About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2019 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:

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>The signatory has completed all mandatory parts of this indicator</td>
</tr>
<tr>
<td>☑</td>
<td>The signatory has completed some parts of this indicator</td>
</tr>
<tr>
<td>✘</td>
<td>This indicator was not relevant for this signatory</td>
</tr>
<tr>
<td>-</td>
<td>The signatory did not complete any part of this indicator.</td>
</tr>
<tr>
<td>☐</td>
<td>The signatory has flagged this indicator for internal review</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Short description</th>
<th>Status</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>OO 01</td>
<td>Basic information</td>
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<td>Public</td>
</tr>
<tr>
<td>OO 02</td>
<td>Reporting year</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>OO 03</td>
<td>Signatory category and services</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>OO 04</td>
<td>Other offerings/business activities</td>
<td>✔️</td>
<td>n/a</td>
</tr>
<tr>
<td>OO 05</td>
<td>Breakdown of ESG coverage</td>
<td>✓</td>
<td>Asset mix disclosed in OO 06</td>
</tr>
<tr>
<td>OO End</td>
<td></td>
<td>✓</td>
<td>-</td>
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## Strategy and Governance

<table>
<thead>
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<th>Indicator</th>
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<th>Disclosure</th>
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<tr>
<td>SG 02</td>
<td>Norms used to develop policies</td>
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<td>SG 03</td>
<td>Policy offerings to clients</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 04</td>
<td>ESG/RI in business offerings</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 05</td>
<td>Outsourcing of services</td>
<td>✓</td>
<td>Private</td>
</tr>
<tr>
<td>SG 06</td>
<td>Providing training/education</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 07</td>
<td>Applying, advancing and promoting the PRI principles</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 08</td>
<td>Actions taken to promote responsible investment</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 09</td>
<td>Long term trends</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 10</td>
<td>Interaction with asset owners</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 11</td>
<td>Aligning approach with investor goals</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 12</td>
<td>ESG recommendations not aligned with investor goals</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 13</td>
<td>Seeking feedback from clients</td>
<td>✓</td>
<td>Public</td>
</tr>
<tr>
<td>SG 14</td>
<td>Managing conflicts of interest</td>
<td>✓</td>
<td>Public</td>
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<td>SG End</td>
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## Reporting

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<td>REP 02</td>
<td>Reporting frameworks/standards/guidelines</td>
<td>✓</td>
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<tr>
<td>REP 03</td>
<td>Incorporating ESG</td>
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<td>REP 04</td>
<td>ESG in materiality analysis</td>
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<td>REP 05</td>
<td>Assuring ESG</td>
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### Active Ownership Services

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<td>Engagement and/or voting offerings</td>
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<tr>
<td>AOS 02</td>
<td>Acquiring ESG data and information</td>
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<tr>
<td>AOS 03</td>
<td>Identifying emerging ESG issues</td>
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<tr>
<td>AOS 04</td>
<td>Prioritizing engagement topics</td>
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<tr>
<td>AOS 05</td>
<td>Channels of engagement</td>
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<tr>
<td>AOS 06</td>
<td>Accessing the appropriate teams when engaging with companies</td>
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<td>Public</td>
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<tr>
<td>AOS 07</td>
<td>Monitoring engagements</td>
<td>✔</td>
<td>Public</td>
</tr>
<tr>
<td>AOS 08</td>
<td>Defining and measuring success</td>
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<td>Public</td>
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<tr>
<td>AOS 09</td>
<td>Companies changing practices/behavior following engagement</td>
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<tr>
<td>AOS 10</td>
<td>Engaging with policy makers and industry bodies</td>
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<td>AOS 11</td>
<td>ESG in voting recommendations</td>
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<td>AOS 12</td>
<td>Raising concerns with companies ahead of voting</td>
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<td>AOS 13</td>
<td>Voting against management</td>
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<td>AOS 14</td>
<td>Monitoring voting outcomes</td>
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<td>AOS 15</td>
<td>Mechanisms for clients to review voting recommendations</td>
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<td>AOS 16</td>
<td>Involvement in projects to improve voting trail and obtaining confirmation</td>
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<td>AOS 17</td>
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### Investment Consultancy

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<tr>
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<td>IC 03</td>
<td>Fiduciary manager services</td>
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<tr>
<td>IC 04</td>
<td>ESG in contracts with clients</td>
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<td>IC 05</td>
<td>Custodian services</td>
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<tr>
<td>IC 06</td>
<td>RI and ESG in clients’ investment policy development</td>
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<tr>
<td>IC 07</td>
<td>ESG incorporation into strategic asset allocation</td>
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<tr>
<td>IC 08</td>
<td>Scenario analysis and/or modelling</td>
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<td>IC 09</td>
<td>Demonstrating value on asset allocation</td>
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<td>n/a</td>
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<td>IC 10</td>
<td>Investment research activities</td>
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<td>IC 11</td>
<td>Demonstrating value on investment research</td>
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<td>IC 12</td>
<td>ESG in manager selection, appointment and monitoring</td>
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<td>IC 13</td>
<td>Manager selection activities</td>
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<td>IC 14</td>
<td>Incorporating asset owners’ investment principles in selection of manager</td>
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<td>IC 15</td>
<td>ESG in selection due diligence</td>
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<tr>
<td>IC 16</td>
<td>Monitoring investment managers on ESG</td>
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<tr>
<td>IC 17</td>
<td>Reporting back to asset owners</td>
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<td>IC 18</td>
<td>Demonstrating value on manager selection, appointment and monitoring</td>
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<td>IC 19</td>
<td>ESG in manager selection, appointment and monitoring</td>
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### Research and Data Provision

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<tr>
<td>RDP 02</td>
<td>Sources for research and/or rating</td>
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<tr>
<td>RDP 03</td>
<td>Stakeholder input</td>
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<td>Public</td>
</tr>
<tr>
<td>RDP 04</td>
<td>Up-to-date assessment and ratings</td>
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<td>Public</td>
</tr>
<tr>
<td>RDP 05</td>
<td>Balanced research and assessment</td>
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<tr>
<td>RDP 06</td>
<td>Consistency and comparability</td>
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<td>Public</td>
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<tr>
<td>RDP 07</td>
<td>Emerging ESG issues and trends</td>
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<td>Public</td>
</tr>
<tr>
<td>RDP 08</td>
<td>Client use of outputs</td>
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<td>Public</td>
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<td>RDP 09</td>
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<td>RDP End</td>
<td>▶</td>
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</tr>
</tbody>
</table>
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 01.1
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, where teams work closely towards client and partner needs. 60% of our global workforce and 50% of our Executive Committee are women. 93.6% of our total staff are on permanent contracts.
### OO 02.1 Indicate the year end date for your reporting year.

31/12/2018

### Signatory category and services

#### 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
  - Yes
  - No
- Active Ownership Services
  - Yes
  - No
- Investment consultancy
  - Yes
  - No
  - Other, specify (3)
  - Other, specify (4)
  - None of the above
Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organisations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organisations.

Vigeo Eiris offers a wide range of services:
• For investors: decision-making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more)
• For companies & organisations: supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more).

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

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Boston, Brussels, Casablanca, Hong Kong, Milan, Montreal, Rabat, Santiago and Stockholm. The Vigeo Eiris Global Network, comprising 5 exclusive research partners, is present in Brazil, Germany, Israel, Japan and Spain.

For more information: www.vigeo-eiris.com
Vigeo EIRIS

Reported Information

Public version

Strategy and Governance

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## Policy on ESG beliefs

### SG 01

<table>
<thead>
<tr>
<th>Mandatory</th>
<th>Public</th>
<th>Gateway</th>
</tr>
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<tbody>
<tr>
<td><strong>SG 01.1</strong></td>
<td>Describe how your organisation’s philosophy incorporates environmental, social and governance factors, and the link to your business offerings.</td>
<td></td>
</tr>
</tbody>
</table>

The assessment and promotion of environmental, social and governance factors form the core of Vigeo Eiris' business model and the foundation of its raison d’être.

Vigeo Eiris has built an exclusive approach to assessing social responsibility risk and performance with the belief that social responsibility is not only a fiduciary duty but also a material driver of success. This approach shapes our behaviour towards both ourselves and our stakeholders. Our research framework is built upon the six social responsibility domains against which we assess organisations: environment, community involvement, business behaviour, human rights, governance and human resources.

Beyond its 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.

With our methodology, products and services, publications and through our active membership of a number of organisations in the countries where we operate, Vigeo Eiris contributes in a meaningful way to raising awareness of sustainable finance and to integrating ESG issues and initiatives in mainstream finance. We also manage two types of ESG indices which are published on financial platforms such as Bloomberg and Datastream: the Euronext Vigeo Eiris Indices and the Ethibel Sustainability Indices.

Thanks to our international presence, we are particularly proud to promote the dissemination of sustainable & responsible investment practices throughout the world.


### 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

<table>
<thead>
<tr>
<th>Public availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️ URL</td>
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</table>
Formalised guidelines on environmental factors

Formalised guidelines on social factors

Formalised guidelines on corporate governance factors

Carbon offsetting policy

Ethical Purchasing policy
### SG 01.4  Indicate how these are put into practice internally across the organisation.

- [x] Regular employee training on RI/ESG
- [x] Regular RI/ESG policy awareness building for employees
- [x] Establishment of policy review committee/team
- [ ] Remuneration linked to achieving ESG objectives
- [ ] Annual performance incentives
- [x] Other, specify (1)
  - a formalised governance policy for our Scientific Committee
- [x] Other, specify (2)
  - methodology guidance via our dedicated product user guides
- [x] Other, specify (3)
  - via internal publications such as internal newsletters & info flashes
- [ ] No

### SG 01.5  Additional information [OPTIONAL]

Formalised guidelines on our approach to environmental, social and corporate governance factors are detailed in our dedicated product user guides for clients.

### SG 02  Mandatory

#### SG 02.1  Indicate what frameworks and guidelines you have used to develop your organisation’s policies. Tick all that apply.

- [x] UN Principles for Responsible Investment
- [x] UN Global Compact Principles
- [x] UN Guiding Principles on Business and Human Rights
- [x] Universal Declaration of Human Rights
- [x] UN Sustainable Development Goals
- [x] International Bill of Human Rights
- [x] International Labour Organisation Conventions
- [x] IFC Performance Standards
- [x] United Nations Convention Against Corruption
- [x] OECD Principles of Corporate Governance
- [x] OECD Guidelines for Multinational Enterprises
- [x] GRI standards
- [x] Other, specify (1)
  - ISO Standards: ISO 26000, ISO 9000, ISO 14000, ISO 9001
- [x] Other, specify (2)
  - Relevant European Union directives (for example on reporting)
- [x] Other, specify (3)
  - IIRC International Integrated Reporting Framework
As well as being signatories of the Principles for Responsible Investment and the UN Global Compact, we use numerous international norms and standards to develop our organisations' policies. For example, our framework of analysis is built upon international norms, principles and recommendations that apply to states and/or companies. These principles have global reach and therefore apply to every company. Considering and effectively promoting these principles is not only desirable but also necessary to concretely implement social and environmental responsibility at a global level. Stakeholders advocate these principles all over the world.

• UN Code of Conduct for Law Enforcement Officials (1979)
• UN Basic Principles on the Use of Force & Firearms by Law Enforcement Officials (1990)
• UN Declaration on the Rights of Indigenous Peoples, 2007
• ILO Core conventions such as:
  - 029 Forced Labour - 1930
  - 087 Freedom of Association and Protection of the Right to Organize - 1948
  - 098 Right to Organize and Collective Bargaining - 1949
  - 100 Equal remuneration - 1951
  - 105 Abolition of Forced Labour - 1957
  - 111 Discrimination (Employment and Occupation) - 1958
  - 138 Minimum Age Convention - 1973
  - 182 Elimination of the Worst Forms of Child Labour - 1999
  - 169 Indigenous and Tribal Peoples Convention - 1989
• 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)
• The OECD Revised Recommendation on Combating Bribery in International Business Transactions (1997)
• International Standards on Combatting Money Laundering and the Financing of Terrorism & Proliferation - the FATF Recommendations, 16 February 2012
• UN Convention against Transnational Organized Crime (2003)
• 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
• Etc.

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.
| Asset class-specific RI guidelines     |   ✓ |   □ |
| Sector-specific RI guidelines         |   ✓ |   ✓ |
| Screening/exclusions policy           |   ✓ |   ✓ |
| Engagement policy                     |   ✓ |   ✓ |
| (Proxy) voting policy                 |   ✓ |   □ |
| RI guidelines set out within the Investment Policy Statement (IPS) |   □ |   □ |
| RI guidelines set out in a freestanding RI policy |   □ |   □ |
| Multi-year RI implementation project plan |   □ |   □ |
| Conflict of interest management policy |   ✓ |   □ |
| Stockbroker allocation policy         |   □ |   □ |
| Securities lending policy             |   □ |   □ |
| Other, please specify (1)             |   ✓ |   ✓ |
| Other, please specify (2)             |   ✓ |   ✓ |
| Other, please specify (3)             |   □ |   □ |
| None of the above                     |   □ |   □ |

please specify (1) - Off the shelf

Sovereign Sustainability Rating

please specify (1) - Tailored

Sovereign Sustainability Rating

please specify (2) - Off the shelf

Green, social & sustainability bond Second Party Opinion
Green, social & sustainability bond Second Party Opinion

**SG 03.2** Provide a brief description of the key elements, any variations, or exceptions applying to these policies.

Products and services are tailored to client interests. Clients define how they wish to integrate our services and which policies they want to build.

Our core ESG rating products are based on our methodological framework, which is structured by 38 specific sustainability criteria based on international standards. These 38 ESG criteria are segmented into 41 sector sub-frameworks that select and weight the most relevant objectives. More than 1,000 data points enable us to assess companies on the integration of social responsibility issues into their managerial systems. We assess issuers on their overall ESG performance and identify their strengths and weaknesses. Our screening activity enables investors to complement this managerial analysis with an assessment of issuers' involvement in a number of activities:
- products and services contributing to sustainable development
- contribution towards the UN Sustainable Development Goals in terms of both their products and behaviour
- 15 controversial activities

Our in-depth ESG research and sustainability criteria enable us to respond to any client RI policies.

---

### SG 04

<table>
<thead>
<tr>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
</tr>
</thead>
</table>

**SG 04.1** Briefly describe how you include ESG/RI factors as part of your business offerings.

#### Business area

**Reporting**

**How you include ESG/RI factors**

The incorporation of ESG/RI factors requires a structured and progressive approach that is integrated into an organisation's strategy, is initiated and supported by the highest level of management and is subject to a process of continuous improvement.

Vigeo Eiris provides solutions for issuers that help them to:
- assess their existing ESG policy
- define an effective ESG policy
- identify and prioritise key sustainability issues
- expand the mapping of operational risks
- report and communicate on their performance to their stakeholders
- unite and mobilise their employees


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**Active Ownership Services**
Vigeo Eiris provides data and information on corporate ESG performance in line with an investor's responsible investment policy, for engagement or voting purposes.

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. This engagement activity covers all sectors.

Vigeo Eiris’ Engagement Service targets the most appropriate companies for engagement. This includes setting selection criteria, providing baseline research data, developing template letters and analysing company response. Company progress is monitored by Vigeo Eiris to assist investors in fulfilling their stewardship and active ownership commitments.

Vigeo Eiris’ Voting Service provides investors with ESG research data to assist in the formulation of proxy voting strategies. This data can be used by the client to efficiently form voting decisions on the whole range of ESG issues and identify issuers’ exposure to specific ESG risks.

Vigeo Eiris' advisory and consultancy services include ESG and RI factors. Investor clients can benefit from Vigeo Eiris' support in the development of structured products or bespoke investment universes, combined with responsible investment strategies.

We also help define and implement investors' ESG strategies, which includes support through all stages of planning, implementation and delivery of a client’s investment policy. Our service can also include construction of an ESG evaluation policy, or support to structure reporting on responsible investment strategies and ESG integration into financing operations.

Portfolio Analyses are also provided to measure and manage the implementation of a client's global or targeted ESG policy across their portfolio. Two audit report formats are available: at fund or portfolio level. Vigeo Eiris provides clients with ESG risk mapping and performance benchmarks for their portfolios.

http://www.vigeo-eiris.com/solutions-for-investors/

All types of organisation can also benefit from support to evaluate and strengthen their ESG policies and practices, as well as support to identify and report on their contribution to the social, environmental and market ecosystems in which they operate.

http://www.vigeo-eiris.com/solutions-for-companies-organisations/

As an independent provider of ESG research and services to investors and organisations, ESG factors are systematically integrated into our research and data.

We offer decision-making tools for all types of investors, covering all ethical and responsible investment approaches.
Sustainability ratings provide research and services suitable for all types of investments, and consider ESG risk factors in the management of investment universes. Vigeo Eiris provides analyst opinion on the corporate management of sectoral issues.

We also have dedicated research lines to allow investors to stay informed of allegations and litigation affecting companies in their portfolio via our Controversy Database.

We provide climate risk assessments; several complementary approaches are available to investors in this field including divestment and the allocation of resources to sectors and activities that heavily contribute to a low carbon economy.

Finally, we provide an opportunity for investors to guide their resource allocation to sustainable activities and services, and contribute to sustainable growth through our sustainable goods and services research.

<table>
<thead>
<tr>
<th>Roles present in your organisation</th>
<th>Oversight/accountability for ESG/RI</th>
<th>Implementation of ESG/RI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Directors</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO), Chief Financial Officer (CFO)</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Chief Operating Officer (COO), Chief Information Officer (CIO)</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other chief-level staff</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other heads of department</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Dedicated ESG/RI staff</td>
<td>☐</td>
<td>☑</td>
</tr>
<tr>
<td>Other role, specify (1)</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other role, specify (2)</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other role, specify (3)</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>None of the above</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
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 don't 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 provides ad hoc training and consultancy to clients on ESG, RI and how they can contribute to the PRI principles. We also contribute to ESG training at certain universities (such as our partnership with Dauphine University to train students on RI) and provide ad hoc training for public policy makers on these issues.

**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 dedicated ESG data that allows clients to implement responsible investment strategies in line with the PRI principles and clients’ own investment strategies.

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.

Fouad Benseddik, Vigeo Eiris’ Director of Methodology and Institutional Affairs has been a member of the Francophone PRI Committee since 2018.

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

**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. This is particularly the case in 2019 as PRI in Person is located in Paris, where we are headquartered.

We are happy 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

20
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

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.).

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

- Changing demographics

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 and Promotion of Employability 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 a growing concern for investors and this specific trend led us to develop dedicated new products for the market, including:

- indices focused on carbon (bespoke SRI indices set up with clients) and specific 'Carbon Footprint' assessments for all companies in our universe
- portfolio analysis of carbon footprints and the physical impacts of climate change. This involves assessment of a company's approach to prevent, mitigate and adapt to the physical impacts of climate change (Energy Transition: assessment of companies' strategies to manage the risks and opportunities from the transition to a low-carbon economy)
- screening services focused on issues like GMOs or fossil fuel involvement (screening of companies' fossil fuel reserves and assessment of potential emissions)
- Sustainable Goods and Services research is a positive screening service that assesses a company's involvement in products and services with a positive impact on the climate and contributing to climate-related UN SDGs. The evaluation shows what percentage of a company's activities are contributing to sustainable development (for each company in a specific portfolio).

**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 Equitics© 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:

(a) Data privacy - this is addressed in multiple sectors through our analysis of fundamental human rights.

(b) Shift to electric transport - this is addressed in our Automobiles sector research.

(c) Hacking of corporate Information - this is currently available in Financial sectors and is currently being introduced into more sectors.

(d) 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).

(e) 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.

(f) Robotisation - in a number of industrial sectors including Automobiles and Aerospace, we examine the long-term trend towards the robotisation of manufacturing processes.

(g) 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 Equitics© 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; and the Integration of Labour Standards into Supply Chains.

We are updating our methodology to better assess companies' responsible business conduct based on new OECD sectorial guidelines and are also strengthening our framework to better evaluate companies' "Duty of Care" (for example the French Duty of Care Law).

☐ Other, specify (2)

Human rights

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

In Equitics© our human rights methodology is based on international standards and regulations, including the Universal Declaration of Human Rights of 1948, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights of 1966, core ILO conventions, and more recent texts such as the UN Guiding Principles of Business and Human Rights endorsed by the UN Human Rights Council in June 2011.

Our research assesses:

• the extent to which companies comply with their obligation to respect fundamental human rights in society as a whole (such as the right to equality and dignity; the right to life, liberty and security; the prevention of torture or other cruel, inhuman or degrading treatment or punishment; freedom of religion, opinion and expression; the right to privacy, and the rights of indigenous peoples)
• the extent to which companies respect trade union freedom and collective bargaining rights and promote collective bargaining rights
• the extent to which companies prevent gender discrimination in the workplace and other discrimination regarding work conditions, vocational training, promotion, fees and other benefits
• the extent to which companies respect and promote human rights in the supply chain, including fundamental human rights, workers’ labour rights and conditions, as well as the abolition of forced labour and child labour in the supply chain. We also look at remedial actions.

☐ None of the above

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<thead>
<tr>
<th>SG 10</th>
<th>Mandatory</th>
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<tbody>
<tr>
<td>SG 10.1</td>
<td>Indicate whether you interact with asset owner clients.</td>
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</table>

☐ Yes, we do

SG 10.2 Indicate the typical frequency and type of interactions with your asset owner clients.

**Type of interaction**

☑ Board of trustee meetings

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<thead>
<tr>
<th>Type of interaction</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>Daily</td>
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<td>Weekly</td>
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<td>Monthly</td>
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<td>Quarterly</td>
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<td>Bi-annually</td>
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<td>Annually</td>
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<td>☐ Ad-hoc basis</td>
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<td>Other, specify</td>
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☑ Investment committee meetings

<table>
<thead>
<tr>
<th>Type of interaction</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>Daily</td>
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<td>Weekly</td>
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<tr>
<td>☐ Ad-hoc basis</td>
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<tr>
<td>Other, specify</td>
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</table>

☑ Trustee training workshops
We interact with our asset owner clients on an ad-hoc basis via phone and email and conduct in-person and WebEx meetings as required. Interactions mainly relate to our research and our client delivery platform, or are requests for IT/data delivery support or legal information.

Teams are dedicated to answering requests from our asset owner clients within a maximum of 48 hours.
As part of our ISO 9001 certification, we are required to conduct an annual client satisfaction survey. The first one took place in October 2018, and the results were shared with clients & Vigeo Eiris staff in early 2019.

**SG 11**  
**Mandatory**  |  **Public**  |  **Descriptive**
---|---|---

**SG 11.1** Describe how you typically align your organisation’s philosophy and approach to ESG/RI with your investor clients’ goals.

☐ Describe

Aligning with investor needs and their fiduciary duties is a key part of our business model.  
Vigeo Eiris is committed to categorising ESG-related risks, to identifying opportunities for risk management, future value creation and to swiftly informing clients about controversies and litigation.  
We provide research and services adapted to many types of investment. Our corporate aim is to promote responsible growth through our products and services: empowering responsible investment and responsible management.

☐ This is not relevant for my organisation

**SG 12**  
**Mandatory**  |  **Public**  |  **Descriptive**
---|---|---

**SG 12.1** Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients’ goals.

☐ Describe

Products and services are tailored to our investor clients’ requirements. Whilst investors define how they will integrate our research and which policies they wish to build from it, Vigeo Eiris advises on the relevant data and research suitable for their need. We also offer bespoke solutions for clients who may be interested in research, criteria or advice beyond the scope of our standard offerings.

☐ This is not relevant for my organisation

**SG 13**  
**Mandatory**  |  **Public**  |  **Descriptive**
---|---|---

**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.  
Close contact with our clients informs our understanding of market expectations.  
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.  
Teams are dedicated to answering to client requests within a maximum of 48 hours.
As part of our ISO 9001 certification, we are required to conduct an annual client satisfaction survey. The first one took place in October 2018, and results were shared with clients & Vigeo Eiris staff in early 2019.

SG 14

<table>
<thead>
<tr>
<th>SG 14.1</th>
<th>Indicate whether your organisation has a policy for managing potential conflicts of interest.</th>
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</thead>
<tbody>
<tr>
<td>☑ Yes</td>
<td></td>
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</tbody>
</table>

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

Reported Information

Public version

Reporting

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.
Type of reporting and assurance

REP 01 | Mandatory | Public | Gateway

REP 01.1 | Indicate the type of reporting that you prepare on behalf of clients. Tick all that apply.

☐ Integrated reporting
☐ RI reporting
☒ Sustainability reporting
☐ Financial reporting
☐ Other, specify (1)
☐ Other, specify (2)
☐ None of the above

REP 01.2 | Indicate whether your services include any variety of third party assurance or certification/labelling scheme of clients’ ESG/RI data, processes or products.

☒ Yes

REP 01.3 | Indicate the type of assurance or certification/labelling scheme services that you provide.

☐ Third party assurance of data points
☒ Third party assurance of the implementation of RI/ESG processes
☒ Third party assurance of a public RI/ESG report
☒ External ESG audit of holdings
☐ RI Certification or labelling scheme, specify
☐ Other, specify (1)

☒ No

REP 01.4 | Additional information. [OPTIONAL]

Vigeo Eiris’ solutions for issuers offer clients the opportunity to:
• have their CSR policy evaluated by an independent third party and measure its performance
• identify and prioritise key sustainability issues for reporting & materiality assessments
• expand the mapping of their operational risks
• report and communicate on performance to their stakeholders

For the evaluation of CSR reporting, we systematically review and assess the availability, accessibility, exhaustiveness and relevance of companies’ ESG data, provided either on a qualitative or quantitative basis. Our reporting assessment process provides specific sustainability reporting services for issuers. We integrate and consider all internationally recognised frameworks on CSR in this process.

Reporting frameworks/standards/guidelines
**REP 02.1**  
Indicate what reporting frameworks/standards/guidelines you typically use when preparing reports for clients. Tick all that apply.

- ☐ OECD Guidelines for Multinational Enterprises
- ☐ OECD Principles of Corporate Governance
- ☐ ILO
- ☐ ISO, specify
  - ISO 26000, ISO 14000, ISO 9000, ISO 9001
- ☐ UN Global Compact
- ☐ GRI
- ☐ SASB
- ☐ IIRC
- ☐ PRI
- ☐ CDP
- ☐ Stewardship code
- ☐ Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- ☐ Other, specify (1)
  - UN Guiding Principles Reporting Framework on Human Rights
- ☐ Other, specify (2)

**REP 02.2**  
Additional information. [OPTIONAL]

Vigeo Eiris has developed its own framework and methodology to assess the commitments, performance and ESG risk-related mitigation abilities of companies, which includes more than 1,000 data points.

These indicators cover the requirements of key CSR international frameworks and guidelines. In addition, Vigeo Eiris considers sectoral guidelines and indicators related to specific ESG issues.

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### Assurance standards and assuring ESG

**REP 05.1**  
List the standards and certifications that have an ESG/RI component, that you typically use to assure client organisations’ reporting data/processes or products against.

- ☐ ISAE 3000
- ☐ ISAE 2403
- ☐ ISO standard, specify
  - ISO 26000
Based on our Equitics© methodology and the assessment of our 38 sustainability criteria, we assess which KPIs are missing or insufficiently reported on, relevant to a given company sector.

We assess the following sustainability criteria through our sector analysis:

1. **In the Environmental domain:**
   - Environmental Strategy and Eco-Design, Pollution Prevention and Control, Development of Green Products and Services, Protection of Biodiversity, Management of Water Resources, Minimising the Environmental Impacts linked to Energy Consumption and Related Emissions, Management of Atmospheric Emissions, Management of Water, Management of Local Pollution, Management of the Environmental Impacts linked to Transportation, Management of the Environmental Impacts linked to the Use and Disposal of Products and Services, and Integration of Environmental Factors in the Supply Chain.

2. **In the Social domain:**

3. **In the Governance domain:**
   - Prevention of Corruption, Prevention of Anti-Competitive Practices, Responsible Lobbying, Board of Directors, Audit and Internal Controls, Shareholders and Executive Remuneration.

We adapt the scope of topics to the asset class (Infrastructure, SMEs, Real Estate etc)
Vigeo EIRIS

Reported Information

Public version

Active Ownership Services

PRI disclaimer

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Active ownership services

AOS 01  Mandatory  Public  Gateway

AOS 01.1  Indicate which active ownership services are part of your business offerings. Tick all that apply.

☐ Engagement
☐ Voting

AOS 01.2  Indicate which markets your organisation covers.

☐ Developed markets
☐ Emerging markets

AOS 02  Mandatory  Public  Descriptive

AOS 02.1  Indicate where you acquire your ESG data and information.

☐ Regulatory sources
☐ Information from stakeholders and NGOs
☐ In-person meetings or calls with company, industry, municipality or government representatives
☐ Media reporting (including social media, blogs and similar)
☐ Primary data (self-reported from companies or other organisations)
☐ Secondary data (from ESG research provider databases)
☐ Other, specify (1)
☐ Other, specify (2)
☐ Other, specify (3)

AOS 02.2  Describe how this information is used in your product/service offerings.

ESG research is undertaken in-house and is based upon Vigeo Eiris’ research methodology. The data available to support our engagements covers the full range of ESG issues as well as high profile/impact controversies. All engagement services are based upon Vigeo Eiris’ research methodology. This methodology is used to identify the levels of risk that companies are exposed to across the full range of ESG themes and assesses their performance in managing these risks. Companies that are exposed to a high level of risk and that have demonstrated little to no evidence of managing this risk are identified as ‘laggards’ and recommended as a potential engagement case.

AOS 03  Voluntary  Public  Descriptive

AOS 03.1  Indicate whether you identify emerging ESG issues.

☐ Yes
AOS 03.2 Describe how you identify emerging ESG issues.

This is undertaken via two separate methods:

1) by monitoring and taking advantage of new methodology additions to Vigeo Eiris’ standard research methodology.
(2) by responding to client feedback and bespoke requests.

AOS 03.3 Describe some of the emerging ESG issues you have identified in this process.

New additions to our standard engagement service include transparency on taxation payments as well as human rights in occupied territories. We are also currently exploring the addition of new corporate governance themes as well as a revised climate change offering.

No

Engagement

AOS 04 Mandatory Public Descriptive

AOS 04.1 Describe how you select priority engagement topics to raise with companies and how you involve your clients in this process.

The selection or priority engagement topics are mostly driven by our clients’ needs. Based on our ESG database, we identify those ESG areas that clients have indicated are most valuable to them and which our own research suggests have the biggest impact on company performance.

A dedicated engagement service is for instance conducted on the following themes: bribery and corruption, climate change, ESG risk management, human rights, supply chain labour standards, transparency of taxation payments and water scarcity.

A separate engagement service is also framed in order to engage with companies involved in allegations analysed as “critical”, in any of our 38 ESG topics under analysis.

Other themes are offered on a bespoke basis with consideration to add new themes to the standard list based upon client and marketplace feedback.

AOS 04.2 Describe how you define the objectives and milestones of the engagements and how you involve your clients in this process.

We discuss all aspects of the process with clients and work with them to ensure all of their needs are met. This includes tailoring the service to meet specific requirements and outcomes and will take into account:
- the ESG themes to engage upon
- the number of ‘live’ engagements at any one time
- setting final engagement objectives
- engagement timescales
- deciding upon preferred methods and frequency of engagements
- developing the initial engagement letters/email wording
- agreeing upon the frequency and format of progress reporting.

Where required, we also support client engagement activity with information from our Controversy Database, which provides continuous analysis of company controversies through three factors: severity, frequency and company response, and our Warning List, which provides daily updates of companies facing the most severe controversies.

At all stages we consult with the client to ensure that the programme is progressing in a manner with which they are happy. Frequent meetings allow for feedback that can shape the future set-up of the service and help to decide new engagement themes to develop.

AOS 04.3 Additional information [OPTIONAL]

We are careful to recognise the intricacies behind established client investment policies and procedures. Similarly, we ensure that where necessary, procedures are in place to allow timely communications between ourselves and client-based managers so that both parties are aware of the ongoing work conducted for the client at all times.
### AOS 05.1
Indicate what channels you use to engage. Tick all that apply and indicate the frequency with which you typically use the channels.

#### Engagement type

- **Letters and e-mails**
  - Frequency
    - ☑ In minority of cases
    - ☑ In majority of cases
    - ☑ In all cases

- **Meetings and/or calls with board/senior management**
  - Frequency
    - ☑ In minority of cases
    - ☑ In majority of cases
    - ☑ In all cases

- **Meetings and/or calls with the CSR, IR or other management**
  - Frequency
    - ☑ In minority of cases
    - ☑ In majority of cases
    - ☑ In all cases

- **Visits to operations**
  - Frequency
    - ☑ In minority of cases
    - ☑ In majority of cases
    - ☑ In all cases

- **Visits to supplier(s) from the company’s supply chain**
  - Frequency
    - ☑ In minority of cases
    - ☑ In majority of cases
    - ☑ In all cases

- ☐ Other (1), specify
- ☐ Other (2), specify
- ☐ Other (3), specify
Describe your typical execution method.

It is important to note that it is the client who directly engages with the companies, with the support of Vigeo Eiris. Our typical execution method is as follows: after the portfolio analysis and the selection made by clients on the companies to engage with, Vigeo Eiris drafts letters requesting information and these are signed by the client. Vigeo Eiris evaluates companies’ responses and reports to the client.

Vigeo Eiris does not conduct direct engagement via the channels listed in 05.1, but we support our clients to do so.

We also suggest that clients participate in collective engagement initiatives (e.g. PRI), as well as collective domestic engagement initiatives (e.g. local pools of investors).

Indicate from the options below the employee at the companies you typically engage with.

**Employee level**

- Board members
  - Frequency
    - ○ In minority of cases
    - ⊗ In majority of cases
    - ○ In all cases
  - Corporate secretary/general counsel
  - Frequency
    - ○ In minority of cases
    - ⊗ In majority of cases
    - ○ In all cases
  - CEOs
  - Frequency
    - ○ In minority of cases
    - ⊗ In majority of cases
    - ○ In all cases
  - Other C-level staff or heads of departments
Describe how you ensure the client’s rationale and engagement objectives are being communicated clearly to the company at the beginning and during the dialogue phase.

We provide companies with:
• an introduction to the client
• an introduction to us as the research provider
• the motivation behind the engagement
• a short introduction to the ESG theme
• an outline of the company’s current performance

With experienced analysts running each engagement we are able to communicate the often complex issues clearly and succinctly.

Furthermore, as each engagement objective is directly linked to the Vigeo Eiris methodology we are able to refer to our detailed documentation and experience to ensure that we are communicating issues clearly and in a relevant, contemporary manner.

Describe the escalation strategies you take (or suggest that your clients take) when the engagement objectives are not achieved.

We generally operate the following strategy for encouraging responses from non-responsive companies:
Step one: initial contact, including cultural/language check where appropriate (e.g. in-house Japanese researchers help to draft engagement with Japanese clients)
Step two: reminder letter sent with additional contact details, including email addresses
Step three: escalation to new/more senior board member
Step four: attempt to arrange conference call and/or face to face meetings
Step five: pooled engagements bringing together multiple clients
Step six: provide voting recommendations in line with engagement results (where appropriate)

AOS 06.4  Additional information [OPTIONAL]

Vigeo Eiris does not conduct direct engagement with the stakeholders listed in 06.1, but we support our clients to do so.

AOS 07  Mandatory  Public  Descriptive

AOS 07.1  Indicate how you monitor the progress of engagements.
☐ Define timelines/milestones for your objectives
☐ Track and/or monitor progress against defined objectives.
☐ Track and/or monitor progress of actions taken when original objectives are not met
☐ Review and, if necessary, revise objectives on an ongoing basis
☐ Other, specify (1)
  Highlighting cases with client involvement or that might be classified as comprehensive
☐ Other, specify (2)
  Reporting on reason for completed engagements (direct response, research update etc.) and distinguishing between types of response received (letter, email, meeting, phone call etc.)
☐ Other, specify (3)
☐ None of the above

AOS 07.2  Describe how you typically decide what recommendations for next steps to give to clients.
☐ Yes, we do provide clients with recommendations for next steps
  Recommendations are generally made based upon the number and quality of responses that we receive.
  If no responses are received at all then we progress through the steps identified in AOS 06.3.
  We will tend to recommend that cases are also escalated where engagement has been ongoing for three or more replies with the same contact and no progress has been made.
  Joint/pooled engagements will be launched if no progress has been made or if a company has responded to indicate that they do not intend to take part in the process.
☐ We do not provide clients with recommendations for next steps

AOS 08  Mandatory  Public  Descriptive

AOS 08.1  Describe how you define success when evaluating/reviewing engagements on ESG factors.
A successful engagement is considered to have:
• improved performance in an ESG theme to a pre-set level, within a set time frame (set in discussion with the client)
• lead to the company responding to the client on at least one occasion.

We do also record all other completions but if, for example, a company does meet all of its objectives and has not responded to the client this will not be included in the official completion rates.

**AOS 08.2** Describe how you measure success when evaluating/reviewing these engagements.

Engagement objectives are set against standard Vigeo Eiris research criteria, with companies encouraged to improve their grade to a certain level across specific ESG indicators.

Across all ESG themes we are looking for evidence of improvements in the company’s policies, management systems and public reporting. With regards to policies and management systems we will accept documents provided by the company directly to us or the client. However, all engagements relating to public reporting require that the company makes information available in the public domain.

**AOS 08.3** Additional information [OPTIONAL]

There are a number of strategies that we offer to clients to overcome a ‘stalled’ engagement. A brief outline of the potential options are provided below:
• Escalating the issue to a more senior member of the company. Generally we reach out to CSR/ sustainability experts in the first instance. If this fails to illicit a response we will then ‘escalate’ to the Board and/or CEO
• Exploring language and cultural changes if appropriate
• Providing additional contextual information to the company
• Providing additional information to the company as to how it is seen to perform in comparison with its peers
• Request face-to-face meetings or tele-conference with the client
• Scaling the engagement, with a collective initiative with other investors, in order to be more effective to get some material outcomes

**Voting**

**AOS 11** Mandatory Public Descriptive

**AOS 11.1** Describe how ESG factors are taken into consideration in voting recommendations

Vigeo Eiris’ voting service provides voting guidance at meeting level, rather than resolution by resolution. When there is an upcoming AGM in a customer portfolio, we assess ESG risk at the company in question in terms of six specific themes. Where a company falls short of one or more of the ESG themes and issues we apply, a cause for concern is flagged to the client. Some of the themes are applied in a sector-specific or country-specific way, according to an assessment of the fundamental underlying ESG risk profile for a sector or country on a specific issue.

The six ESG themes we consider are Human rights risk and reporting; Environmental impact and reporting; Climate change impact and disclosure; Health and safety performance; Corruption and bribery; and Supply chain. We also include perspectives derived from our Convention Watch service, which looks at company compliance with global conventions and norms around the world.

Where a cause for concern is identified, this signifies that a vote against management at this meeting is warranted on ESG grounds.

It is up to the client to determine how they then apply that concern, including which resolution(s) to oppose management with in respect of the issue(s) we identify.

In short, our “Voting Service” is an ESG driven research report which confirms whether there is sufficient ESG specific cause for concern to consider opposing management. It is silent on voting strategy.

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AOS 12 Voluntary Public

<table>
<thead>
<tr>
<th>AOS 12.1</th>
<th>Indicate the proportion of votes where you have raised concerns with companies prior to voting, on behalf of your client.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ 100%</td>
<td>☐ 99-75%</td>
</tr>
</tbody>
</table>

AOS 12.3 Additional information [OPTIONAL]

Our voting research does not identify specific resolutions to be opposed; it simply gives an indication to the client that a vote against management may be warranted at an upcoming AGM for reasons of ESG concerns.

The source for this information is Vigeo Eiris’ core ESG research database. This consists of comprehensive ESG analysis undertaken at regular intervals (outside of the AGM meeting cycle) as well as ESG event-driven controversies alerts and (where relevant) ratings and data updates, which is undertaken as and when an ESG event (positive or negative) is identified by our news monitoring. All issuers have access to view their summary profile on our issuer portal, VE Connect, so they are aware of ESG concerns we have about their company and the ratings we provide.

A check of the company profile information is also undertaken prior to confirmation of the research being sent to clients, to ensure there is no more recent pertinent information which may affect the position identified by the research, data and ratings on our database.

Therefore, issuers do not get specific pre-notification of a report related to our voting service that identifies sufficient cause for concern, though they do have access to a summary of our general analysis of ESG performance of their company. This is a reliable proxy for whether there may be adequate cause for concern indicated in our AGM research note.

As with all of the research, data and ratings we provide to investors, the consumers of our research are at all times free to take their own view and position in light of what we provide to them.

AOS 13 Mandatory Public Descriptive

<table>
<thead>
<tr>
<th>AOS 13.1</th>
<th>Indicate the proportion of votes where you have communicated the rationale to companies when you, on behalf of your clients, abstain or vote against management proposals.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ 100%</td>
<td>☐ 99-75%</td>
</tr>
</tbody>
</table>
We do not undertake any of the voting for our clients, so it is not true to say we vote against management. However, there are conditions under which, in principle, we may identify a company as potentially of enough concern to issue research outlining why a client might wish to vote against management at that meeting as a result of inadequate performance on one or more of the following issues:

- Climate change data disclosure quality and reporting against targets for companies identified as very high or high impact companies.
- Environmental performance of high and medium impact companies on issues such as energy, emissions, waste and water use.
- Human rights policies, non-compliance procedures, training, risk impact assessments as reported as well as verified by stakeholders in extractive industries
- Health and safety – key data in highest risk business activities such as mining and construction.
- Corruption and bribery approach, performance and quality of policy and results for companies in high risk bribery sectors operating in countries with a high-risk exposure to bribery.
- Supply chain policy approach, performance and policy quality for companies sourcing a large volume of high risk products from non-OECD countries.

AOS 14

**AOS 14.1** Describe how you monitor voting outcomes.

We do not monitor voting outcomes because we do not make resolution-specific voting advice.

**AOS 14.2** Describe how you typically decide what recommendations for next steps to give to clients.

- Yes, we do provide recommendations for next steps
- We do not provide recommendations for next steps

In the vast majority of cases, the identification of next steps has to do with the strategy of active ownership, which relates to investor-specific perspectives. Whilst we might make suggestions for proposed next steps, these are normally at the specific request of the client to record the previous year’s voting decisions.

**AOS 15**

**AOS 15.1** Indicate whether you have formal mechanisms in place for clients to review your voting recommendations.

- Yes

**AOS 15.2** Describe the formal mechanisms you have in place if clients wish to review your voting recommendation and/or give voting instructions different from your recommendations.

Our voting research is not pre-populated by us into any voting platform. Some clients specifically ask us to provide the output to their voting service provider for integration into their wider voting process. However, there is no direct mechanism under our control which could enable us to confirm, let alone override, a client voting decision because we do not have direct access to the client voting systems. Therefore, any client voting decision made using our research is one that by definition must be manually decided and/or confirmed by the client. Our delivery model ensures that all voting “recommendations” must be reviewed and manually confirmed by the client.
AOS 16 Mandatory Public Descriptive

AOS 16.1 Describe your involvement in any project to improve the voting trail and/or to obtain vote confirmation for your clients.

- Yes, we involve project to improve the voting trail and/or to obtain vote confirmation for our clients.
- Not applicable

AOS 16.2 Additional information [OPTIONAL]

Our voting service is not a vote agency service.

Communication and sharing ESG information

AOS 17 Mandatory Public Descriptive

AOS 17.1 Indicate whether you proactively disclose your engagement and/or voting outcomes to clients and the public.

<table>
<thead>
<tr>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients</td>
</tr>
<tr>
<td>Public</td>
</tr>
<tr>
<td>Voting</td>
</tr>
</tbody>
</table>

Clients

- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Disclosed ad hoc/when requested

Public

- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Disclosed ad hoc/when requested
Clients

- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/as requested

Public

- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/as requested

AOS 17.2  Indicate how you ensure all ESG information on companies gained as a result of engagement and/or voting activities is shared with clients.

- Engagement
  - We proactively ensure that all ESG information is made available.
  - We share all ESG information upon request.
  - We do not make any additional ESG information.

- Voting
  - We proactively ensure that all ESG information is made available.
  - We share all ESG information upon request.
  - We do not make any additional ESG information.

AOS 17.3  Additional information [OPTIONAL]

We do not seek to obtain any additional information as a result of the voting process. Where we do, and the information is material to our overall rating on the company, then we add that information and its subsequent rating adjustment to the core company research profile on our client ESG research platform.
Vigeo EIRIS

Reported Information

Public version

Investment Consultancy

PRI disclaimer

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## Investment Consultancy

### IC 01  
**Mandatory**  
**Public**  
**Gateway**

<table>
<thead>
<tr>
<th><strong>IC 01.1</strong></th>
<th>Indicate whether your services include any of the following.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Custodial services</td>
<td>☑ Investment policy development</td>
</tr>
<tr>
<td>☐ Strategic asset allocation</td>
<td>☑ Investment research</td>
</tr>
<tr>
<td>☐ Manager selection and monitoring</td>
<td>☑ Other, specify (1)</td>
</tr>
<tr>
<td>☐ Other, specify (2)</td>
<td></td>
</tr>
</tbody>
</table>

### IC 01.2  
**Describe how you ensure that your clients understand your service offerings and fee structure.**

As part of our sales strategy, our client proposals detail our core offering and pricing, including the number of days allocated to a project, fees per day depending on consultant expertise and all other expenses related to the project to be covered by the clients (transport, hotels etc). This information is summarised in the “terms and conditions” section of all sales contracts.

### IC 03  
**Mandatory**  
**Public**

<table>
<thead>
<tr>
<th><strong>IC 03.1</strong></th>
<th>Indicate whether you provide fiduciary management services.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Yes, we do</td>
<td>☐ No, we do not</td>
</tr>
</tbody>
</table>

### IC 04  
**Voluntary**  
**Public**  
**Descriptive**

<table>
<thead>
<tr>
<th><strong>IC 04.1</strong></th>
<th>Indicate whether you are asked to embed ESG consideration in contracts and/or business plans with clients.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Yes, we typically are</td>
<td>☐ Yes, we occasionally are</td>
</tr>
<tr>
<td>☐ No, we are not</td>
<td>☐ Our organisation embeds ESG considerations in contracts as a standard procedure</td>
</tr>
<tr>
<td>☐ Not applicable</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>IC 04.2</strong></th>
<th>If yes, describe how ESG considerations are incorporated into contracts with clients.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vigeo Eiris embeds ESG considerations into contracts as standard procedure. Since we only offer ESG services, there is no dedicated ESG section or clause within our contracts.</td>
</tr>
</tbody>
</table>

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## IC 06.1  Indicate whether you incorporate ESG into your investment policy development services.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our investment policy development services in the next reporting year
- No, we do not

## IC 06.2  Describe how you incorporate ESG factors and RI-considerations when advising clients on investment policy development.

- Reviewing clients’ existing beliefs, investment strategy and policy in relation to ESG
- Aligning the investment policy with the client’s overall ESG strategy and beliefs
- Helping clients define ESG investment objectives and incorporating them into policies
- Considering short-, mid- and long term time horizon of overall ESG objectives outlined in the investment policy
- Aligning the policy with the relevant ESG/RI regulations and public policies
- Determining the client’s ESG risk-profile and materiality to inform the investment policy
- Providing education/training and case studies if the client has not publicly committed to an ESG strategy or beliefs, and seek to incorporate ESG in the client’s investment policy
- Researching ESG trends, terminology and current debate to help create an up-to-date investment policy
- Comparing ESG investment policies of peers in the market
- Engaging the client organisations’ executives, Board and any other stakeholders in the ESG investment policy development
- Outlining the internal governance structure responsible for overseeing and implementing the investment policy
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
Indicate whether the following activities are part of your investment research process. Describe for each activity how you incorporate ESG.

<table>
<thead>
<tr>
<th>Investment research activities</th>
<th>Describe how you incorporate ESG</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅ Asset level research</td>
<td>Vigeo Eiris analyses ESG risks for all asset classes in order to provide clients with opinions/data and information to help design responsible investment strategies (ESG, thematic, controversial activities, climate, impact etc.)</td>
</tr>
<tr>
<td>✅ Portfolio level research</td>
<td>Vigeo Eiris analyses client portfolios in terms of risk and performance in order to provide opinions on responsible investment choices. Our portfolio level research includes a large spectrum of themes: ESG, thematic, controversial activities, climate, impact etc.</td>
</tr>
<tr>
<td>✅ Performance monitoring</td>
<td>Vigeo Eiris monitors the evolution of portfolios’ risks and performance in order to provide clients with dynamic opinions on their responsible investment choices. Our dynamic research includes a large spectrum of themes: ESG, thematic, controversial activities, climate, impact etc.</td>
</tr>
<tr>
<td>✅ Mandate design</td>
<td>Vigeo Eiris helps investors to define investable universes. We also develop charters of CSR &amp; ESG commitments and provide guidance on how to implement those commitments.</td>
</tr>
<tr>
<td>✅ Benchmark selection</td>
<td>Vigeo Eiris provides ESG benchmarks through our range of indices in partnership with Euronext.</td>
</tr>
<tr>
<td>✅ Equity research</td>
<td>Using Equitics®, our exclusive in-house methodology, Vigeo Eiris provides ESG research on over 4,500 equities, covering all asset classes and geographical regions.</td>
</tr>
<tr>
<td>✅ Credit research</td>
<td>In 2018 Vigeo Eiris began offering issuer-solicited corporate ESG ratings for companies wanting to supplement their credit rating with comprehensive sustainability information.</td>
</tr>
</tbody>
</table>
☐ Quant research
☒ Sector research

Describe how you incorporate ESG

Vigeo Eiris’ sector reports provide exclusive opinion on sector vulnerabilities, controversies and emerging risks, as well as strengths, innovations and best practice in terms of ESG. Performance scores and advanced indicators are provided on critical issues such as energy transition, business ethics, due diligence on social and environmental risks in the supply chain, human capital and human rights, governance, executive remuneration, transparency on taxes, integrity of lobbying practices, the level of sustainable products & services, and contribution to the UN Sustainable Development Goals.

☒ Thematic research

Describe how you incorporate ESG

We conduct thematic ESG research on up to 11,000 issuers. Our thematic research publications provide ESG scores across our entire research universe, including top performers, rankings and best practices from all of our research lines.

☐ Other, specify (1)
☐ Other, specify (2)
☐ Other, specify (3)
☐ None of the above

IC 11 | Mandatory | Public | Descriptive
--- | --- | --- | ---
IC 11.1 | Describe how you measure, track or otherwise demonstrate your value on investment research activities.

All our activities are linked to value creation in the investment chain. We use the following key indicators to measure the impact of our research:
• Our growth activity
• Number of clients
• AUM using our data

We also receive regular external feedback from sources such as:
• Academic papers
• Index performance benchmarks
• Client feedback as part of our annual ISO 9001 survey
Vigeo EIRIS

Reported Information
Public version
Research and Data Provision

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### Product level

<table>
<thead>
<tr>
<th>RDP 01</th>
<th>Mandatory</th>
<th>Public</th>
</tr>
</thead>
</table>

#### 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

<table>
<thead>
<tr>
<th>RDP 02</th>
<th>Mandatory</th>
<th>Public</th>
</tr>
</thead>
</table>

#### 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.

We believe that issuers’ management of ESG factors affects both tangible and intangible capital. We therefore believe that 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 can lead to issuers ignoring ESG risks and discarding readily identifiable and significant accounting information. 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.

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.

Capturing Materiality: 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 38 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 criteria, the scores consider the performance of the issuer on the most material issues.
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.

By closely monitoring the media and through a number of active partnerships, our teams vigilantly screen companies for allegations and controversies as well as positive actions that strengthen sustainability objectives.

Information Sources
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, OECD Contact Point websites).

Deliverables
• 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.

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.

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 05.1 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**

The Equitics© Managerial Questioning Framework 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 theme, e.g. energy, discrimination, health and safety.

The Managerial Questioning Framework is structured around three pillars of analysis:

1. Leadership - Qualitative Analysis
2. Implementation - Qualitative Analysis
3. Results - Quantitative and Qualitative Analysis

- Balancing management/process oriented indicators and performance indicators

**Explain your approach**

The Equitics© Managerial Questioning Framework is systematically applied across our ESG research framework and examines the performance of issuers across three pillars of analysis to ensure a balance between management objectives, processes and results.

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**

Equitics© client deliverables provide visual representations of issuer performance over time and at different levels of analysis:

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

- Balancing environmental, social and governance indicators

**Explain your approach**

Our Equitics© research framework is structured and organised to provide a balanced analysis of Environmental, Social and Governance factors. An issue 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 Scores
• Criteria level scores and ratings

☐ Balancing self-reported and public data

**Explain your approach**

Our Equitics® research 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.

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

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<td>RDP 06.1</td>
<td>Describe the control processes in place to ensure quality of research.</td>
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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.

Additionally, we updated our quality commitment in December 2018.

Vigeo Eiris Quality Commitment, 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 is 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.

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<tr>
<td>RDP 07.1</td>
<td>Indicate whether you identify and prioritise ESG issues and emerging trends.</td>
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<td>☑ Yes</td>
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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’ Equitics© rating methodology, aligned to market developments and relevant regulatory frameworks.

In 2010, we enhanced our Equitics© 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.

Positive impact research towards sustainable development:

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

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core themes, such as water & sanitation, food & nutrition, and capacity building, which are used to support its application in impact investing strategies.

Our SGS research line is an essential part of our evaluation of a company’s contribution to the UN Sustainable Development Goals (SDGs). The SDGs were launched in 2015 as a global partnership between multiple stakeholders (governments, the private sector and civil society) to address core global challenges such as poverty alleviation, social inclusion, environmental sustainability, and economic empowerment. In our assessment, companies are able to contribute to the goals through three axes: acting responsibly, mitigating and remediating harm, and building sustainable opportunities. Vigeo Eiris adopts a dual-aspect approach in measuring a company’s contributions to the SDGs, analysing both their behaviour and products. In terms of behaviour, our framework measures performance across five themes: Governance, Business Ethics, Human Capital, Social Welfare, and Natural Capital. In terms of products and services, VE measures contribution towards three main SDG themes – Climate Change, Development Tools, and Healthy Lives.

○ Not applicable for our organisation

RDP 07.3 Additional information

RDP 08 Voluntary Public Descriptive

RDP 08.1 Describe how research and data provision outputs are used by clients.

○ Describe

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.

Clients use our data for different purposes:

• Risk assessments: to identify ESG risks & opportunities
• Policy design: to define and translate data into investment or voting 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
• Monitoring: to monitor and report on ESG and climate risk management
• Shareholder engagement: to engage with company management & vote at AGMs

○ Not applicable for our organisation

RDP 09 Voluntary Public Descriptive

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.

☐ Case example 1
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

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

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