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## RepRisk Rolls Out Country-Sector Risk Matrix

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Alessandra Oglino, RepRisk

**Zurich-based environmental, social and governance (ESG) risk data provider RepRisk has rolled out a new matrix that tracks ESG risk by combining country- and sector-level analysis in response to increased customer demand for more granular data, officials say.**

The matrix, dubbed [RepRisk Country-Sector Analysis](#), is based on a methodology developed in cooperation with the Zurich University of Applied Sciences that combines RepRisk's [ESGCountry Index](#)—which the vendor launched in 2013 to measure macroeconomic and political risk—with ESG data on companies operating in a specific sector within a country, says Alessandra Oglino, senior project manager at RepRisk. For instance, the matrix allows users to analyze risk in Guatemala's mining sector or across forestry companies in Indonesia.

In addition, officials say the matrix is designed to perform ESG assessments for privately-held companies in the absence of specific information of the kind disclosed by listed companies.

To access the matrix from RepRisk's database, users can click on a "country-sector analysis" button that allows them to display a world map with countries visualized in different colors according to their ESG risk. When users select an industry sector the countries most exposed to risk from that sector appear in different colors, with red indicating a high level of exposure and yellow indicating low exposure. The matrix also provides users with a profile page for each country with qualitative data, such as news and incidents, and quantitative information—for example, risk scores for the last two, four and eight years, as well as news statistics on the number of negative incidents, allegations and controversies monitored by RepRisk at country-sector level since January 2007.

Before the rollout of the new matrix, clients could form a comprehensive risk view of countries and industry sectors, but didn't have access to risk scores, Oglino says. In addition, the new solution is more user-friendly, she says.

RepRisk launched the new offering in September and made it automatically available to all users' accounts. The matrix is targeted at clients such as banks, asset managers and asset owners looking for more precise data on combined country-sector risk.

Researchers at Zurich University of Applied Sciences tested the matrix algorithm, while three unnamed large multinational clients tested the application during development and beta testing prior to the vendor making it available to existing clients.

RepRisk is also working with the university to develop an ESG tool to allow multinational companies to assess and manage ESG risks in their supply chains, in response to client demand for more accurate information on small, privately-held companies, Oglino says.