Colonial First State names new ESG research providers
Asset firm sees improvement in info for investors

by Daniel Brooksbank | August 4th, 2010

Australia’s Colonial First State Global Asset Management has reviewed its roster of environmental, social and governance (ESG) research providers to tap into the improvement in data available to investors. CFSGAM, which is part of the Commonwealth Bank of Australia and has A$149bn (€102.9bn) in assets under management, said there has been a lot of progress in the quality of information produced for investors on ESG issues in the past three years.

“In light of this, during 2009 we undertook a global review of the ESG research providers in the market and subsequently appointed Asset4, Responsible Research (Asian equities), RepRisk and Trucost (for emerging markets only),” the firm said. “All these ESG research providers will help our investment teams further develop their ESG integration in a way that suits their investment process.”

CFSGAM also has access to research from Glass Lewis and MSCI’s Innovest and RiskMetrics, its new 2009 Responsible Investment report states. CFSGAM has complained that the limited availability of high-quality ESG research is a “stumbling block” to implementing the UN Principles for Responsible Investment. It is a key player in the ESG Research Australia project, which now has 42 members running more than A$100bn in Australian equities.

The company said Bloomberg’s entry into the ESG data area is an “important step in the right direction” given the number of analysts who use the media giant’s terminals. CFSGAM has already raised Bloomberg ESG information in a number of company meetings. It added that Thomson Reuters’ acquisition of Asset4 should also lead to a greater ‘mainstreaming’ of ESG.

Colonial First State added it would like to see more sell-side scrutiny of the ESG risks of companies coming to market in the emerging markets.

In April the firm named Nicholas Edgerton to the new role of Manager of ESG Research and Engagement.