Global Research & Analytics







# **ESG Research Support**

## Unlock Value



Plug gaps in material ESG data to enhance assessment frameworks



Facilitate **integration of ESG** into the investment research process



Actively **engage with companies** for issues related to ESG



**Streamline client outreach** for ESG strategy

50+

ESG Analysts with Sector Specialization



## **ESG Research Support**

## Our Support



#### **ESG Frameworks**

Benchmark Materiality Frameworks | Plug Missing Data Gaps | Develop ESG Evaluation Scorecards | Develop ESG screening Tools



#### ESG Engagement

Develop ESG Questionnaires for company engagement | Support Proxy Voting activities



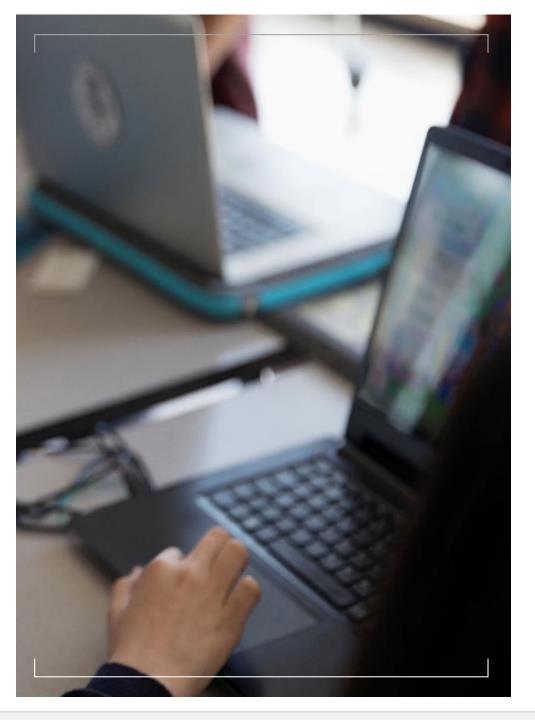
#### **ESG** Integration

ESG Due Diligence | ESG-based news flags as part of portfolio surveillance



#### **ESG Client Outreach**

Positive Impact Reports | Portfolio Reports on ESG Performance | Whitepapers on ESG themes



## **ESG** Research Support

### **Use Cases**



#### **ESG Frameworks**

For a US-based asset manager (AM), we enhanced ESG data availability for its pharmaceutical portfolio based on the SASB materiality framework.



#### ESG Engagement

For an European investment bank, we built a comprehensive ESG database of around 3,000 global stocks.



#### **ESG** Integration

For a global AM, we validated negative ESG screens for core European and Asian portfolios, and drafted periodic Enhanced Due Diligence reports.



#### **ESG Client Outreach**

For a European bank, we undertook thematic research into the 'old boys network' in the composition of the corporate board.

250+ Tear-sheets

**300+** ESG Due Diligence Assessments

## Our Approach: Business Case I

## Bridging data gaps in pharmaceuticals

#### Our impact

We plugged gaps in missing data to enhance insights with

- Disclosures of missing data for deeper relevance of the in-house scorecard
- Integration of a bespoke checklist to cover corporate governance aspects excluded in the SASB framework

#### The business need

A US-based AM required a comprehensive portfolio view of pharmaceuticals, with an assessment of ESG performance according to a reliable industry framework.

#### **Our Solution**

- Identified the SASB Materiality framework for the sector to assess sustainability topics that matter most to investors
- Mapped ESG data reported in human rights & community relations, access & affordability, product quality & safety, customer welfare, selling practices & product labelling, employees diversity & inclusion, supply chain management, business ethics
- Identified companies which reported disclosures (template & boiler-plate)
- Identified multiple data sources such as regulatory bodies, industry consortiums,
   NGOs and news agencies to plug gaps in data versus reported metrics
- Leveraged ML techniques to retrieve, cleanse and harmonize data; modelled this data in the ESG framework

## Our Approach : Business Case II

## Embedding ESG in Investment Research

### Our impact

- We standardised the firm's approach to ESG research for their investment teams world wide
- Our enhanced due diligence facilitated the mitigation of ESG risks within client investment portfolios

#### The business need

A global AM required complete integration of ESG within its investment research process. Consequently, our analysts undertook an investment review with a deep dive into ESG issues.

#### **Our Solution**

- Our analysts underwent training in ESG research techniques and data sources
- We updated the client's in-house ESG scoring methodology
- With enhanced due-diligence including investigating key ESG issues and evaluation criteria by ESG rating agencies – our analysts raised red flags in ESG ratings for portfolio companies
- Our team's ongoing ESG surveillance enables awareness of negative news developments
- The team additionally supports the client's Europe desk to adhere to French SRI funds labelling mandates



# Operating Model: Output Based Engagement







#### Suitable for

Suitable for bespoke and close-ended tasks

Out-come oriented with pre-defined scope of work

Upfront commitment of price per output

#### Engagement

Finalise scope of work

Sign-off sample work and finalise contract

Launch in 1-2 weeks

3-tiered governance for active communication and strong control

#### Advantage

Ability to support fluctuation in workflow

Pricing excludes under-utilisation during downtime

No impact on productivity due to staff turnover

Quality review and seamless delivery

Flexible operating model aligned with clients' research objectives

## **Our clients**

We serve asset managers, wealth managers, hedge funds, private equity, insurance firms, and investment banks. Our clients are in the Americas, Europe, Asia, Africa, and the Middle East, and include the following:



#### About CRISIL

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