



# RI TRANSPARENCY REPORT

2020

Sustainability Excellence Management Consulting Ltd.

## About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2020 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:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
🔍	The signatory has flagged this indicator for internal review

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

# Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	🔒	n/a
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	✓	Public
SG 05	Outsourcing of services	✓	Public
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	✓	Public
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

Reporting			
Indicator	Short description	Status	Disclosure
REP 01	Product type	✓	Public
REP 02	Reporting frameworks/standards/guidelines	✓	Public
REP 03	Incorporating ESG	🔒	n/a
REP 04	ESG in materiality analysis	🔒	n/a
REP 05	Assuring ESG	🔒	n/a
REP End		✓	-

## Investment Consultancy

Indicator	Short description	Status	Disclosure
IC 01	Advisory and consultancy services	✓	Public
IC 02	Assets under advisement	✓	Private
IC 03	Fiduciary manager services	✓	Public
IC 04	ESG in contracts with clients	✓	Public
IC 05	Custodian services	🔒	n/a
IC 06	RI and ESG in clients' investment policy development	✓	Public
IC 07	ESG incorporation into strategic asset allocation	🔒	n/a
IC 08	Scenario analysis and/or modelling	🔒	n/a
IC 09	Demonstrating value on asset allocation	🔒	n/a
IC 10	Investment research activities	🔒	n/a
IC 11	Demonstrating value on investment research	🔒	n/a
IC 12	ESG in manager selection, appointment and monitoring	🔒	n/a
IC 13	Manager selection activities	🔒	n/a
IC 14	Incorporating asset owners' investment principles in selection of manager	🔒	n/a
IC 15	ESG in selection due diligence	🔒	n/a
IC 16	Monitoring investment managers on ESG	🔒	n/a
IC 17	Reporting back to asset owners	🔒	n/a
IC 18	Demonstrating value on manager selection, appointment and monitoring	🔒	n/a
IC 19	ESG in manager selection, appointment and monitoring	✓	Private
IC End		✓	-

## Research and Data Provision

Indicator	Short description	Status	Disclosure
RDP 01	Product type	✓	Public
RDP 02	Sources for research and/or rating	✓	Public
RDP 03	Stakeholder input	✓	Public
RDP 04	Up-to-date assessment and ratings	✓	Public
RDP 05	Balanced research and assessment	✓	Public
RDP 06	Consistency and comparability	✓	Public
RDP 07	Emerging ESG issues and trends	✓	Public
RDP 08	Client use of outputs	✓	Public
RDP 09		✓	Private
RDP End		✓	-

## Confidence building measures

Indicator	Short description	Status	Disclosure
CM1 01	Other product offerings, processes and/or activities	✓	n/a
CM1 02	Assurance of responses	✓	Private
CM1 End	Module confirmation page	✓	-

# Sustainability Excellence Management Consulting Ltd.

## 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

Mandatory

Public

Descriptive

**OO 01.1** Select the location of your organisation's headquarters.

United Arab Emirates

**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

10

**OO 01.5** Additional information.[OPTIONAL]

Sustainability Excellence is a recognized leader in sustainability advisory services, sustainability reporting, and ESG ratings assessment services in the Arab world.

Sustainability Excellence operates four distinct divisions:

1. ESG Invest - independent ESG rating division of Sustainability Excellence - provides investors with ESG rating reports, scores, and ratings on more than 700 companies in the Middle East. ESG Invest analyses companies in the Middle East based on their ESG performance on 43 criteria spanning more than 146 KPIs that are customised by sector. Our ESG reports, scores, and percentile rankings are available for direct download via our client dashboard at <https://esginvest.com/>. ESG Invest research reports are available in the Bloomberg Terminal.

2. Sustainability Excellence Advisory division is a leading provider of sustainability strategy, implementation, impact, and sustainability reporting services. Our Advisory team works with many of the Middle East's most influential companies, governments, cities and foundations to help them lead, innovate, and outperform. Our clients have a demonstrated track record of successfully leveraging sustainability opportunities to achieve corporate, organizational and national competitive advantages, and regularly win prestigious awards and recognition. Our services range from rapid assessments designed to identify the most critical sustainability risks and opportunities, to ongoing multi-year partnerships with our most ambitious clients. We offer comprehensive services to support Banks and companies build their Sustainable Finance programmes including the issuance of Green/Social/Sustainability/SDGs Bonds, the Equator Principles, and the overall integration of ESG factors in lending activities. For more information, please visit [www.sustainabilityexcellence.com](http://www.sustainabilityexcellence.com)

3. ArabSustainability.com is an open, online platform with the most up-to-date database of organisational sustainability performance in the region. The aim of the platform is to provide a real-time digital flow of sustainability data from companies, directly to data users such as investors, media, rating agencies, NGO's, researchers, government entities and the public. Our platform liberates data currently stuck in PDF reports and provide a simple, easy-to-use platform for those not currently reporting to start reporting their sustainability performance. ArabSustainability also support stock exchanges promote ESG disclosure among their listed companies. For more information, please visit [www.arabsustainability.com](http://www.arabsustainability.com)

4. Middle East Sustainable Investment Forum: The Middle East SIF convenes a movement among forward-thinkers to work together, share experiences, and drive the integration of sustainability into the financial systems across the Middle East. The Middle East SIF is a major contribution to regional national visions and transformation plans that aim to promote sound financial markets and achieve a balance between economic and social development. For more information, please visit [www.middleeastsif.org](http://www.middleeastsif.org)

## Reporting Year

OO 02	Mandatory	Public	Descriptive
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OO 02.1 Indicate the year end date for your reporting year.

31/12/2019

## Signatory category and services

OO 03	Mandatory	Public	Gateway
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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.

- Active Ownership Services
- Other, specify (3)
- Other, specify (4)
- None of the above



# Sustainability Excellence Management Consulting Ltd.

## Reported Information

### Public version

### Strategy and Governance

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## Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

As a signatory of the Principles for Responsible Investment, Sustainability Excellence's independent ESG research arm - ESG Invest - has made the formal commitment to drive the responsible investment movement forward in the Arab world by providing a wide range of high quality ESG research that supports investors, asset managers, asset owners, and stock exchanges to integrate Environmental, Social, and Governance (ESG) issues in their core strategies and make better informed investment decisions.

ESG Invest commits to promote the integration of sustainability in financial markets across the Middle East. Through formal partnerships with six regional stock exchanges, we encourage sustainable economic development in the Arab region by promoting responsible investment and integrating sustainability into the financial system.

ESG Invest commits to challenge every organization in the region to report and improve its sustainability performance and provide organisations with related tools and resources to improve their performance.

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

Public availability

URL

URL

<https://esginvest.com/>

Attachment

Not publicly available

Formalised guidelines on environmental factors

Public availability

URL

URL

<https://esginvest.com/>

- Attachment
- Not publicly available
- Formalised guidelines on social factors

Public availability

- URL

URL

<https://esginvest.com/>

- Attachment
- Not publicly available
- Formalised guidelines on corporate governance factors

Public availability

- URL

URL

<https://esginvest.com/>

- Attachment
- Not publicly available
- Formalised guidelines on engagement approach

Public availability

- URL

URL

<https://esginvest.com/>

- Attachment
- Not publicly available
- Formalised guidelines on (proxy) voting approach
- Other, specify (1)
- Other, specify (2)
- None of the above

**SG 01.4**

Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
  - Regular RI/ESG policy awareness building for employees
  - Establishment of policy review committee/team
  - Remuneration linked to achieving ESG objectives
  - Annual performance incentives
  - Other, specify (1)
  - Other, specify (2)
  - Other, specify (3)
- No

**SG 02****Mandatory****Public****Descriptive****SG 02.1**

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
  - UN Global Compact Principles
  - UN Guiding Principles on Business and Human Rights
  - Universal Declaration of Human Rights
  - UN Sustainable Development Goals
  - International Bill of Human Rights
  - International Labour Organisation Conventions
  - IFC Performance Standards
  - United Nations Convention Against Corruption
  - OECD Principles of Corporate Governance
  - OECD Guidelines for Multinational Enterprises
  - GRI standards
  - Other, specify (1)
- Country specific national visions and national transformation plans
- Other, specify (2)
  - Other, specify (3)
  - None of the above

**SG 03****Mandatory****Public****Descriptive****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.

	Off the shelf	Tailored
Asset class-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SG 03.2**

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

ESG incorporation guidelines and policies are customised to take into account our clients' investment styles and strategies.

**SG 04**

**Mandatory**

**Public**

**Descriptive**

**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

Sustainability Excellence Advisory maintains a strong partnership with the Global Reporting Initiative (GRI), the world's leading guidelines for sustainability reporting and sustainable finance. We have worked together to effectively increase the adoption of sustainability practice in the Middle East, including Green Bonds, and Green Loans. Of the 453 sustainability reports issued in the region, more than 60% are by past and present Sustainability Excellence clients.

Sustainability Excellence Advisory has worked with the first company, government agency and non-profit organisation in the region to develop aligned sustainability strategies, performance enhancements, and public reporting.

Nearly half of the +100 companies, governments and other organisations that have undertaken sustainability reporting in the region are current or previous clients of Sustainability Excellence.

Sustainability Excellence Advisory has worked with the highest levels of government to develop major national sustainability initiatives, including General Secretariat of the Executive Council in Abu Dhabi and the 34 government entities it oversees; the Qatar Petroleum HSE Regulations and Enforcement Directorate and the Qatar Ministry of Energy and Industry; and the Abu Dhabi Sustainability Group.

Sustainability Excellence has also created <http://www.ArabSustainability.com> - the most comprehensive open platform for ESG performance data of companies and other organizations in the Arab world.

## Investment Consultancy

### How you include ESG/RI factors

Sustainability Excellence helps clients understand how rapidly accelerating responsible investing trends will impact their business - particularly their financial performance, reputations, strategic positioning and overall competitiveness.

We support investment managers incorporate ESG factors in investment decisions through providing a wide range of customised services:

1. Strategy and framework: Supporting investment managers build their ESG framework, strategy, roadmap and implementation strategy and action plan.
2. Investment policy: Supporting investment managers integrate ESG factors in their investment policies.
3. Research: Supporting investment managers leverage qualitative and quantitative ESG data, scores, and rating to inform their investment decision process. ESG Invest ESG reports are available in the Bloomberg Terminal.
3. Training: Providing advanced training on ESG integration strategies to investment managers senior executives and staff.
4. Reporting: Supporting investment managers report to the PRI.

We also support banks develop their sustainable finance programmes including the development of Green/Social/Sustainability/SDGs/ Bonds, and loans.

## Research and Data Provision

## How you include ESG/RI factors

ESG Invest provides ESG research reports, ratings, and analysis of more than 700 companies' risks and opportunities that emerge from environmental, social, and governance (ESG) issues. Through an in-depth analysis of material issues for the sector, our analysis reveals hidden risks or opportunities that may not be captured by mainstream financial analysis.

Our team of native Arabic speaking research analysts assess more than 146 ESG data points across 9 Sustainability Dimensions and 43 ESG issues for companies in the Arab world, analysing the level of integration of ESG issues at the company's core business activities and assessing the company's exposure to tail risk events or opportunities.

Our ESG reports, scores, and percentile rankings are available for direct download for investors via our client dashboard at [esginvest.com](http://esginvest.com) and through the Bloomberg Terminal.

### SG 04.2

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input type="checkbox"/>	<input type="checkbox"/>
Directors	<input type="checkbox"/>	<input type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/>	<input type="checkbox"/>
Other chief-level staff	<input type="checkbox"/>	<input type="checkbox"/>
Other heads of department	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> Head of ESG Research	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> Head of ESG Research
Dedicated ESG/RI staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>



**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

**SG 04.5**

Describe the ESG/RI linked incentives.

Performance conditions are linked with exceptional research deliverables on ESG materiality.

- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

**SG 05**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Descriptive**

**SG 05.1**

Indicate whether you outsource some of your services. Report percentage of services outsourced as percentage for that specific business area.

**Business area**

- Reporting
- Investment Consultancy
- Research and Data Provision
- None of the above

**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.

For listed issuers and stock exchanges, trainings include the business case of ESG along the main drivers of ESG in the Middle East.

For investment managers, we provide trainings on the business case of ESG, and the integration of ESG factors in investment decisions. We also strive to promote the adoption of the PRI.

**SG 06.3** Describe whether these training/educational services include any commercial elements.

ESG trainings provided to stock exchanges and their listed issuers are 100% free and do not entail any commercial elements.

ESG trainings provided to asset managers are included in our ESG ratings service package provided.

<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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**SG 07.1** Describe how your organisation applies, advances and promotes the PRI Principles.

Sustainability Excellence's ESG division - ESG Invest - strives to apply, advance and promote the PRI Principles.

Principle 1: ESG Invest commits to support the incorporation of ESG issues into investment analysis and decision-making processes. ESG Invest supports investors integrate ESG issues in their investment decisions by providing them with ESG reports, scores and ratings of more than 700 listed companies in the Middle East.

Principle 2: ESG Invest commits to support the incorporation of ESG issues into ownership policies and practices. ESG Invest provides investors with engagement tools that allow them to identify and prioritise critical ESG engagement topics.

Principle 3: ESG Invest seeks appropriate disclosure on ESG issues by the entities in which our clients invest in. ESG Invest provides companies in the Middle East with a free copy of their ESG report so that they can identify their strengths and weaknesses in terms of performance and disclosure indicators. ESG Invest also partners with five regional stock exchanges to promote ESG disclosure among the listed issuers.

Principle 4: ESG Invest promotes the acceptance and implementation of the Principles within the investment industry. ESG Invest partners with regional stock exchanges to promote the integration of ESG issues in financial markets.

Principle 5: ESG Invest commits to collaborate with stakeholder group to advance the responsible investing agenda forward in the Middle East. We have created the Middle East Sustainability Investment Forum (MiddleEastSIF.org) to promote responsible investing in the region.

Principle 6: ESG Invest commits to report on our activities and progress towards implementing the Principles. ESG Invest has been among the advocates for the adoption of reporting requirement for the service providers.

<b>SG 07.2</b>	Highlight whether there are any ways that your organisation would like to engage further with the PRI. [OPTIONAL]
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Sustainability Excellence has been continuously engaged with the PRI to promote the adoption of responsible investing in the Middle East.

<b>SG 08</b>	<b>Mandatory</b>	<b>Public</b>	
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<b>SG 08.1</b>	Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.
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- 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

<b>SG 08.2</b>	Additional information. [OPTIONAL]
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Sustainability Excellence wrote the first report by the IFC (International Finance Corporation) on the state of sustainability screened investments in Arab region [http://www.africasif.org/resources/si\\_in\\_mena-exsum-2011.pdf](http://www.africasif.org/resources/si_in_mena-exsum-2011.pdf)

Sustainability Excellence founded the Middle East Sustainable Investment Forum to promote the adoption of responsible investing practices in the Middle East - [www.middleeaststif.org](http://www.middleeaststif.org). The Middle East SIF aims to raise awareness on the role and benefits of Responsible Investing (RI) in the Arab world through its reports, regular dialogue via annual and quarterly events and the individual efforts of its members. The launch event of the Middle East SIF at Qatar Stock Exchange was welcomed by regional and international media channels: <http://www.gulf-times.com/story/537780/QSE-chief-urges-firms-to-effectively-communicate-s>

Sustainability Excellence has supported/ and currently supporting six regional stock exchanges develop ESG guidance documents to the listed issuers. Sustainability Excellence has deployed and currently deploying engagement sessions with the listed issuers to encourage ESG disclosure. in collaboration with six regional stock exchange.

Sustainability Excellence supported several regional asset managers in integrating ESG factors in their investment framework and we have worked with one of largest regional private equity firms on development of their ESG framework for investing, and delivered pre-investment ESG due diligence reports on specific investments.

<b>SG 09.1</b>	Indicate which of the following long-term trends are addressed in your product outputs.
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Changing demographics

<b>SG 09.2</b>	Explain how this long-term trend affects your product outputs.
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Changing demographics is a material issue that we analyse across all sectors. Specific regional challenges we look at in the Middle East include local and youth employment.

ESG Invest assesses companies on issues related to local and youth employment leveraging three angles: strategies and targets set by the companies (policies, and alignment with country specific national visions), measures deployed to promote local and youth employment, and key performance indicators, such as youth employment rates and nationalisation rates.

Climate change

<b>SG 09.2</b>	Explain how this long-term trend affects your product outputs.
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ESG Invest assesses companies within sectors that have a high impact on the issue of climate change, leveraging three angles: strategies and targets set by these companies (policies, and alignment with national visions), measures deployed (e.g. energy saving mechanisms, emissions reduction plans, the use of alternative and renewable energy sources, etc.), and key performance indicators, such as GHG, SOx and NOx emissions intensities.

Resource scarcity

<b>SG 09.2</b>	Explain how this long-term trend affects your product outputs.
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ESG Invest assesses companies within sectors that have a high impact on the issue of resource scarcity (e.g. water scarcity) leveraging three angles: strategies and targets set by these companies (policies, and alignment with national visions), measures deployed (e.g. water saving mechanisms, water reduction plans, water recycling, etc.), and key performance indicators including water consumption intensity, wastewater discharges intensity and water recycled.

Technology developments

<b>SG 09.2</b>	Explain how this long-term trend affects your product outputs.
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ESG Invest assesses companies within sectors that are impacted the most by the issue of technology development (e.g. Financials: with topics including Fintech, Data security and privacy) leveraging three angles: strategies and targets set by these companies (policies, and alignment with national visions), measures deployed (e.g. innovative technologies and data breaches prevention measures), and key performance indicators such as assessing trends in data breaches.

Other, specify (1)

Other, specify (2)

None of the above

SG 10	Mandatory	Public	
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**SG 10.1** | Indicate whether you interact with asset owner clients.

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
- Investment committee meetings
- Trustee training workshops
- Formal regular meetings outside of committee meetings

Frequency

- Daily
  - Weekly
  - Monthly
  - Quarterly
  - Bi-annually
  - Annually
  - Ad-hoc basis
  - Other, specify
  - Informal meetings or calls
  - Other, specify (1)
  - Other, specify (2)
  - Other, specify (3)
- No, we do not

SG 11	Mandatory	Public	Descriptive
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**SG 11.1** | Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.

Describe

We strive to propose an ESG integration strategy that fit investment styles, and constraints.

This is not relevant for my organisation

SG 12	Mandatory	Public	Descriptive
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**SG 12.1**

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

Describe

We strive to propose an ESG integration strategy that fit investment styles, and constraints.

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.

We strive to receive feedback from investment managers into consideration to enhance our current products or develop new products that better fit the client's needs.

No

**SG 14**

**Mandatory**

**Public**

**Descriptive**

**SG 14.1**

Indicate whether your organisation has a policy for managing potential conflicts of interest.

Yes

**SG 14.2**

Describe how you manage potential conflicts of interest.

Sustainability Excellence strictly separates its business unit for investors ("investor-solicited": ESG Invest) from its business unit for Companies and Public Authorities ("corporate-solicited": "Sustainability Excellence Advisory"). Each of these business unit has its own line management, methods, products and staff. Commercial services of both departments are separated.

**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.

In all their research, all ESG research analysts of ESG Invest commit to the four principles listed below:

**Objectivity:** Capture and interpret the data on companies honestly and objectively by implementing and strictly applying the methodological guidelines.

**Neutrality:** To not accept any inducement and not succumb to any pressure, manipulation, political influence, or pressure from interest groups to capture and assess companies other than objectively.

**Equality:** Capture and assess all companies on exactly the same basis, regardless of its country of origin and of any other relationship "Sustainability Excellence" may have with a company e.g. as a client, investor, a consulting client or other stakeholder.

**Confidentiality:** Conform with all the relevant laws, rules and regulations of national and international financial authorities by not disseminating in a raw or direct public format material and non-public and market sensitive information that they may come across in the course of their work.

Analysts shall conduct the process of collecting and classifying information and perform all their tasks independently, each under the responsibility of the research manager. During the selection of information and the construction of opinions analysts adhere strictly to the principles of the methodological requirements. They should exclude all personal consideration, adjudication, philosophy, belief or preference of any kind whatsoever.

An ESG research analyst may not participate in the collection and assessments of ESG data if he/she:

- Owns stocks or financial derivatives of the company;
- Has had an employment or other major business relationship with the assessed company within the previous 6 months;
- Has a relative (i.e. spouse, partner, parent, child, and sibling) who currently works or has worked within the previous 6 months for the assessed company.

Gifts or favours from anyone with whom Sustainability Excellence does business, offered in the form of cash or any gifts, will be either refused or declared in writing to the research manager. Any personal relationship with a company that creates the potential for any real or apparent conflict of interest shall be disclosed to the research manager.

No

# Sustainability Excellence Management Consulting Ltd.

## Reported Information

### Public version

### Reporting

## PRI disclaimer

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## Type of reporting and assurance

REP 01	Mandatory	Public	Gateway
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**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
- No

**REP 01.4** Additional information. [OPTIONAL]

Sustainability Excellence is the leading provider of sustainability reporting services in the Arab region.

Nearly half of the +100 companies, governments and other organisations that have undertaken sustainability reporting in the region are current or previous clients of Sustainability Excellence. This includes the first company, the first government entity, and the first non-profit to adopt sustainability reporting in the region using the leading international Global Reporting Initiative (GRI) guidelines.

We are the GRI's formal "Data Partner" for the region. We officially launched the G4 version and the GRI Standards of the guidelines for the Arab region, and led the translation of the G4 guidelines into Arabic. We track the sustainability reporting of every reporting organisation in the region, allowing for instant benchmarking of hundreds of data points on dozens of the most critical sustainability performance indicators.

Our clients continuously set new standards for quality and innovation in sustainability reporting in the region. In addition to earning even greater respect and trust of their most critical stakeholders, they also frequently win the top national and regional awards for sustainability reporting.

Our sustainability reporting services include:

- Full sustainability reports
- Summary sustainability reports
- "Integrated" reports (combination of annual report and sustainability report)
- Sustainable Finance reporting (Green Bonds, Equator Principles)
- Online reporting
- Support for report launches
- Tie-in of sustainability reporting to ongoing social media messaging and corporate communications

Our sustainability reporting includes establishing or building upon a sustainability framework that guides not only sustainability reporting but overall sustainability strategy and management, performance benchmarking for key performance indicators, capacity building and training of an internal sustainability team, and other benefits that go well beyond sustainability reporting.

Sustainability reporting is ultimately meant to help enhance risk and opportunity identification, drive corporate performance gains, and enhance engagement and relationships with stakeholders.

## Reporting frameworks/standards/guidelines

REP 02

Mandatory

Public

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  
26000
- UN Global Compact
- GRI
- SASB
- IIRC
- PRI
- CDP
- Stewardship code
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Other, specify (1)
- Other, specify (2)

# Sustainability Excellence Management Consulting Ltd.

## Reported Information

Public version

Investment Consultancy

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## Investment Consultancy

IC 01

Mandatory

Public

Gateway

IC 01.1

Indicate whether your services include any of the following.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Manager selection and monitoring
- Other, specify (1)

Supporting investment managers integrate ESG issues in investment decisions.

- Other, specify (2)

IC 01.2

Describe how you ensure that your clients understand your service offerings and fee structure.

Our proposals and contractual agreements clearly define our service packages with clear fixed fees.

IC 03

Mandatory

Public

IC 03.1

Indicate whether you provide fiduciary management services.

- Yes, we do
- No, we do not

IC 04

Voluntary

Public

Descriptive

IC 04.1

Indicate whether you are asked to embed ESG consideration in contracts and/or business plans with clients.

- Yes, we typically are
- Yes, we occasionally are
- No, we are not
- Our organisation embeds ESG considerations in contracts as a standard procedure
- Not applicable

IC 04.2

If yes, describe how ESG considerations are incorporated into contracts with clients.

As a sustainability and ESG service provider, ESG considerations are systematically incorporated into contracts with clients.

## Investment policy development

## 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)

# Sustainability Excellence Management Consulting Ltd.

## Reported Information

## Public version

## Research and Data Provision

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## Product level

RDP 01

Mandatory

Public

**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

**RDP 01.3** Additional information. [OPTIONAL]

ESG Invest's ESG Reports are available in the Bloomberg Terminal.

ESG Invest ESG scores are incorporated into Arqaam Capital's equity research studies and reports.

ESG Invest publishes the results of our ESG rankings of all companies in the Middle East in our website - [esginvest.com](http://esginvest.com).

Sustainability Excellence has also created [ArabSustainability.com](http://ArabSustainability.com) - an open, online platform with the most up-to-date database of organisational ESG performance in the region.

## Research/process level

RDP 02

Mandatory

Public

**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.

ESG Riscum Assessment (ERA) methodology has been developed by ESG Invest in order to support investors capture ESG risk and opportunities and integrate these factors into portfolio construction and management processes. ESG Invest rating methodology is conceptually sound as it is based on stringent international standards and regional strategic roadmaps and national visions across the Middle East.

ESG Invest's ESG Riscum Assessment methodology highly values material sustainability factors that can affect operational and financial performance of companies from a risk management perspective. The methodology applied is based on the principle of materiality which combines the two following conceptual models:

**Stakeholder Model:** An assessment of the sustainability concerns/exposure/vulnerabilities of different stakeholders that the reasonable investor cares about and have the potential to impact corporate performance.

**Shareholder Model:** An assessment of the level of assurance that the company's management (or mismanagement) of the sustainability issue will affect: i.e. profits (revenue and/or costs), assets and liabilities, and cost of capital using an ESG risk materiality perspective.

ESG data is collected and analysed using corporate and stakeholder sources:

- Public corporate documentation (ex: annual reports, corporate governance reports, sustainability reports, corporate websites, stock exchanges announcements).
- Reporting in Arabic, English, and French is considered in the ESG assessments.
- Direct exchange with companies (Investor Relations and CFOs) to confirm the accuracy of the data reported.
- Stakeholders' information (ex: Media, NGOs).



RDP 03	Mandatory	Public	Descriptive
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RDP 03.1	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.
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ESG data is collected and analysed using corporate and stakeholder sources:

- Public corporate documentation (ex: annual reports, corporate governance reports, sustainability reports, corporate websites, stock exchanges announcements).
- Reporting in Arabic, English, is considered in the ESG assessments.
- Direct exchange with companies (Investor Relations and CFOs) to confirm the accuracy of the data reported.
- Stakeholders' information (ex: Media, NGOs).

RDP 04	Mandatory	Public	Descriptive
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RDP 04.1	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.
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- 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	Mandatory	Public	Descriptive
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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.
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**Type of indicators**

- Balancing quantitative and qualitative indicators

	Explain your approach
--	-----------------------

ESG Invest covers 146 ESG KPIs including 89 qualitative indicators and 57 quantitative indicators.

- Balancing management/process oriented indicators and performance indicators

	Explain your approach
--	-----------------------

ESG Invest methodology assesses the companies' managerial approach and measures deployed towards integrating material sustainability issues in their core business activities. It also includes quantitative performance indicators.

- Balancing reference to past and current performances, such as whether the rating object's performance is improving or deteriorating

**Explain your approach**

The improvement or decline in ESG performance is clearly denoted.

- Balancing environmental, social and governance indicators

**Explain your approach**

ESG Invest covers 43 ESG criteria including 16 Environmental, 26 social, and 4 governance criteria.

- Balancing self-reported and public data

**Explain your approach**

ESG Invest uses solely publicly available data to assess the performance of companies. ESG Invest engages with companies to encourage public disclosure of ESG information.

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

RDP 06	Mandatory	Public	Descriptive
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**RDP 06.1** Describe the control processes in place to ensure quality of research.

ESG Invest rating methodology and IT platform support strict application of the ESG rating model by all analysts. Our team of native Arabic speaking analysts assess information available in both English and Arabic to ensure that all available company data is captured. Each individual ESG assessment and report is reviewed. An internal quality audit is also administered on a regular basis by the head of research to ensure respect of the ESG rating methodology and guidelines.

RDP 07	Voluntary	Public	Descriptive
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**RDP 07.1** Indicate whether you identify and prioritise ESG issues and emerging trends.

- Yes

**RDP 07.2** Describe how you incorporate the identified ESG issues and trends in your product offerings and business activities.

ESG issues are reviewed on an annual basis from a materiality perspective to include new ESG trends, opportunities, and risks. This leads to a systematic review of the ESG criteria and their weights.

- Not applicable for our organisation

RDP 08	Voluntary	Public	Descriptive
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**RDP 08.1** Describe how research and data provision outputs are used by clients.

- Describe

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

Our clients apply best in class ESG strategies leveraging the ESG quantitative scores and ratings that we provide for over 700 companies listed in the Middle East. They are able to identify the top performing companies as well as the bad performers in terms of percentile ESG ratings. Our clients also use our ESG reports to inform their investment decisions by identifying risks and opportunities that can impact financial performance of the companies they invest in.

Not applicable for our organisation

# Sustainability Excellence Management Consulting Ltd.

## Reported Information

### Public version

### Confidence building measures

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