

The background of the slide is a complex network of thin, light gray lines connecting various sized, semi-transparent gray circular nodes. The nodes are scattered across the page, with some appearing larger than others, creating a sense of interconnectedness and data flow.

The IRRI Survey 2014

Independent Research in Responsible Investment



EXTTEL

Identifying Excellence



www.sri-connect.com

The online research network for SRI & CG
research

Independent Research in Responsible Investment (IRRI)

- The IRRI Survey is the globally-authoritative review of trends in independent SRI & corporate governance research
- In 2014, over 1,000 analysts, portfolio managers and managers from 500 firms participated in the survey
- ... and over 500 firms and 350 individual analysts were voted for
- For full results and further information on investment research & company-investor communications:
 - www.extelsurveys.com | steve.kelly@weconvene.com
 - www.sri-connect.com | mike.tyrrell@sri-connect.com

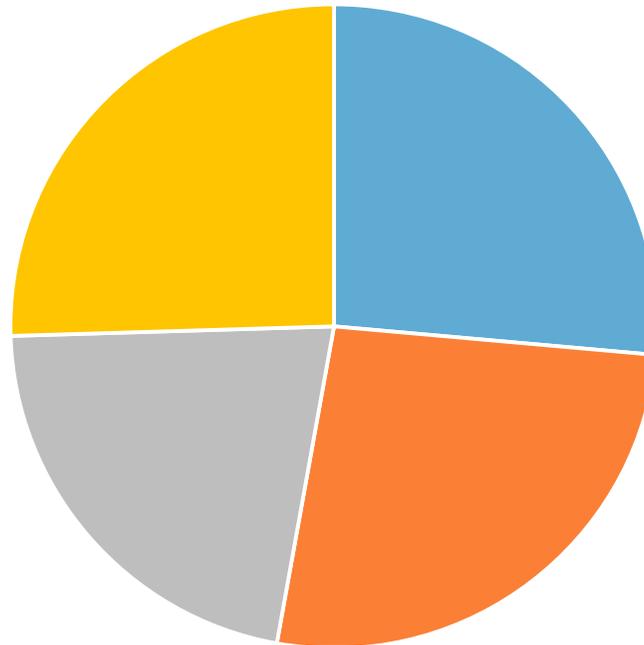
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Asset manager interest in SRI & CG

What %age of your largest 100 asset management clients show...

Voters
Brokers



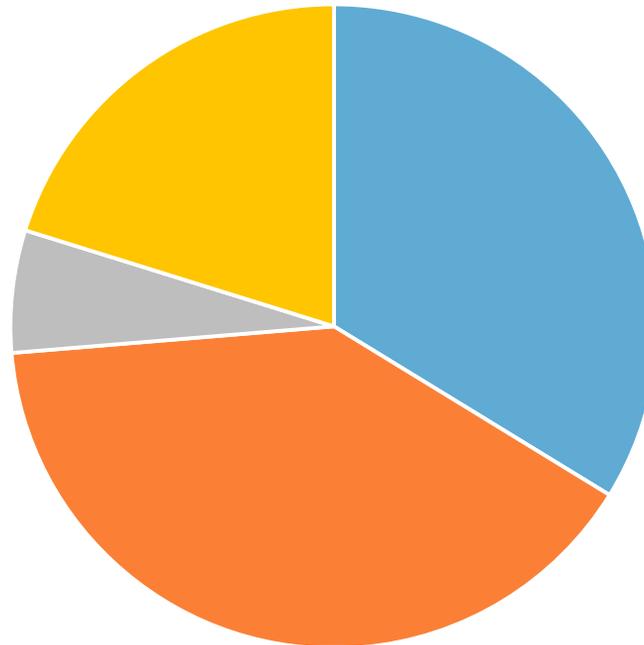
- A sustained interest in SRI & CG research
- Early stages of an interest in SRI & CG research
- No apparent interest in SRI & CG research
- Strong commitment to SRI & CG research

Company - analyst communications

Corporate access (asset managers)

How important is direct communications with companies to your SRI & CG research?

Voters
AMs



- It is a top priority for us
- It is an important part of our research process
- It is of little interest / no importance
- It is of some interest

How many companies did you personally meet with last year?

- On average (mean) asset manager analysts / investors met with 30 companies last year.

Voters
AMs

In which markets do analysts most want to meet companies?

1. France
2. UK
- 3=. Nordic countries
- 3=. Switzerland
5. Benelux
6. USA
7. Germany & Austria

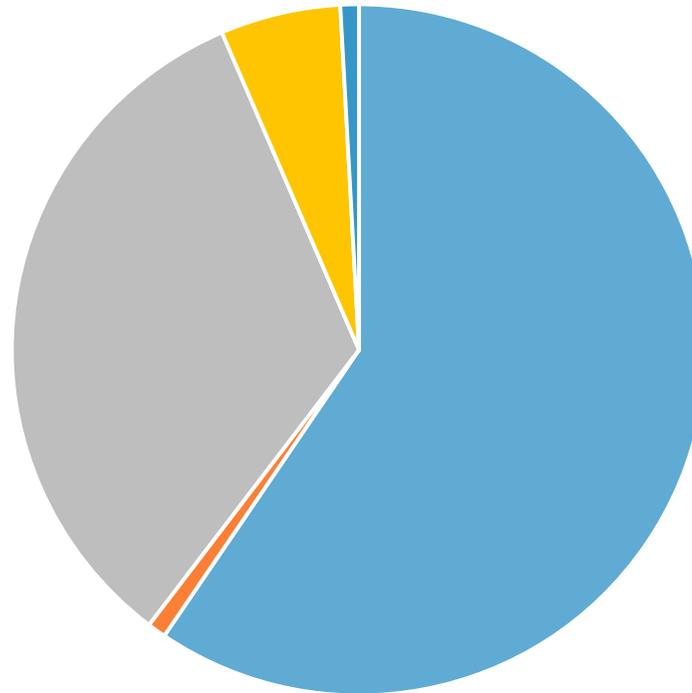
Voters
Brokers

Note: Demand was also reported for Africa, Asia, Australia, Canada & Latin America. However, we did not receive enough broker responses to rank these markets accurately

Corporate access (research providers)

How much of your time do you spend in direct communications with companies?

Voters
ResFrm

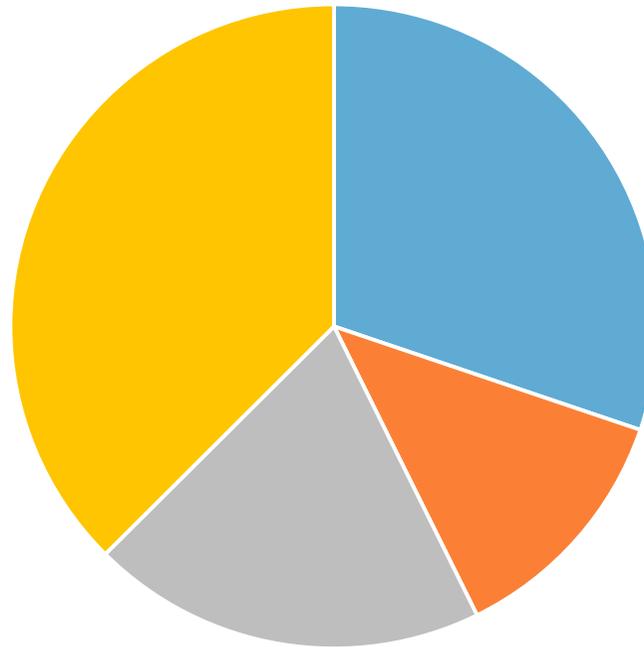


■ <10% ■ >70% ■ Between 10% and 30% ■ Between 30% and 50% ■ Between 50% and 70%

How do you estimate your time divides between communicating with:

How do you estimate your time divides between communicating with:

Voters
COs

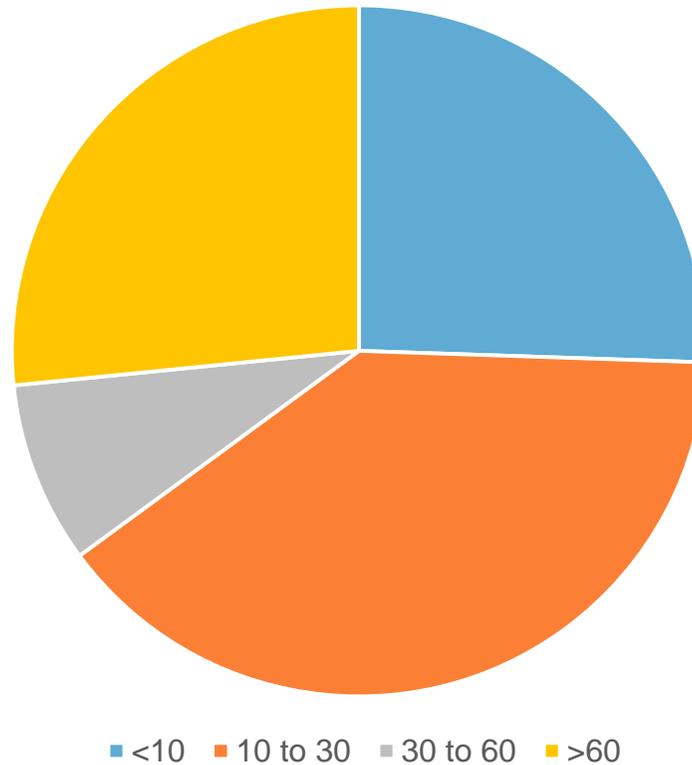


- Buy-side asset managers
- Proxy voting advisors
- Sell-side research analysts
- SRI agencies & index providers

Time spent on SRI & CG communications

How many person days did your firm spend on SRI & CG comms last year?

Voters
COs



How does your company communicate with SRI & CG analysts? What impact does this have?

- Most companies are being reactive (calls, ad hoc meetings, q'aire responses) about SRI & CG communications
- Companies that are pro-active (roadshows, webinars) report the highest satisfaction / success rates

Voters
COs

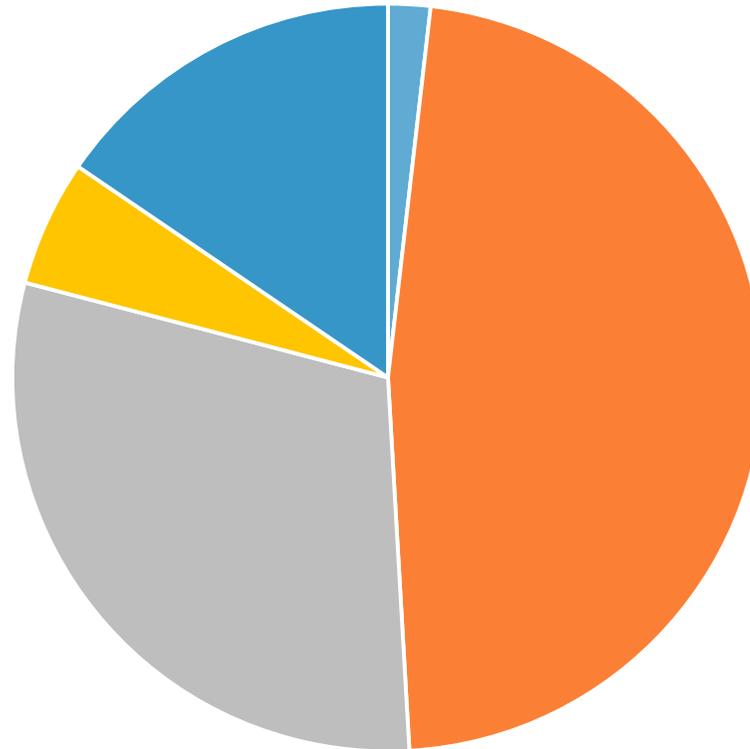
How did your company communicate with SRI & CG analysts and what impact did it have?

Action	Positive	Neutral	Negative	Did not do this	Total	Voters COs
Completed other SRI / CG questionnaires	48	40	2	6	96	
Completed SRI index questionnaires	54	33	3	8	98	
Direct meetings / calls with SRI / CG sell-side analysts	53	20	1	22	96	
Included CSR & CG info in 'mainstream' presentations	33	32	0	32	97	
Meetings with 'buy-side' SRI & CG investors on demand	55	21	0	18	94	
Participated in SRI / CG conference	40	21	0	34	95	
Responded to 'invitations to comment' on draft research	59	22	1	15	97	
Specialist SRI / CG 'buy-side' roadshow	28	9	0	54	91	
Targeted distrib'tion of CSR report to SRI & CG analysts	33	22	0	42	97	
Webinar presentation to SRI / CG analysts	13	5	0	71	89	

Who runs the process? (SRI)

Who leads on SRI communications for your company?

Voters
COs

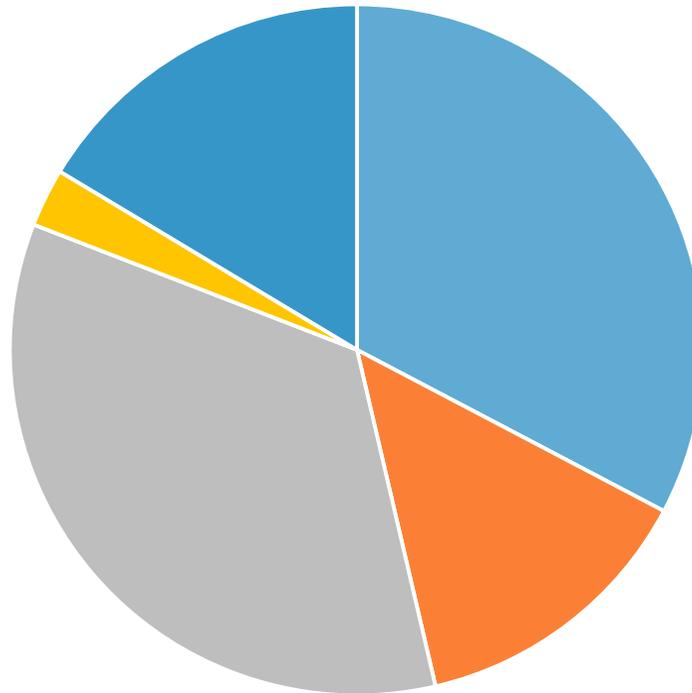


■ Company Secretary leads ■ CSR leads ■ IR leads ■ No proactive lead ■ Shared, but no definite lead

Who runs the process? (Corp Gov)

Who leads on corporate governance communications for your company?

Voters
COs

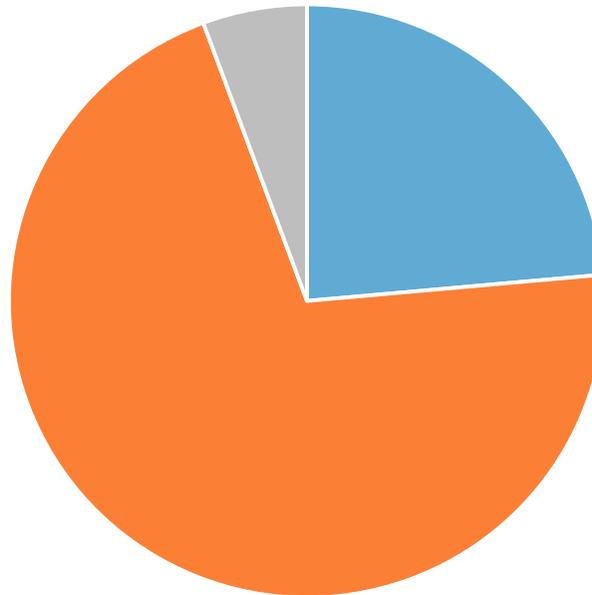


■ Company Secretary leads ■ CSR leads ■ IR leads ■ No proactive lead ■ Shared, but no definite lead

SR-IR plans

What best describes your plan for SRI & CG communications this year?

Voters
COs

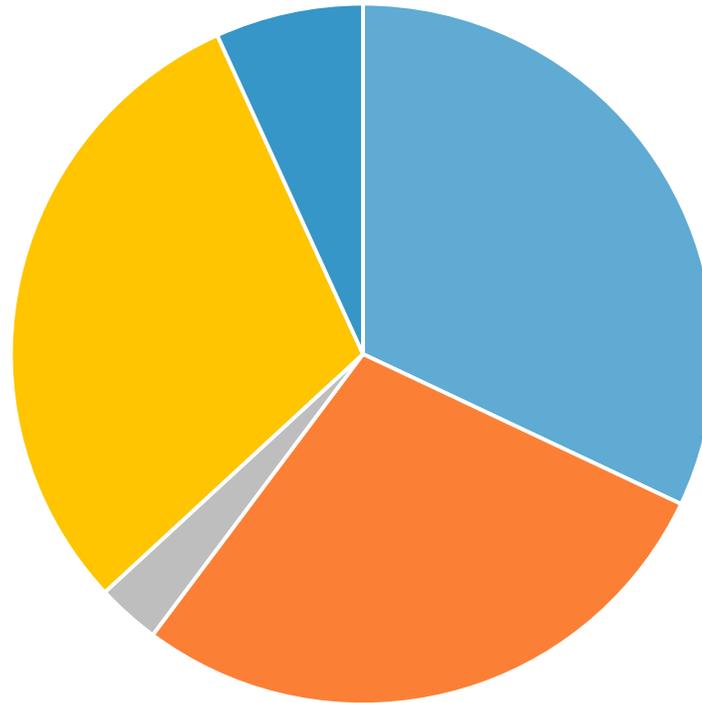


- We do not have a formal plan – we react to demand
- We have a plan that is shared internally
- We have published a plan externally for investors and analysts to see

Managing contact

How does your company manage its SRI & CG contacts

Voters
COs



- Actively-managed contact list
- Ad hoc contact list
- Full SRI investor audit
- No formal mechanism
- Structured SRI register

Which companies communicate best to you?

Top 10

1. Unilever
2. Royal Dutch Shell
- 3=. GSK
- 3=. Marks and Spencer
5. Axa
6. Danone
7. Repsol
8. Schneider Electric
9. Novo Nordisk
- 10=. BMW | 10=. DSM | 10=. Intel

Ranked 13 – 30:

ABB, Air Liquide, Anglo American, BHP Billiton, BNP Paribas, BP, BT Group, Geberit, H&M, Henkel, ING Group, Lafarge, L'Oréal, Microsoft, Nestlé, Pirelli, Roche, Suez Environnement, Suncor, Swiss Re, Total, Westpac

Ranked 30 - 50:

AkzoNobel, Atlas Copco, Electrolux, Johnson Matthey, KBC, KDDI Corp, Novartis, Red Electrica, Rio Tinto, Sanofi, Santander, SAP, Teck, Toshiba, Vinci, Volkswagen

Voters
AMs
ResFrm

Which companies would you most like to have direct contact with next year?

Companies named:

- ABF, Agilent, Air Liquide, Alibaba, Alimentation Couche Tard, Allianz, Amazon, ANZ, Apple, Archer Daniels Midland, Auchan, Bank of America, Bank of Nova Scotia, BASF, BF Goodrich, BG Group, BNP Paribas, BP, Bristol-Myers, CBA, Chinook Energy, Coal India, Comerica, Costco, CVS, Danaher, Discovery Communications, Dollarama, DSM, Edenred, EDP Renovaveis, Enel, EOG Resources, Extractives, Exxon Mobil, Fanuc, Fiat Group, G4S, Gazprom, GlencoreXstrata, Golden Agri Resources, Google, Grupo Mexico, GSK, H&M, HCP Inc., Hermès, Iberdrola, Inditex, Inphi, JNJ, Johnson & Johnson, Johnson Controls, Jyske Bank, Keyence, Li & Fung, LVMH, Manulife Financial, Merck (US), Micron, Morgan Stanley, NAB, National Express, Nestlé, Nokia, Novartis, Novo Nordisk, Novozymes, NVR, NY Community Bank, Petrobras, Praxair, Prologis, PVH Corp, RBC, Red Electrica, Regal Beloit, Resona Holding, Richemont, Royal Dutch Shell, Ruckus Wireless, Sanofi, Siemens, SIFIs, Sodexo, Standard Chartered, Swedbank, Target, Tesco, The Gap, Toyota Motor, TransCanada, Unilever, US Bancorp, Value Line, Vodafone, Wal-Mart, Westfield , Westpac, Whitbread, William Demant, Wipro, Yahoo

Voters
AMs
ResFrm

What frustrates you most about the practices of SRI & CG research providers?

(A selection of the most original, insightful & entertaining answers.)

Voters
COs

“Nothing”

“Too much use of ‘one size fits all approach’ - which becomes ‘one size fits none’”

“The expectation that the corporate is an extension of their research arm ... i.e. that it is the corporate's job to fill in pages of questionnaire rather than the analyst doing the work themselves.”

“Industry classifications and peer comparisons. Certainly there are reasons to compare, but a more flexible approach to ratings and rankings is needed.”

“Difficult to compare apples to pineapples”

“Lack of transparency around the results and the impact of the research.”

“Making a corporate pay to access what is written on our company is a nonsense.”

“Lack of transparency. Lack of transparency. Lack of transparency.”

All comments on SRI-
CONNECT here

What best practices by SRI & CG research providers deserve highlighting?

(A selection of the most original, insightful & entertaining answers.)

“Following up on initial research with conference calls which allow for nuancing and explaining approaches.”

“When they provide your company with best and sector specific best practices compared with company case study.”

“Engaging with the company they analyse.”

“Forwarding to the IR team the reports they write.”

“Corporate Knights has come a long way to be transparent about their methodology. RobecoSAM provides a very nice benchmarking report for companies.”

“RobecoSAM's clarity and transparency on process: webcast briefing before beginning of new cycle where changes are presented, very efficient helpline during process, webcasts and detailed documents on results of assessment”

“Increased dialogue with corporates.”

Voters
COs

All comments on SRI-
CONNECT here

How could SRI & CG research firms improve the way they interact with your company?

(A selection of the most original, insightful & entertaining answers.)

Voters
COs

“Use less stuff downloaded from newswires”

“Be more visible and request meeting time - like sell- and buy-side analysts”

“Ensure requests are consolidated rather than piecemeal. Have single person through whom all requests come from.”

“Change their model to something akin to how the credit ratings agencies work.”

“Don't rely on Wikipedia. Keep company informed of changes of analyst/coverage.”

“Publish updates in line with the corporate reporting timetable (ie publish in May after an April CSR report - not in March!)”

“European and American styles are not the only way to run companies. We would like you to understand that Japanese style is also good.”

“Shorten surveys and show the ROI on the time CSR professionals spend on them.”

“Provide a named individual to contact (old-fashioned, I know).”

“Join our ESG analyst call”

All comments on SRI-
CONNECT here

Improved communications (with research providers)

How could companies improve their communications to you on sustainability & corporate governance issues?

Voters
ResFrm



- Allocate time to research agencies / indices based on their market influence
- Host annual webinar presentations on their sustainability performance & corporate governance approach
- Move to integrated reporting
- Publish 'sustainability results' statements
- Publish easily identifiable contact points for SRI & CG analysts
- Publish responses to all questionnaires online
- Publish their reporting schedule more openly

Improvements to sustainability & CG communications?

- "Publish most material data in concise report"
- "Engage in a timely manner even before proxy season"
- "More consistent year-on-year reporting of metrics - often metrics are reported one year and not the next."
- "Organize on line/phone Q&A session with SRI analysts"
- "Articulate how sustainability strategy fits within long term growth plans"
- "Link to business strategy and capital expenditure plans"
- "Link reporting to core activities"
- "Publish in xbrl format in central repository/database"
- "Focus on relevant impacts along the life cycle of products (not only operational management issues), publish assessment of relevance of sustainability issues, publish peer group comparisons"
- "Report more transparently on controversies ... don't pretend that they don't exist!"

Voters
ResFrm

How could companies improve their communications to you? (Asset managers)

Voters
AMs

- Process
 - More webinars, meetings & roadshows
 - (1/4 of respondents mentioned this)
 - Senior and technical management (not just CSR managers) to participate in these meetings
 - Nominate a contact person from IR for SRI comms
- Content
 - Integrate CSR & strategic / financial info
 - (1/4 of respondents highlighted this)
 - ... include this within presentations to 'mainstream' investors
- Approach
 - Honesty & transparency | 'Keep it real'
 - Focus on the material issues (not volume of data!)

Which ASSET MANAGER analyst best understands the challenges & opportunities facing your company?

1. Cedric Laverie (Amundi)
2. Veronique Bresson (Amundi)
3. Jerome Sauty de Chalon (Amundi)
4. Marina Iodice (Mirova)
5. Matthias Beer (F&C)
- 6=. Michael Herskovich (BNP Paribas IP)
- 6=. Zineb Bennani (Mirova)
8. Mikkel Skougaard (Blackrock)
- 9=. David Solozabal (NBIM)
- 9=. Julia Wittenburg (Independent)
- 11=. Catherine Crozat (Amundi)
- 11=. Ita McMahon (RLAM)

Voters
COs

Full results on SRI-
CONNECT here

Which analyst from a RESEARCH FIRM best understands the challenges & opportunities facing your company?

1. Albert Charlier (Vigeo)
2. Zoya Bragina (Vigeo)
3. Nada Zoug (Vigeo)
- 4=. Ida Karlsson (RobecoSAM)
- 4=. Sheila Stefani (EIRIS)
- 6=. Cristina Daverio (Vigeo)
- 6=. Natacha Dimitrijevic (Hermes EOS)
8. Freddie Wolfe (Hermes EOS)
- 9=. Michael Geraghty (Cornerstone)
- 9=. Stefano Ramelli (Vigeo)
11. John Wilson (Cornerstone)
- 12=. Alexander Weigand (Oekom)
- 12=. Anne Rutten (Vigeo)
- 12=. Damien Fruchart (Ethix)
- 12=. Imke Mahlmann (Imug)
- 12=. Michael Shavel (Cornerstone)
- 17=. Alastair Macgregor (Trucost)
- 17=. Guillaume Marion (Ethifinance)
- 17=. Pierre-Yves Le Stradic (Vigeo)
- 20=. Dayna Linley-Jones (Sustainalytics)
- 20=. Margarita Pirovska (Cornerstone)

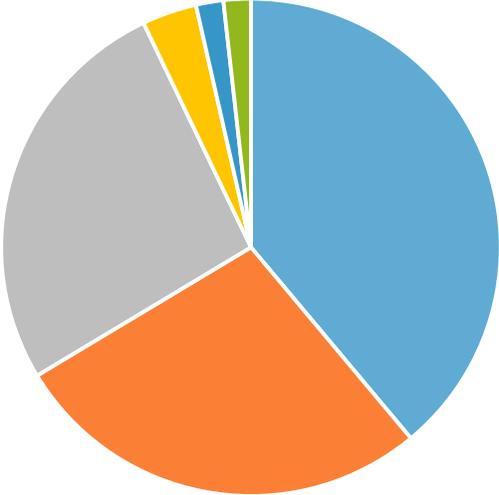
Voters
COs

Full results on SRI-
CONNECT here

On SRI indices

What do you think of SRI indices?

Voters
COs



- They could be more time-efficient; but we derive useful value from participating in the process
- They take too long and deliver too little value to us; but we still complete the questionnaires
- We consider them to be a very important part of our SRI & CG communications activity
- We have completed the questionnaires in the past, but don't plan to do so in the near future
- We have never completed their questionnaires and don't plan to do so
- We have never completed their questionnaires; but plan to do so in future

Best firm for: Indices

1. MSCI
2. FTSE
3. Bloomberg
4. Standard & Poor's

Voters
AMs

What development would you most like to see in SRI or CG research in 2015? (Companies)

Four requests dominated:

- More direct engagement between analysts and companies
- Transparency
- Consistency & standardisation of questions
- Research to be more company-specific and qualitative

(Editor: Are the last two contradictory?)

Also:

- “Investors (the ultimate purchasers) to take more interest, action on the quality of research they buy. Market forces should prevail; research that best meets customer needs should flourish; but something is skewing this.”
- “Transparency about agency's customer profile, information on how the data is used and the assets moved with the help of this data;”

Voters
COs

All comments on SRI-
CONNECT here

Rating research providers

Best analyst for CG Research

1. Loic Dessaint (Proxinvest)
2. Sauravh Dubey (Solaron)
3. Alan Brett (MSCI ESG Research)
4. Tobias Jung (Inrate)
- 5=. Vanessa Ardentti (Inrate)
- 5=. Wilco van Heteren (Sustainalytics)
- 7=. Adam Rose (Unknown Firm)
- 7=. Gary Hewitt (Sustainalytics)
- 7=. Hendrik Garz (Sustainalytics)
- 10=. Vincent Kaufmann (Ethos Services)

Voters
AMs

Full results on SRI-
CONNECT here

Best firm for CG Research

- 1=. ISS (Institutional Shareholder Services)
- 1=. MSCI ESG Research
3. Sustainalytics
4. Glass, Lewis & Co
5. Vigeo
6. Bloomberg
7. Ethos Services
8. Solaron
9. Inrate
10. EIRIS

Voters
AMs

Full results on SRI-
CONNECT here

Best analyst for SRI Research

1. Tobias Jung, Inrate
2. Hendrik Garz, Sustainalytics
3. Gregory Elders, Bloomberg
4. Linda-Eling Lee, MSCI ESG Research
5. Dayna Linley-Jones, Sustainalytics
6. Wilco van Heteren, Sustainalytics
- 7=. Barbara Pomfret, Bloomberg
- 7=. Sauravh Dubey, Solaron
9. Loic Dessaint, Proxinvest
10. Laura Nishikawa, MSCI ESG Research

Voters
AMs

Full results on SRI-
CONNECT here

Best firm for SRI Research

1. Sustainalytics
2. MSCI ESG Research
3. Vigeo
4. Bloomberg
5. Carbon Disclosure Project
6. Inrate
7. EIRIS
8. RepRisk
9. Solaron
10. Oekom Research

Voters
AMs

Full results on SRI-
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Best firm for: Emerging markets research

1. Solaron
2. MSCI ESG Research
3. Inrate
4. Sustainalytics

Voters
AMs

Best firm for: Engagement services

1. Hermes EOS
2. Sustainalytics
3. GES
- 4=. Ethos Services
- 4=. Proxinvest

Voters
AMs

Best firm for: Fixed income research

1. MSCI ESG Research
2. Oekom
- 3=. Bloomberg
- 3=. Sustainalytics

Voters
AMs

Best firm for: Risk Analytics

1. RepRisk
2. Bloomberg
- 3=. MSCI ESG Research
- 3=. Sustainalytics

Voters
AMs

Best firm for: Small Cap research

1. Ethifinance

Voters
AMs

Best firm for: Execution of voting

1=. Glass, Lewis & Co

1=. ISS

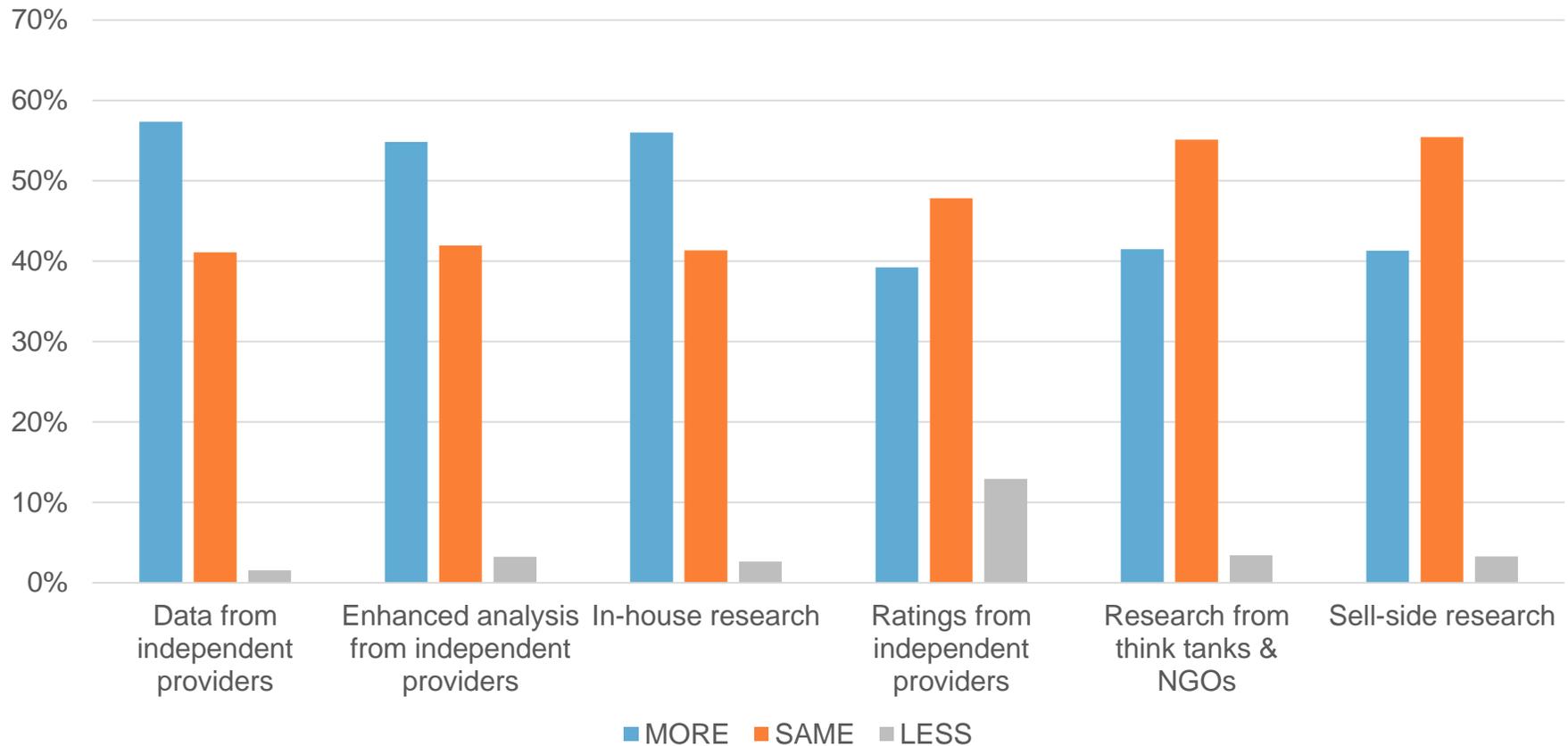
3. Proxinvest

Voters
ResFrm

How do you expect your SRI & CG research needs to be met in future?

Future research needs

Voters
AMs



What frustrates you about the service that you receive from SRI & CG research firms?

- Most cited
 - Insufficient focus on investment materiality (c. 25% of responses)
 - Insufficient depth (c. 10% of responses)
 - Speed & timeliness (c. 10% of responses)
 - Data quality (c. 10% of responses)
- Frequently cited
 - Access to data; Black box methodologies; Not forward-looking; Insufficiently 'bespoke' / client-focussed; Sales dominates research;
- Also cited
 - Analyst (lack of) experience; Coverage (EM & SmCap); Lack of corporate contact; Price; Variety of approaches

Voters
AMs

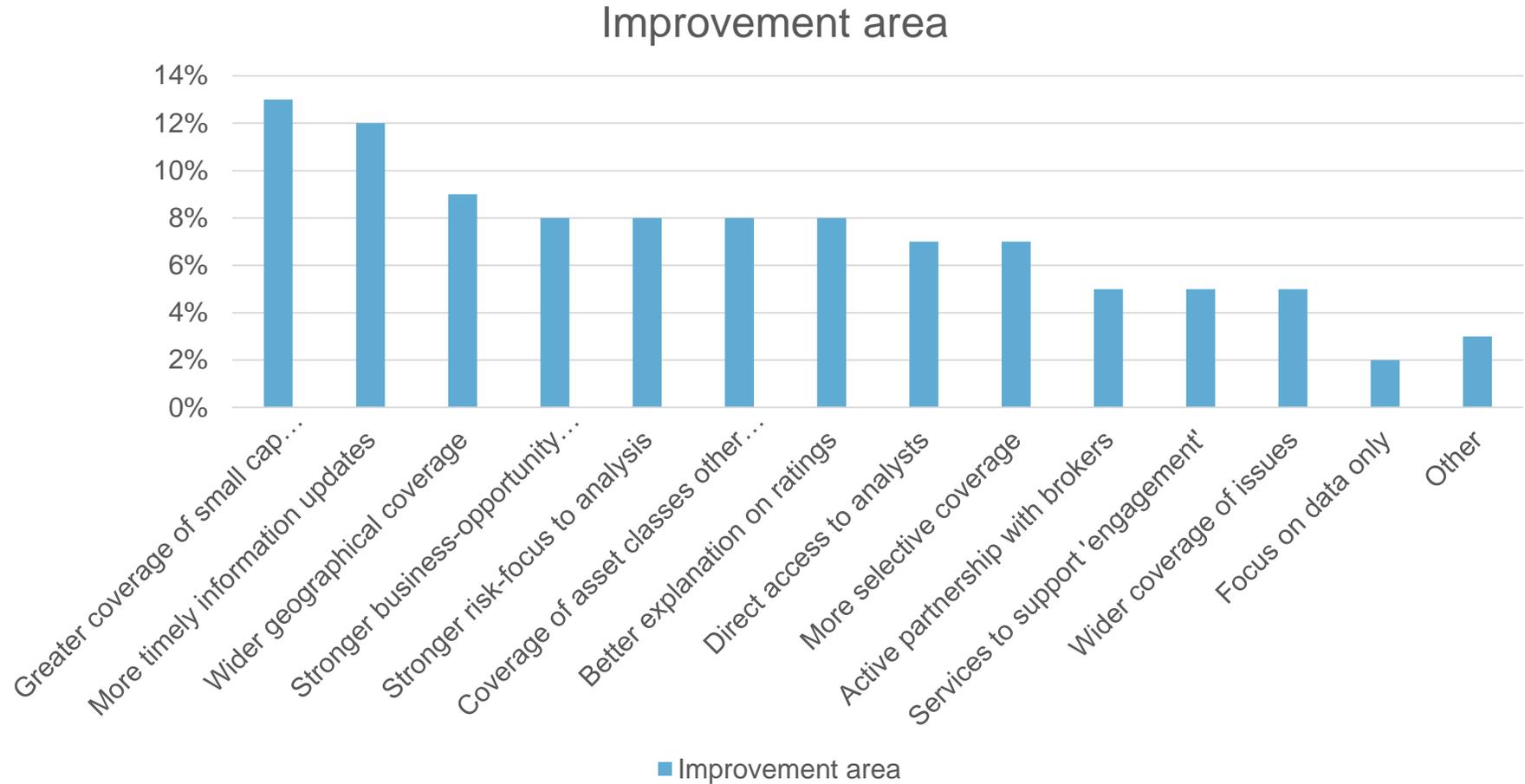
What frustrates you about the service that you receive from SRI & CG research firms?

- "It is still very ESG focused, little connection is made with relevance to companies performance. In addition, there is little monitoring of the effectiveness of the ESG ratings, views, etc relative to companies performance and competitive positioning"
- "Little progress has also been made on data quality, systems and methodologies (in a decade) except for Bloomberg."
- "(1) The over-reliance on their rating framework very often makes them miss the obvious (e.g. penalising companies for not having share-based compensation when the CEO is the main shareholder). (2) Analysis of issues is often light-touch (e.g. saying that incident frequency is decreasing compared to last year is not enough) (3) Overall, proxy advisers provide good summaries of CG issues, but the rest of providers has limited value added beyond basic screening."
- "We don't find a provider who can bring us 100% of the info we need when analysing a company. Either they are too policy/strategy oriented and we miss true analysis on companies' performance, or the provider already made choice to focus on 2 - 3 thematic and we miss the rest of the info. Transparency of the scoring approach is also an issue."
- "Glass, Lewis & Co most often discusses ideal practices, not best practices. My interest is in who is relatively better than peers, not who is perfect or imperfect. Although we should, of course, seek industry-wide improvements in best practices as well. Thus, identification of industry/sector leaders with best practice would be a helpful addition to the way they present their discussions/analysis."
- "The implicit idea that we should constantly be looking to take more and more services, rather than focus energy on (1) improving the standard of research supporting the products to which we already subscribe and (2) making more thoughtful recommendations"

Voters
AMs

How could research providers improve their service to you?

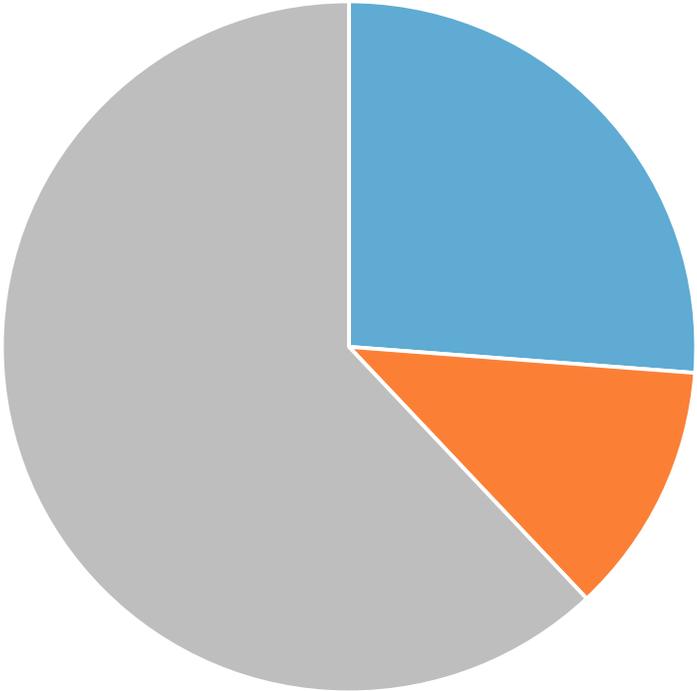
Voters
AMs



Client service – asset manager view

How well do SRI & CG research providers respond to your needs and priorities?

Voters
AMs

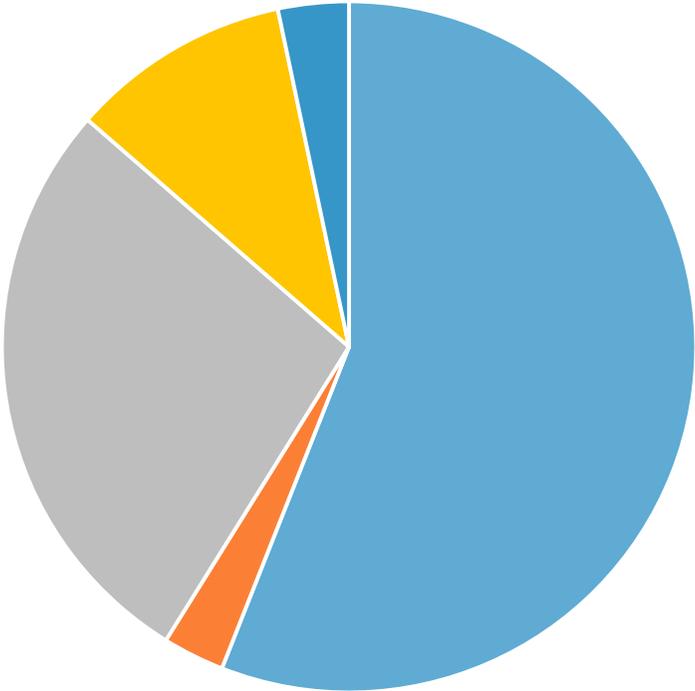


■ Ask for feedback but don't make changes ■ Don't seek feedback ■ Seek feedback, listen & respond

Communications with clients

How much of your time is spent in direct communications with individual analysts at asset manager or asset owner clients?

Voters
ResFrm



■ <10% ■ >70% ■ Between 10% and 30% ■ Between 30% and 50% ■ Between 50% and 70%

Client service – research provider view

How could asset managers or owners inform research firms better about their needs?

Voters
ResFrm

Responses revealed strong desire amongst research providers for a better understanding of:

- Asset managers' investment processes and SRI objectives
- The way SRI research is applied – especially to investment integration

Communication channels suggested include:

- More open, transparent and widely-published RFP processes including for “bespoke, thematic & sector research”
- Much more direct analyst-to-analyst contact
- Annual ‘service reviews’ – involving direct, specific feedback
- Greater transparency on available research budgets incl. payment for ‘bespoke’
- Collaborative approach to research projects
- Asset managers publishing SRI activity reports (covering “engagement, portfolio changes etc”)

Best client relations / salesperson for corporate governance research

1. Stefano Gilardi (Inrate)
2. Catalina Secreteanu (Sustainalytics)
3. Joshua Kendall (MSCI ESG Research)
4. Darragh Gallant (Sustainalytics)
5. Peter Yauch (Glass, Lewis & Co)
6. Paul Hewitt (Manifest)
7. Antonio Celeste (Sustainalytics)
8. Olivier Courade (ECGS)
9. Vipul Arora (Solaron)
10. Simonetta Bono (Vigeo)

Voters
AMs
Brokers

Full results on SRI-
CONNECT here

Best client relations / sales person for SRI research

1. Catalina Secreteanu (Sustainalytics)
2. Stefano Gilardi (Inrate)
3. Darragh Gallant (Sustainalytics)
4. Antonio Celeste (Sustainalytics)
5. Julia Haake (Oekom)
6. Naomi English (MSCI ESG Research)
7. Jorgen Mork (MSCI ESG Research)
8. Marthe Nordby (MSCI ESG Research)
9. Till Jung (Oekom)
- 10=. Peter Yauch (Glass, Lewis & Co)
- 10= Jillis Herpers (MSCI ESG Research)

Voters
AMs
Brokers

Full results on SRI-
CONNECT [here](#)

Most innovative research product / report

Most innovative:

1. MSCI ESG Research

- Alibaba, Green Bonds, Carbon Metrics & Indices, Improvements in ESG Manager, Palm Oil, Banks & regulators, Industry reports, Tax Gaps

2. Carbon Tracker:

- All work – specifically Carbon Cost Curves

3. Sustainalytics

- Banks, Controversy Analysis, Offshore Arctic Oil, Drones, Tax, Thematic reports

Voters
AMs
Brokers

Most innovative research product / report

Multiple mentions

- ACGA & CLSA – CG Watch
- Bloomberg – “has become my go-to resource”
- CERES - Hydraulic Fracturing & Water Stress - Water Demand by the Numbers
- Cornerstone - Journal of Sustainable Finance & Banking
- Inrate – Sustainability matters, product research
- Rory Sullivan – Business benchmark on farm animal welfare
- Societe Generale – Food safety: sorting the wheat from the chaff
- Solaron – ESG Performance Tracker
- Thomson Reuters – Corporate Responsibility Ratings

Voters
AMs
Brokers

Most innovative research product / report

Commended

- Access to Nutrition Index
- AidEnvironment – Social issues in Food & Agri supply chain
- CISL – The Value of RI
- Didas – All work
- GES – Extended business conduct engagement
- ISS - 2014 Voting Results Report: Europe; Looking Back at the 2014 U.S. Proxy Season
- Oekom - Die Bedeutung von Nachhaltigkeitskriterien für die Beurteilung von Anlagechancen und -risiken bei Unternehmensanleihen
- Ownership Matters - Investor's ASX200 Company Board Perception Index

Voters
AMs
Brokers

Most innovative research product / report

Commended (continued)

- RepRisk – Country risk profiles
- RobecoSAM – Sustainability Yearbook
- SRI-CONNECT
- US SIF – Guide for SRI Policy Engagement
- Z Rating – 2014 Study

Voters
AMs
Brokers

Understanding 'sell-side' SRI & CG services

Which of your own research pieces best integrated sustainability or corporate governance factors with an investment recommendation?

(Self-nominated by brokers)

Voters
Brokers

- CM CIC Securities
 - Societies Europeenes, Club Horizon Ethique
 - Clients of CM CIC can contact Agnes Blazy for these
- Credit Suisse
 - CS Gender 3000 - September 2014
 - Energy Efficiency series: buildings & transports - April and October 2014
 - Sugar: Consumption at a Crossroads - September 2013
 - Clients of Credit Suisse can contact Julia Dawson for these
- DZ Bank
 - The World Cup of Sustainability
 - More safety and security through sustainable technologies
 - The world in the year 2050 - Solutions for up to 10 billion people
 - Clients of DZ Bank can contact Marcus Pratsch for these

Which of your own research pieces best integrated sustainability or corporate governance factors with an investment recommendation?

(Self-nominated by brokers)

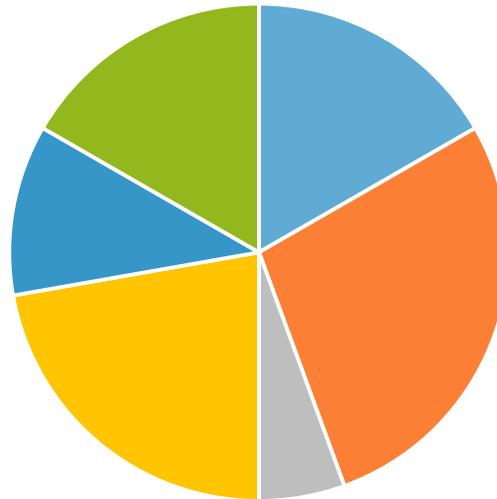
Voters
Brokers

- KeplerCheuvreux
 - Green Impact Screener. April 2014
 - Investing in Education: what are your kids up to? September 2014
 - Board diversity: Don't leave home without it (July 2013)
 - Remuneration: Publish why you pay (April 2013)
 - Clients of KeplerCheuvreux can contact Rob Walker or Samuel Mary
- Societe Generale
 - CEO Value
 - SRI beyond Integration
 - Clients of Societe General can contact Yannick Ouaknine

Broker use of independent SRI or CG research firms?

How do you use independent SRI or CG research firms?

Voters
Brokers



- We don't use them at all
- We occasionally read their research / attend their presentations
- We use them as a fully-integrated part of our own research offer
- We use them as data suppliers
- We use them as news suppliers
- We use them for specialist analysis on ad-hoc projects

How could sell-side brokers improve their SRI & CG service to you?

(Listed in order of frequency of mention)

Voters
AMs

- Integrate
 - “I find that the best sell-side brokers (1) appear to work closely with their financial analysts, (2) provide analysis frameworks that can be re-used by us for complex issues at company level, (3) provide strong data analysis to support their conclusions, (4) focus on material issues instead of doing innovative niche issues for innovation/differentiation's sake.”
 - “More mainstream approach to research utilizing expertise of mainstream analysts with much more deep industry expertise. Align the incentives of their analysts with the need to address long-term investment advice. Focus much more on corporate governance risks/opportunities. Focus much more on scenario analyses rather than ratings and price targets.”

How could sell-side brokers improve their SRI & CG service to you?

- More research; more coverage
 - “They should start delivering SRI & CG service. Not many do... Focus on long term issues instead of news commentary.”
 - More coverage in the U.S.
 - “Coverage of mid-cap stocks globally.”
 - “Provide ESG research service for Fixed Income”
- Client contact & communications
 - “Find out how we really use research and what our investment process is”
 - “Only send me the information I am interested in (remove me from distribution lists), more analyst visits”
 - “Get a sales person to market the research more effectively - I would love a daily call.”
 - “Offering more o-o-o with SRI-specialists”

Voters
AMs

How could sell-side brokers improve their SRI & CG service to you?

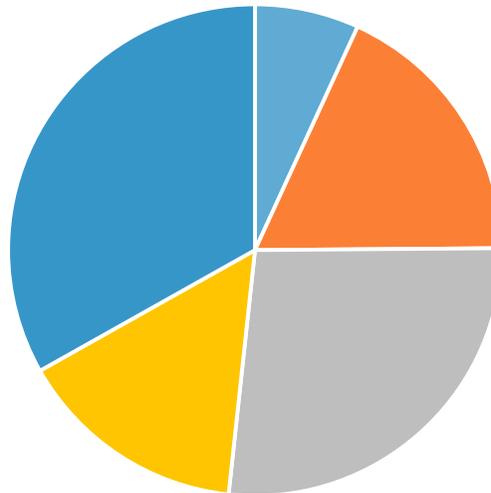
- Long-term focus
 - “Stop thinking of it as being something completely different from the rest of what they provide. Good sell-side research should be long-term in nature and consider any and all relevant ESG issues.”
- Corporate access
 - “Facilitate the engagement process”, “Host conferences”
- Stock focus
 - “I find a lot of the thematic research to be interesting but often not actionable. I prefer deep dive reports that cover all of the issues for a single company or sector.”
- Other
 - “Collaborate ... with SRI agencies”
 - “Research communications have not entered the digital era”

Voters
AMs

Brokerage commission for SRI & CG research (asset manager view)

How explicit are you about the way that you allocate brokerage commission for SRI & CG research?

Voters
AMs

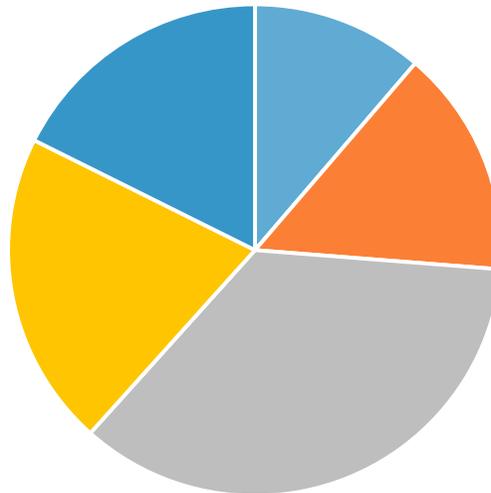


- Each individual SRI analyst / PM allocates commission
- I don't know
- SRI / CG research is considered as part of our firm's overall allocation
- The SRI / CG team has a specific vote / commission pot to allocate
- We don't allocate brokerage commission for SRI / CG research

Commission for SRI & CG research (broker view)

How transparent are your clients in their allocation of commission for SRI or CG research?

Voters
Brokers



- Clear quantitative allocation from each individual SRI or CG analyst
- Clear quantitative allocation from the SRI or CG team
- Client is interested in SRI or CG - but no allocation of commission is apparent
- No apparent interest in SRI or CG at the client
- Qualitative comment within overall review

How could clients improve the way they communicate their needs to you?

- "A clearer view of how buy-side teams' work is used internally would be helpful to ensure it is designed to be of most value to an institution, rather than specifically of interest to the SRI team."
- "Be more explicit in Broker reviews."
- "Elaborating on their appreciation and needs in the broker reviews and via other communication means (e.g. emails, meetings in person)."
- "Formal annual review internal organization + needs"
- "Intensifying the dialogue about hot SRI topics / SRI sector trends..."
- "Quarterly feedback on new areas of interest or company watch lists"

Voters
Brokers

What could clients do to improve the way they pay for your services?

- “The industry is currently in flux on research payments generally, and ESG related research seems to harder hit than other areas. In part, due to the criteria required to classify a service as ‘research’ - which SRI research often fails.”
- This leaves SRI teams struggling to hold on to their ability allocate research dollars.
- In the face of this a clear articulation of the spending power a team really has, how they can pay and what they will pay for would be helpful.”
- “Instead of commission payment by cheque (explicitly for SRI) would also be a good idea”

Voters
Brokers

What could clients do to improve the way they pay for your services?

- “Break out commissions for research”
- “Clear identification of the added value in our publications”
- “Clear quantitative allocation of votes and payment in the brokers review, and generally public engagement on the value of brokers research, need to pay for it and for a conducive regulatory framework”
- “Ensure that ESG is a category in every broker review, so that ESG research is remunerated the way that other broker research is remunerated”
- “Highlight the proportion of the commission pot they can allocate for ESG research.”
- “Transparency in terms of allocation of commission needs to be improved significantly.”
- “Asset Managers should allocate a certain amount of total commission to SRI research (mandatory). In return, brokers commit to deliver high-quality SRI research”

Voters
Brokers

Feedback on asset managers

Which asset manager or owner best uses SRI or Corp Gov research?

1. ERAFP
2. PGGM
3. Amundi
4. Mirova
5. Axa
6. Pictet
7. Triodos IM
- 8=. Boston Common AM
- 8=. First State Investments
- 8=. ING IM
- 8=. RobecoSAM
- 12=. Allianz Global Investors
- 12=. Nordea Investment Mgmt
14. BNP Paribas Inv Partners
- 15=. Aviva Investors
- 15=. Vontobel Asset Management
17. Ecofi Investissement
- 18=. Breckinridge Capital
- 18=. RBC Global Asset Mgmt

Voters
ResFrm

Which asset manager or asset owner contributes most to the SRI debate?

1. PGGM
2. ERAFP
3. Mirova
4. CalPERS
5. The Norwegian Gov't Pension Fund & NBIM
6. Generation IM
7. Aviva Investors
8. Amundi
9. Pictet
10. Axa
- 11=. First State
- 11=. RobecoSAM
- 11=. Triodos IM
14. BNP Paribas IM
- 15=. APG
- 15=. Calvert Investments
- 17=. ASN Bank
- 17=. Cornerstone Capital
- 19=. Nelson Capital, UBS

Voters
ResFrm

Looking ahead

Where do sustainability or corp gov factors impact valuation most?



Voters
AMs
ResFrm

What development would you most like to see in SRI or CG research in 2015? (Brokers)

- “More investigation of interactions between ESG and other company performance metrics, e.g. credit ratings, long-term total shareholder returns, stock price volatility, revenue growth, etc.”
- “Less focus on remuneration and more focus on board diversity and impact on value and risk”
- “Further disclosure from the buy-side”
- “Clear methodology. Forward looking.”

Voters
Brokers

What development would you most like to see in SRI or CG research in 2015? (Asset managers)

(A selection of the most original, insightful & entertaining answers.)

Voters
AMs

“Much sharper focus on the ESG issues that really matter to how companies make money. Then intelligent and sophisticated analysis of how companies within a given sector address and perform on these issues.”

“Research providers streamlining their gathering and verification of data - so they can spending much more time and effort on analysis”

“Fewer rating frameworks and more common sense!”

“More reaction of corporates on research on their sustainability approach based on wrong interpretation of their performance.”

“More focus on "product-related" ESG risks/opportunities.”

“Measuring environmental and social impacts at portfolio level is a top priority. We need to go beyond ESG scores and prove that SRI has an impact on society and the wider environment.”

All comments on SRI-
CONNECT here

What development would you like to see in 2015? (Research providers)

(A selection of the most original, insightful & entertaining answers.)

“Less data gathering; more analysis”

“More clearly outlined what the different strategies for AMs are within RI instead of just referring to ‘ESG integration’.”

“More direct contact with companies”

“More traction among ‘mainstream’ US investors”

“New frontiers, such as impact investing and sustainable real estate”

“Issuers should spend some time learning about the proxy research providers differing approaches and not make assumptions. Issuers need to review the Proxy Advisor Best Practice Principles and should talk to their largest shareholders to understand how they use proxy advisors. They need to stop acting like whining teenagers when they don't like a comment and accept that others may have different views than they think they should have. Threatening litigation should not be the FIRST reaction.”

[Voters](#)
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All comments on SRI-
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What development would you like to see in 2015? (Research providers)

(A selection of the most original, insightful & entertaining answers.)

“The end of 'big-data' studies from research providers. Take smaller universes and show more compelling and interesting findings on a select number of companies.”

“That PMs and analysts would articulate would they exactly need in their investment process and use the research in actual ESG integration (instead of overlays).”

“To see SRI research extend to the Islamic Finance space”

“See Japan embrace SRI at last !”

“Unbundling of trading and research services.”

[Voters](#)
[ResFrm](#)

All comments on SRI-
CONNECT here

Information with a purpose

- TODAY: Congratulations to the winners and thanks to everyone that voted
- TOMORROW: Don't ignore the industry dynamics
- The SRI & CG research industries are global, active and varied
- Be pro-active
 - Companies: In your communication with SRI analysts & investors
 - Asset managers: By taking control of your research budget and spending it in a way that supports your needs
 - Brokers: Ensure SRI & CG research leads (not follows) the wider debate on research and commission payment
 - Research providers: Reach out for direct contact up and down the value chain