FactSet Taps RepRisk For ESG Data

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FactSet clients will have access to RepRisk's ESG risk scores to mitigate impact of reputational risk on their investments

Swiss environmental, social and corporate governance (ESG) risk data provider RepRisk has signed a distribution agreement with data and analytics provider FactSet Research Systems to publish RepRisk company research reports on FactSet's research aggregation tool, FactSet Research Connect. Under the deal, which was finalized in June, users will be able to access RepRisk's reputational risk scores for individual companies and sectors, numerical indicators for ESG controversies associated with companies, two years of historical ESG data to help financial advisors identify ESG risk trends, and news from global, regional and local media, non-governmental organizations, government agencies, community groups, think-tanks and social media.

According to Peter Ing, operations and sales channel manager at RepRisk, the vendor's content went live as a searchable dataset of downloadable PDF reports on FactSet's financial research platform on Thursday, July 26. "Once in the tool, users such as equity and fixed income analysts, portfolio managers, investment bankers, wealth managers, consultants and legal experts can run a simple search using a company's identifier, which will bring up details of reports that we have on offer," Ing says.

RepRisk's analysts review articles from a range of sources on a daily basis for controversial ESG issues relating to companies and projects to populate the reports. "Clients now pay greater attention to the reputation of the companies they invest in, and as ESG issues have the potential to severely damage a company's reputation, managing ESG risk exposure has become a key focus," Ing says.

"Certainly [ESG] data is becoming more relevant in the industry," says Matthew Sakey, vice president and global director of broker relations at FactSet. "We want to make sure we provide it so that we can deliver a complete solution."

Initially, FactSet users will have entitled access to RepRisk's Company Reports Lite, which cover global Fortune 500 companies and provide an insight into each company's ESG risk exposure over the last two years, the spread of their exposure around the globe over the last four years, and a breakdown of the ESG issues over the last four years. "Our full-feature
Company Reports will also be integrated into the research platform in the near future, to provide greater insight into peer comparisons, ESG analysis and an extensive list of articles from our database that were captured on a given company," Ing adds.

He says the collaboration with FactSet will enable RepRisk to reach a wider audience of investment professionals that may not have used or even heard of ESG risk data before. As demand for greater transparency into financial transactions and the way that financial institutions operate intensifies, RepRisk's data will provide FactSet users with a means to easily identify ESG risks related to a company and its operations, enabling these users to mitigate ESG risks, he adds.

RepRisk has also recently integrated its ESG data with products from Interactive Data and SunGard. Interactive Data added the data to its PrimeTerminal workstation in February (IMD, Feb 21), while SunGard integrated the data into its MarketMap terminal last November (IMD, Nov. 28, 2011).