors

Within the Active Ownership space, Vigeo Eiris supports investors in their engagement activities.

- **Engagement:** consists of a dialogue between investors and companies based on the framework defined by the client. It is achieved through written requests and/ or client led meetings and conference calls on specific ESG issues. Our engagement offer covers all sectors and a broad range of topics from climate change to human rights. Our service targets the most appropriate companies for engagement. This includes setting selection criteria, providing baseline research data, developing template letters and analysing company responses. Company progress is monitored by Vigeo Eiris to assist investors in fulfilling their stewardship and active ownership commitments.

Research and Data Provision

How you include ESG/RI factors

Vigeo Eiris provides a broad range of ESG assessments that can be used for different purposes. Some examples are provided below.

- **ESG Assessments:** our ESG assessments cover sovereigns, local authorities, large - mid - small and unlisted companies. These assessments measure the integration of ESG risk factors into the management approach of the company.
- **Controversy Risk Assessment:** an events based monitoring service allowing investor to stay informed of allegations impacting companies within their portfolio that are linked to ESG issues.
- **Screening Assessment:** an activity based assessment of positive and and negative factors that can be particularly useful for exclusionary approaches and thematic investment approaches.
- **Climate Risk Assessments:** covering physical risk management, energy transition performance, carbon foot printing, climate change governance and green/brown share activities.
- **Global Framework Assessments:** we also have assessments that focus specifically on the criteria of the UN Global Compact and the UN Sustainable Development Goals.

SG 04.2

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other chief-level staff	<input type="checkbox"/>	<input type="checkbox"/>
Other heads of department	<input type="checkbox"/>	<input type="checkbox"/>
Dedicated ESG/RI staff	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SG 04.3

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- Staff training on ESG/RI incorporation
- Including ESG/RI knowledge factors in personal development goals
- Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- Including ESG in selection requirements when hiring new employees
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)

SG 04.4 Indicate whether your organisation has any ESG/RI linked incentives for its employees.

- Yes
- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

SG 04.6 Describe how you ensure that your employees incorporate ESG/RI into services through other mechanisms than ESG/RI linked incentives.

Since ESG is systematically integrated as a standard service/product offering across our entire business, we do not need to incentivise employees to incorporate ESG/RI into our services.

SG 06

Mandatory

Public

Descriptive

SG 06.1 Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

SG 06.2 Describe the main components of your training/educational services on ESG/RI and any variations depending on the group you provide training/education to.

Vigeo Eiris is regularly called upon to provide ad hoc training to:

- our clients
- academic (within the scope of our academic outreach activities)
- and public authorities

SG 06.3 Describe whether these training/educational services include any commercial elements.

N/A

SG 07

Mandatory

Public

Descriptive

SG 07.1

Describe how your organisation applies, advances and promotes the PRI Principles.

Vigeo Eiris provides a suite of ESG solutions that allows clients to implement responsible investment strategies in line with the PRI principles and clients' own investment strategies. In addition to our core offering:

- We explain the PRI principles to clients, as well as how to apply and implement them, often in an incremental fashion.
- We refer to the PRI principles when we provide ESG training to our clients' staff.
- Where relevant and appropriate, we also refer to the PRI principles in pitches to prospects and in public speaking engagements.

Vigeo Eiris has previously signed a partnership agreement with the PRI, providing in-kind access to our research platform for the PRI's collaborative engagement programme. We welcome the opportunity to offer the PRI similar access to our database in future.

Vigeo Eiris' Head of International Affairs, Peter Webster, has been a member of the PRI Board since 2013 -2019.

SG 07.2

Highlight whether there are any ways that your organisation would like to engage further with the PRI. [OPTIONAL]

Given our in-depth engagement and understanding of the Principles for Responsible Investment, we are keen to contribute to PRI webinars and speak at PRI events. We are keen to work on collaborative engagements or to provide research to PRI collaborative initiatives, especially regarding the different responsibilities of Credit Rating Agencies vs Sustainability Rating Agencies.

SG 08**Mandatory****Public****SG 08.1**

Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

SG 08.2

Additional information. [OPTIONAL]

We provide ESG training to clients on an ad hoc basis as required and are keen to provide support when asked. We regularly provide data in-kind to academics through partnership agreements. Since 2002, we have signed 87 academic partnerships with universities from 18 countries. More than 60 academic publications based on our data have been released since 2002.

We regularly contribute to policy consultations on relevant themes (e.g. HLEG, EU sustainable finance survey, the FCA's Discussion Paper 18/8 on Climate Change and Green Finance, Principles for Responsible Banking consultation, etc.).

We were present and hosting events at PRI in Person in Paris 2019 as well as a number of other leading conferences including Responsible Investor in the UK, US and Asia Pacific Region.

We host events across our global operations designed to raise awareness on ESG issuer or responsible investment opportunities. For example, in 2020 - we will work with the UN-PRI in Chile to host and organise a one day event for issuers and investors.

SG 09**Mandatory****Public****Descriptive****SG 09.1**

Indicate which of the following long-term trends are addressed in your product outputs.

 Changing demographics**SG 09.2**

Explain how this long-term trend affects your product outputs.

Changing demographics is considered a specific risk and long-term trend that will impact companies' performance and management.

Depending on sectoral analysis, changing demographics is an issue incorporated into our overall assessment of companies' management of sustainability issues. For example, the ESG themes associated with this challenge are:

- Career Management: assesses corporate commitments towards enabling employees to develop their careers and ensure their professional development within a transparent framework. This is to future-proof the employability of employees and ensure their adaptation to the changing work environment and their skill development, thereby facilitating labour mobility and anticipating job requirements.
- Non-Discrimination: we analyse companies' strategies to prevent discrimination against persons on the basis of age or familial responsibilities, as well as measures implemented for the promotion of equality.
- In the Pharmaceuticals & Biotechnology sectors as well as the Health Care Equipment and Services sectors, we examine how companies are supporting sustainable health care systems and the provision of access to medicines for a growing and ageing population.
- Our Food sector research examines how companies are supporting the provision of Access to Nutrition for a growing and ageing population.

 Climate change**SG 09.2**

Explain how this long-term trend affects your product outputs.

Climate change is perhaps the leading concern for investors and we provide a range of services to support the integration of climate risk into their investment activities:

- Carbon Footprinting
- Energy Transition Assessments

- Physical Risk Management Assessments
- Climate Change Governance Assessments
- Green Share Assessments
- Brown Share Assessments
- Fossil Fuel Screenings
- Carbon and Energy Transition Portfolio analyses
- Low Carbon Benchmark development (in collaboration with our Index partners)
- Energy Transition Benchmark development (in collaboration with our Index partners)

Resource scarcity

SG 09.2 Explain how this long-term trend affects your product outputs.

As part of our Sustainable Goods and Services research, we identify companies that develop solutions and products that have a positive impact on environmental challenges, including resource scarcity (detergents that require less water to work effectively, cleaning products that work at lower temperatures, packaging that requires less material input etc).

As part of our ESG research, within our Environment domain we examine how companies manage their impact on the environment by optimising and reducing water and energy consumption and managing waste. We collect various indicators that consider companies' exposure towards those risks (e.g. exposure to water scarcity depending on a company's asset location).

For relevant sectors we also assess the way companies develop eco-design strategies and reduce the impacts linked to the use or disposal of their products.

For instance, in the Energy sector our analysis of companies examines their level of commitment in the development of renewable energies. In the Chemicals sector, our analysis examines how companies are involved in the development of so called 'green' or 'bio-based' chemicals. In the Food sector, our analysis examines how companies are working towards goals like sustainable agriculture and food security.

In the Food - Beverage and Tobacco sectors, our analysis examines how companies are working to reduce the level of water used in upstream and downstream operations

Technology developments

SG 09.2 Explain how this long-term trend affects your product outputs.

We consider a number of different technological developments:

- Data privacy - this is addressed in multiple sectors through our analysis of fundamental human rights.
- Shift to electric transport - this is addressed in our Automobiles sector research.
- Hacking of corporate Information - this is currently available in Financial sectors and is currently being introduced into more sectors.
- GMOs - we systematically screen all companies for their involvement in GMOs through our Controversial Activity Screening service. Within our Equitics© research, we analyse the way industries manage social risks and concerns associated to the use of GMOs (Chemicals, Food and Beverage sectors).
- Nano-technologies is analysed across a number of our sectors including Chemicals, Pharma, Biotech, Food, Beverage, Tobacco etc. We examine how companies manage risks related to the use of nanotechnologies for their products and also for the employees involved in manufacturing processes.
- Robotisation - in a number of industrial sectors including Automobiles and Aerospace, we examine the long-term trend towards the robotisation of manufacturing processes.
- Artificial Intelligence: Depending on the sector, we look at how Artificial Intelligence has an impact on businesses (clients, employees, product offer etc.)

Other, specify (1)

Sustainable Supply Chains

SG 09.2 Explain how this long-term trend affects your product outputs.

As part of our ESG research, we analyse multiple dimensions of supply chain sustainability.

- We include three dedicated criteria within our generic methodology:
 - Sustainable Contractual Relations with Suppliers
 - The Integration of Environmental Standards into Supply Chains
 - The Integration of Labour Standards into Supply Chains).

Other, specify (2)

None of the above

SG 11	Mandatory	Public	Descriptive
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SG 11.1 Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.

Describe

As an ESG rating agency, our first mission is to develop the Agency level position on a given issuer. However, the data and metrics that underlie the construction of the Vigeo Eiris assessment are made accessible to our investor clients. They are also provided with tools that enable them to reweight, rescore and reconstruct assessments in the model that they see fit. Therefore, it is via the provision of tools that we enable our research to be tilted towards client goals.

This is not relevant for my organisation

SG 12	Mandatory	Public	Descriptive
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SG 12.1 Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.

Describe

As stated previously, it is of fundamental importance to Vigeo Eiris that we hold an Agency position on a given company. In circumstances where this does not meet with the goals of an investor client, we **do not** by default change our position.

We are of course open to hearing their concerns on the assessment provided and actively encourage this kind of open dialogue and feedback. However, this does not result in a change in the position of the Agency. If the investor client is able to provide factual evidence from publicly available sources that we can integrate into our assessment, this may result in a change.

This is not relevant for my organisation

SG 13	Mandatory	Public	Descriptive
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SG 13.1

Indicate whether you seek feedback from clients on your RI/ESG services and product offerings

 Yes**SG 13.2**

Describe how you use this feedback in your RI/ESG services and product offerings.

Innovation, trust and dialogue form the foundation of our client relationships. We maintain close contact with our clients who act as a key party to inform our understanding of market expectations. With both our Issuer and Investor clients, we have dedicated client relationship managers and client services teams in place. These teams are at the front line of information collection and analysis in terms of client needs. The information gathered from these parties feeds back to project managers in charge of innovation ensure the diversification of our services to meet the needs of new market segments and to anticipate future needs. As part of our ISO 9001 certification, we are required to conduct an annual client satisfaction survey.

 No**SG 14****Mandatory****Public****Descriptive****SG 14.1**

Indicate whether your organisation has a policy for managing potential conflicts of interest.

 Yes**SG 14.2**

Describe how you manage potential conflicts of interest.

Vigeo Eiris has a Code of Conduct that is signed by all employees.

Through this Code of Conduct, we apply strict guidelines on work ethics and integrity. In order to prevent conflicts of interest, Vigeo Eiris has a rule that an analyst/ researcher or other employee may not participate in the determination of ratings or other assessments and evaluations if the employee:

1. directly owns securities or derivatives of the assessed entity or any related entity. Where such ownership has been declared, he / she must discuss this with his / her line manager and the Compliance Officer, who will decide what action to take. This decision will be recorded by the Compliance Officer.
2. has had an employment or other significant business relationship with the assessed entity within the previous 6 months.
3. has an immediate relation (i.e. spouse, partner, parent, child and sibling) who currently works or has worked within the previous 6 months for the assessed entity.

Any personal relationship with a company that creates the potential for any real or apparent conflict of interest must be disclosed to the appropriate manager or the Compliance Officer.

SG 14.3

Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

Vigeo Eiris employees must respect the applicable insider trading regulations.

 No

Vigeo EIRIS

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Research and Data Provision

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Product level

RDP 01

Mandatory

Public

RDP 01.1 Indicate your product type. Tick all that apply.

- Analysis
- Benchmarking reports
- ESG ratings
- Credit ratings
- ESG indices
- Raw data
- Second party opinion on green or social bonds
- Surveys
- Other, specify

RDP 01.2 Indicate whether you make any of your products publicly available.

- Yes, all products
- Yes, some products
- No, we do not

Research/process level

RDP 02

Mandatory

Public

RDP 02.1 Indicate the types of sources you use for research and/or ratings of companies/sectors/geographies or similar. Tick all that apply.

- Your organisation`s independently collected data from public sources
- Regulatory sources
- Information from NGOs and other stakeholders
- In-person meetings or calls with company or industry representatives
- Primary data (self-reported from companies or other organisations)
- Secondary data (from other research provider databases)
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.2

Indicate how ESG factors are incorporated into your research and/or rating methodology

- Identifying exposure and risk to ESG factors
- Considering responses to self-assessment questions on ESG
- Assessing current and future capacity to manage or mitigate ESG risks
- Assessing past and potential future performance on ESG factors
- Assessing alignment and compliance to different policies and regulations
- Assessing alignment and compliance explicitly to the Sustainable Development Goals (SDGs)
- Assessing current and future positive ESG impacts
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.3

Describe how you define materiality and how this is captured in your research and/or rating methodology as well as final product.

Materiality must be clearly defined and assessed in order to identify the key issues, risks and opportunities that are significant to companies and their stakeholders. A restrictive definition of materiality (focusing only on impacts to an issuer) can lead to issuers ignoring legitimate stakeholder concerns and failing to realise their potential sustainability impact.

A dynamic and multidimensional definition of materiality broadens an issuers' risk management framework to include and prioritise the relevant range of risk factors that may affect a wide range of stakeholder interests. In that context, a material ESG factor for Vigeo Eiris is one whereby there are impacts to both the corporate and its stakeholders should the issue fail to be managed.

It is through this balanced approach that we construct an ESG assessment framework of criteria that represent where an issuer can face both ESG risk and also where it can have sustainability impact.

Our approach recognises that the challenges faced by companies are numerous, multifaceted and non-uniform. Our research framework is therefore customised by sector to reflect and capture specific material ESG risks and opportunities for a defined sector.

Methodology for Weighting Criteria:

The 'weighting' to determine the materiality of each sustainability criterion is set on a scale from 0 to 3 and is based on an assessment of three factors that analyse both issuers and stakeholders:

- The nature of the stakeholders' rights, interests and expectations; taking stakeholder relevance into account.
- The vulnerability of stakeholders to that impact.
- The risks that an issuer may face (e.g. legal, operational, human capital, reputational etc.) should they fail to adequately manage this impact.

This exercise is conducted by our sector specialist research teams under the direction of their Research Manager.

Materiality in our Framework and Scores:

- We review 38 sustainability criteria in our generic research framework.
- At sector level, each criteria is assigned a weight from 0-3 following the method outlined above.
- A criterion with a weight of 0 will not be considered as material for analysis and will be removed from the framework.
- A criterion with a weight of 3 has the highest weight and is therefore considered most material.
- We currently have 40 sector-specific customised rating models and on average, 20-25 criteria are analysed per sector for each company. For example, for the Pharmaceutical and Bio-technologies sector we have 24 active criteria.

Since our consolidated scores are built on the weighted average of the performance in these ESG criteria, the scores consider the performance of the issuer on the most material issues.

RDP 03	Mandatory	Public	Descriptive
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RDP 03.1	Describe how you actively include input and information, wherever possible, from relevant stakeholders or interested parties, in the research process or in reaching assessment conclusions.
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1. Information Sources for our Research Process:

As part of the rating and monitoring process, we include additional information regarding companies' performance from various stakeholders;

- Press sources (by using a global news database, our analysts have access to tailored company information derived from hundreds of media sources worldwide).
- NGOs (for example Greenpeace or Amnesty International)
- Trade Unions (for example we have signed dedicated research partnerships with the UNI Global Union and the IUF Global Union who provide our sector teams with additional information on company behaviours related to Human Rights issues).
- Online Information Hubs (the Carbon Disclosure Project database, the Business and Human Rights Resource Centre, the OECD Contact Point websites).
- Company Reporting in the form of Annual Reports, 10ks, Sustainability Reports etc are utilised in the information collection process as well.

2. Active integration of their inputs:

- Controversy Database: Vigeo Eiris' Controversy Database records information on all controversies that an issuer may face. New events are carefully analysed and added as they occur. Each controversy is assessed against three factors: severity, frequency and company response. Depending on these factors, a controversy can positively or negatively impact a company's ESG score, which may lead to various types of alerts being issued (see below).

- Alerts: Vigeo Eiris issues a range of alerts to inform clients of our analysis of a specific event. Downgrading Alerts indicate reduced issuer performance. Upgrading Alerts indicate improved issuer performance. If a major event occurs but the facts and responsibilities are unclear, Vigeo Eiris issues a Monitoring Alert. Finally, if an event occurs that confirms our existing opinion of company performance, a Confirmation Alert is issued.

3. The treatment of information:

- External information is never fed into our research deliverables automatically. It is always examined by an analyst first, before being integrated into our research analysis.
- Following strict internal standards, information is only used in our analysis when it is available from legitimate, recognised stakeholders and is documented and traceable.
- Across all our research methodology, analysts are required to indicate their sources of information.

RDP 04	Mandatory	Public	Descriptive
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RDP 04.1

Indicate how you ensure that your ESG assessment of companies/ sectors/ geographies or similar is up-to-date and that new information is incorporated or new assessments are conducted at reasonable intervals.

- Regular update cycles (annual or more frequent)
- Allowing assessments/ ratings to be adjusted at any time by your organisation
- On-going alerts systems in place for new events and information that might have implications on the original assessment/ ratings
- On-going monitoring of possible controversies and compliance to conventions, regulations and similar
- Providing tools for companies/ sectors or others to update the researcher, rating agency or data provider with new information
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 05**Mandatory****Public****Descriptive****RDP 05.1**

Indicate how you typically ensure a balanced approach to your research methodology and assessing/rating of companies/sectors/geographies or similar. Tick all that apply and explain your approach to each option.

Type of indicators

- Balancing quantitative and qualitative indicators

Explain your approach

A standardised questioning approach is systematically applied across our ESG research framework, applying a combination of qualitative and quantitative analysis in order to develop a score on any given ESG criterion.

This framework is structured around three pillars of analysis:

- (1) Leadership - Qualitative analysis of policy commitments and governance
- (2) Implementation - Qualitative analysis of measures
- (3) Results - Quantitative and Qualitative analysis of KPIs and stakeholder feedback

- Balancing management/process oriented indicators and performance indicators

Explain your approach

A standardised questioning approach is systematically applied across our ESG research framework to ensure a balance between management objectives, processes and results on any given ESG criterion.

- (1) Leadership analysis - an assessment of the policies implemented by issuers, their depth and level of ownership by senior management and associated internal structures.
- (2) Implementation analysis - an assessment of the measures and processes implemented to enable the issuer to realise its stated objectives, as well as an assessment of the scope of these measures, their processes and geographical coverage.
- (3) Results analysis - an assessment of quantitative key performance indicators as well as the issuers' exposure to allegations and its management of them.

- Balancing reference to past and current performances, such as whether the rating object's performance is improving or deteriorating

Explain your approach

Our ESG deliverables provide visual representations of issuer performance over time and at different levels of analysis:

- The Overall ESG score: data is shown for the last 4 rating cycles.
- The Domain level scores: data is shown for the last 4 rating cycles.
- The Criteria scores: trends are shown indicating whether the absolute level of performance has increased or decreased since the last rating cycle.

In addition, we provide clients with detailed data-sets providing a full back history of data across a range of ESG performance metrics.

- Balancing environmental, social and governance indicators

Explain your approach

Our ESG assessment framework is organised to provide a balanced analysis of Environmental, Social and Governance factors. An issuer is never analysed on just one factor (for example only S, only G, etc).

Rated issuers will always have:

- An overall ESG Score
- E, S and G Scores
- 6 domain scores & ratings: Human Rights, Human Resources, Community Involvement, Corporate Governance, Business Behaviour, Environment.
- And then the ESG criteria level scores and ratings

- Balancing self-reported and public data

Explain your approach

Our ESG assessment framework has 'Stakeholder Feedback' integrated into the analysis model for all companies. This ensures that public data related to issuers, both positive and negative in nature, can be systematically integrated into the rating. We also use a range public data sources for example the Factiva Press Archives. This tool collects public information from over 30,000 sources and provides our analysts with dedicated alerts on their companies.

- Other, specify (1)
- Other, specify (2)
- None of the above

RDP 06	Mandatory	Public	Descriptive
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RDP 06.1 Describe the control processes in place to ensure quality of research.

After being certified to the ARISTA 3.0 quality standard for 8 years until March 2018, Vigeo Eiris has successfully completed its initial certification audit to the ISO 9001:2015 quality management system standard. We believe we are the only ESG rating agency to have this certification in place to date.

Additionally, we updated our quality commitment in December 2018.

Vigeo Eiris is an international provider of ESG (Environmental, Social and Governance) research, ratings and services. We help investors integrate social responsibility topics into their investment decisions and help organisations mitigate their sustainability risks and strengthen their capacity to create sustainable value.

We evaluate the level of integration of ESG factors in the governance, strategy and operations of different

types of organisations and undertake risk assessments to empower investors and executives in their decision-making process.

We are committed to providing a comprehensive suite of services that fully satisfy our clients' needs, offering tools such as ESG indices, portfolio assessments, screening, solicited ratings, green and social bonds and loans, etc.

We are aware that our opinions may impact the organisations we research, and the rights, interests and expectations of their stakeholders. We are therefore committed to delivering impartial, accurate, professional, and timely assessments. To this end, we develop, implement and maintain:

- Research methodologies that are regularly reviewed and backed by formalised principles and processes available to all our staff, auditors and partners.
- Research processes that use traceable information and are designed to apply equal treatment for all organisations under review.
- Recruitment and training processes to ensure that our staff have the necessary competencies.
- A Code of Conduct to formalise our commitment to integrity and transparency.
- A process of continuous improvement, regularly reviewed by the Management Board and an independent third party.

Concretely, Vigeo Eiris ensures the quality of its ESG and Specialised research process, products and services by:

1. Investing in its team of skilled ESG and Specialised analysts/researchers:
 - o recruiting analysts with comprehensive academic backgrounds in CSR and Responsible Investment, as well as good analytical skills,
 - o providing these analysts/ researchers with a thorough induction and regular development through their career
2. Conducting regular internal quality controls and audits on the research process and on the final products, both before and after delivery to clients. Quality controls and audits involve different people from different services and take place at different stages:
 - o Sector Leaders, Research and Product Managers perform quality controls during the rating process, and before the delivery of products to clients. Such controls aim to:
 - ensure the scores and opinions are in line with Vigeo Eiris' methodology;
 - ensure the agreed rating process has been adhered to for all rated issuers, states and local authorities.
 - o Thematic groups support Sector Leaders to ensure comprehensive sector customisation.
 - o Internal quality auditors conduct random quality checks and audits (outside of the rating process) to ensure agreed processes and policies are adhered to.
 - o A specific team composed of IT, sales staff and research analysts performs monthly quality checks on data and publications prior to delivery to clients.
 - o Sales and Business Line Managers provide feedback from clients and prospects on the methodology and products.
3. Continuously improving its Quality Management System. Feedback from internal quality checks and audits as well as from clients are shared with the relevant teams (ESG Research department, Specialised Research department, Methodology & Process Managers etc.) and products, methodologies, and/ or processes are reviewed and updated as necessary.
4. Promoting a transparent and interactive process with rated issuers, states and local authorities through our online platform, VE Connect. This unique platform allows Vigeo Eiris to share key rating results with rated organisations, enabling continuous improvement. It also guarantees the traceability of all communication between our analysts, rated organisations and stakeholders.

RDP 07	Voluntary	Public	Descriptive
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RDP 07.1	Indicate whether you identify and prioritise ESG issues and emerging trends.
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Yes

RDP 07.2

Describe how you incorporate the identified ESG issues and trends in your product offerings and business activities.

Vigeo Eiris implements a dynamic approach to product innovation. We consistently review and assess the evolving ESG landscape, monitoring relevant regulatory and normative frameworks shaping the ESG investing market. Our product development team identifies and tracks emerging issues and trends to guide and fuel our enhancements and product innovation initiatives. Some of our recent innovations include climate risk assessment research, positive screening for impact and thematic investing, and ESG rating frameworks across different asset classes. Our research team is composed of around 140 analysts globally, with expertise across several sectors and themes, who drive the consistent and continued evolution of Vigeo Eiris' ESG rating methodology, aligned to market developments and relevant regulatory frameworks.

In 2010, we enhanced our ESG research framework with the addition of new ESG indicators linked to the transparency and integrity of lobbying practices. This enhancement was carried out in collaboration with Transparency International. The initiative produced a more comprehensive rating framework which integrates principles of action for the companies that we rate towards the achievement of sustainable solutions. Since then we have added new analysis areas on Physical Risk management, Climate Change Governance, Tax Transparency, Flextime working and more. Most recently in 2019, we have developed an approach for assessing Just Transition which has emerged as a key theme within the overall climate action discussions ongoing at global level.

Screening Research:

Over the last decade, we have also been actively developing new research on our negative screening offer integrating issues such as a cannabis, arctic oil, fracking, high interest lending and more into our offer.

In 2015 we launched a positive screening service. Our Sustainable Goods and Services (SGS) research line measures a company's level of involvement in products and services that make strong positive contributions towards sustainable development. It covers nearly 100 different types of products and services, equally encompassing social and environmental topics. The database is dynamic, incorporating new sustainable products and services as they enter the market. The full list of products and services is classified into nine core themes, such as water & sanitation, food & nutrition, and capacity building, which are used to support its application in impact investing strategies.

Sustainable Development Goals

In 2018 we launch a new product focused on the Sustainable Development Goals (SDGs) that assesses both the positive products and behavioral aspects of corporate activity within the prism of the SDGs.

Benchmarks and Indices

We are highly innovative in the benchmark and indices space and have worked with clients to develop indices on new themes such as biodiversity, the SDGs, Climate and employee well being in recent years.

Bonds and Loans

The sustainable bond and loan market has been developing rapidly in the last years and we have positioned ourself as a innovative force here supporting issuers on gender bonds, transition bonds as well as the more traditional green, social and sustainable bonds. We have also been highly active in the emerging sustainable loan market.

Not applicable for our organisation

RDP 07.3

Additional information

RDP 08	Voluntary	Public	Descriptive
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RDP 08.1	Describe how research and data provision outputs are used by clients.
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Describe

	Describe how research and data provision outputs are used by clients.
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Clients use our research to identify risks related to ESG, to detect opportunities for future value creation and to be swiftly informed about controversies and litigation. All of these require research and data that is reliable, up-to-date, accessible and customisable. Vigeo Eiris provides research and services adapted to many types of investment. These research lines are integrated into client IT systems for asset management, they are available to consult on our extranet, and are delivered in reports by stocks, funds or at portfolio level - all to support investors' investment decisions or fund management.

Investor clients use our data for different purposes:

- **Risk assessments:** to identify ESG risks & opportunities
- **Policy design:** to define and translate data into investment policies
- **Integration:** to conduct ESG and/ or climate risk analysis, connecting ESG and financial research
- **Universe definition:** to define an investable universe, create a blacklist or indices or ESG labelled funds
- **Monitoring:** to monitor and report on ESG and climate risk management
- **Shareholder engagement:** to engage with company management & vote at AGM

On the **Issuer** side, clients utilise our second party opinion service to assist in access to sustainable finance.

Not applicable for our organisation

RDP 09	Voluntary	Public	Descriptive
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RDP 09.1	Provide examples of cases where ESG was incorporated into your services and the tracked impact it had for investor clients in their decision making process and/or active ownership activities.
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Case example 1

	Description of ESG service provided and the impact it had on investor client's investment decision making and/or active ownership activities.
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One of our asset manager clients uses a wide range of our Controversial Activities Screening data (for example, tobacco and fossil fuel involvements) to help them manage exclusion requirements for their ethical fund offerings, as well as for some client specific mandates. Our research identifies the nature and extent of involvements in selected commercial activities, the data from which feeds into the client's investment decision-making process to provide evidence for which companies are excluded and why.

Case example 2

Description of ESG service provided and the impact it had on investor client's investment decision making and/or active ownership activities.

One of our asset manager clients uses company scores to identify positive ESG performance and rank companies accordingly, as a part of their stock selection process. In this way, they are using our ESG research to identify leaders, rather than to exclude laggards, within their investible universe.

Case example 3

Description of ESG service provided and the impact it had on investor client's investment decision making and/or active ownership activities.

One company engagement that began in March 2016 focused on encouraging the company to confirm that it recognises the right of employees to freedom of association and collective bargaining, and outline the systems it has in place for conducting supplier audits and addressing incidents of non-compliance.

During the engagement process, the various issues were discussed via letters and emails as well as through conference calls conducted by Vigeo Eiris on behalf of our investor client.

The company's commitment to the engagement process was encouraging. In the company's first few responses, between June and March 2016, Vigeo Eiris were able to establish that the company had a sufficiently advanced management system in place to demonstrate that it was monitoring potential supply chain labour standard risks appropriately. However, engagement continued around the issue of freedom of association and collective bargaining.

In an effort to break the impasse, a conference call was organised with the company in late 2016 where they indicated that a new policy was being drafted and would be presented, during 2017, to the Board for sign off. This policy was published in 2018 and was therefore incorporated into Vigeo Eiris' database. The engagement therefore came to a successful conclusion.

Case example 4

Case example 5

Vigeo EIRIS

Reported Information

Public version

Confidence building measures

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