Free Risk Assessment
SEE PAGE 3

SELECTED NEWS ONLY
SAMPLE REPORT
FOR MORE CLICK HERE

ISSUE 27 DECEMBER 2018

ECO:FACT QUARTERLY

The briefing for E&S risk experts

ECO:FACT CELEBRATING 20 YEARS

The ECOFACT Quarterly is a briefing on environmental and social risks relevant for the financial sector. This sample report includes the editorial, excerpts from three tables, and a limited selection of 12 news items from the 44 items featured in the full report. For information on subscribing to the ECOFACT Quarterly, go to the **last page.**

Editorial

If your time to you
Is worth savin'
Then you better start swimmin'
Or you'll sink like a stone
For the times they are a-changin' (Bob Dylan)

December is a good time to look back at how the sustainable finance debate has evolved in 2018. It has definitely been an interesting and eventful year. We would like to point to four aspects that are highly relevant for 2019, all of them linked to the dimension of time:

- Both the speed and breadth of regulatory change pertaining to sustainable finance are unprecedented. A web of intertwined soft and hard law standards addresses topics across the board, from the business and human rights agenda to gender and diversity issues, and – predominantly – climate change. Such regulatory action is not a coincidence. It is the result of growing concerns about severe societal and economic challenges. Unfortunately for the financial sector, it seems that regulators – and even many sustainability experts – find it wiser or easier to regulate financial institutions than the real economy.
- In his most recent speech, Mark Carney detailed the risks of a delayed response to climate change. While he highlighted recent achievements, such as the broad response to the TCFD recommendations, he also pointed to challenges. One of them is the fact that the financial risks stemming from climate change tend to be beyond financial institutions' planning horizons ("the tragedy of the horizon"). This makes it very difficult for them to develop a comprehensive understanding of the related financial risks.
- This is not only a problem for the financial sector, but also, ironically, for policymakers. The Paris Agreement defined an overall target, but does not include an agreement on policy changes. Each country provides its own national climate plan. As today's national climate plans, even collectively, will in no way suffice to meet the target of the Paris Agreement, they make it almost impossible for financial institutions to provide reliable predictions of the transition risks for individual sectors. As a result, financial institutions come to the conclusion that climate change will not become financially material for their operations in the next few years. However, the IPCC has recently called for much stronger mitigation efforts, which would have severe implications for policy over the next ten years. For financial institutions, such changes in policy remain intangible, as it is unclear whether they will actually occur.
- The central topic of the Sustainable Finance Working Group of the International Institute of Finance (IIF)'s recent meeting was the urgent need for the financial sector to demonstrate leadership in the sustainable finance debate. There was broad concern that the financial sector was behind the curve, and that there is a need for it to approach sustainable finance in a more meaningful way. This should happen very soon, as groundbreaking developments are expected in 2019.

We believe that one important message the IIF and financial institutions could convey to regulators is the need for policy roadmaps that will enable them to understand and manage transition risks. Such information would also help to make the case for investment opportunities, and would allow financial institutions to provide better support for the transition to a low-carbon economy.

Olivier Jaeggi

ECO:FACT QUARTERLY

The briefing for E&S risk experts

ECO:FACT QUARTERLY
The briefing for E&S risk experts

ISSUE 20 MARCH 2017

High-risk sectors: Oil & Gas, Mining, Forestry, Agriculture, Utilities, Chemicals, Other

Risk factor

Five African countries set fuel import standards

With support from UNEP, Nigeria, Benin, Togo, Ghana, and the Ivory Coast have moved to ban the import of fuel with sulphur content exceeding 50 parts per million (ppm). The permitted levels of sulphur in imported diesel will fall 3,000 ppm in some of the countries. Although technically legal, cheap 'dirty fuel' has been shipped from Dutch ports that would be prohibited for use in the EU – the maximum level in Europe has been 10 ppm since 2009. Diesel emission standards will assist African countries to address air pollution and the health and safety of the population and environment. The initiative also involves upgrading existing national refineries to produce fuel to these standards by 2020. December 6, 2016.

Read more (1) → Read more (2) →

Risk factor

Report ordered by US Congress finds fracking contaminates drinking water

The US Environmental Protection Agency (EPA) has released the final version of the report: "Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources". The EPA has found that when certain geological conditions are coupled with certain management practices, groundwater resources can become contaminated with the oil and gas extraction chemicals. This includes during the injection, discharge, storage, and clean-up of fracking fluids. Despite being able to identify factors that contribute to frequency or severity of impacts to water, the EPA cites data gaps and uncertainties in preventing the ability to "calculate or estimate the national frequency of impacts". December 13, 2016.

Read more → The study →

Risk factor

Subsidies for fossil fuel production should be removed to help reduce climate change

The working paper "Zombie Energy: Climate benefits of ending subsidies to fossil fuel production" discusses how fossil fuels deposits would no longer be profitable if the subsidies were removed. The International Institute for Sustainable Development has used new modelling to include the estimated amount of coal, oil and gas that would become uneconomical to produce with the removal of the subsidies – along with the greenhouse gas emission reductions it would lead to. February 14, 2017.

Why we think it matters: In May 2016, the G7 nations set a deadline for ending most fossil fuel subsidies, stating that support for coal, oil, and gas should end by 2025. However, investors and insurers have called on the G20 countries to phase out fossil fuel subsidies as early as 2020, with aims to reduce climate risk and accelerate investment in green alternatives.

Read more → The report →

Regulation

US making moves to weaken legislation on conflict minerals...

On January 31, 2017, Michael Piwowar – the US Securities and Exchange Commission Chair – issued a statement explaining that he has directed his department to reconsider compliance and if "additional relief" from requirements is needed for companies. This is in light of ongoing litigation concerning the Conflict Minerals Rule's violation of the First Amendment. Piwowar's suggestion that the Rule "undermines US national security interests" could lead to legal justification for a two-year halt to and/or a full repeal of the Conflict Minerals Rule – a disclosure rule set in the 2010 Dodd-Frank law. This stipulates that manufacturers must reveal to investors if minerals used in their products were sourced from the Democratic Republic of Congo. January 31, 2017.

Read more (1) → Read more (2) → Read more (3) → Read more (4) → Read more (5) →

... while the EU establishes due diligence requirements

Alongside this, the EU has agreed to legislation that by 2021 importers of tin, tungsten, tantalum, gold and their ores must conduct due diligence investigations on their supply chain – including smelters and refiners. The move is intended to prevent the mineral trade from financing armed conflict. Human rights groups have commented that by excluding the import of finished products containing the minerals – as well as providing exemptions for many companies – the agreement is "half-hearted" and neglectful of other minerals of concern (such as cobalt). February 3, 2016.

Why we think it matters: Many US-based companies have announced they will continue to apply due diligence on conflict minerals, also stating that they will consult the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Read more (1) → Read more (2) →

Risk factor

Child labor and impoverished farmers are widespread in Madagascar's vanilla industry

A recent report has shown that retailers and exporters are exploiting already poor Madagascar farmers and ignoring child labor. Danwatch, a research and media center, has found these businesses are also profiting from the USD 192 million trade in Madagascan vanilla – about 80% of the spice sold on the global market is from Madagascar. The executive director of Danwatch says the investigation highlighted that there is not sufficient traceability and transparency in supply chains. He said: "Several of the importers and retailers [we] have spoken with are not able to say which specific farms their vanilla comes from, and whether there is vanilla in their supply chain that has been produced by children". December 8, 2016.

5

Editorial | International standards | High-risk sectors | Emerging risks | Business case | Peer approach | New tools & databases | About | Subscribe

Offer for new subscribers: **Free** Risk Assessment

Get a free risk assessment when you subscribe to the ECOFACT Quarterly.

To subscribe, or for more information on the offer, please contact
Anna Reimann at **anna.reimann@ecofact.com** or call **+41 44 350 60 60**

*We will dedicate up to 10 hours to the assessment. There may be a waiting list.

"Useful and much-appreciated report among Swiss Re's ESG experts."
Swiss Re

"Well-prepared, practical information that meets our needs in addressing environmental and social risks."
UniCredit Group

"Very well done, and extremely useful for our daily work."
Commerzbank

International standards

Updates on cross-sector environmental and social standards which might be relevant as a benchmark for risk assessments.
Scope: key developments related to the most important international environmental and social standards.

→ Public consultation launched for UNEP FI's Principles for Responsible Banking

The UN Environment Programme Finance Initiative (UNEP FI) is accepting public input on the Principles for Responsible Banking until May 31, 2019. Officially supported by 28 banks and 12 civil society organizations, the proposed framework is designed to help the finance industry align business objectives with the Sustainable Development Goals (SDGs), UN Guiding Principles on Business and Human Rights, and the Paris Climate Agreement. Intended as a global sustainability standard, the principles focus on six areas: 1) alignment; 2) impact; 3) clients and customers; 4) stakeholders; 5) governance and target setting; and 6) transparency and accountability. November 26, 2018.

Read more (1) → Read more (2) → The principles →

Coming soon:	Expected by:
Principles for Responsible Banking	Consultation open until May 31, 2019

High-risk sectors

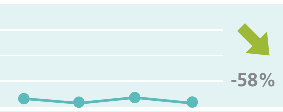
Developments relevant to six specific high-risk sectors, such as news on risk factors and trends, the relevant regulations, and best practices. The table below contains an update on controversies, and comments on the corresponding reputational risk for financial institutions.

Information based on RepRisk data

RepRisk runs the most comprehensive database on environmental, social and governance (ESG) risk. RepRisk systematically collects and analyzes negative incidents, criticism, and controversies about companies and projects worldwide, and offers information on activities related to human rights violations, breaches of labor standards, corruption, environmental damage, and violations of international standards. www.reprisk.com

Analysis based on RepRisk data, combined with insights gained in ECOFACT's consulting practice

The grades take into consideration the degree of reputational risk to financial institutions that is associated with investments in the subsectors mentioned. **An "A" indicates that transactions related to this topic present comparably low reputational risk, while an "E" indicates high reputational risks.**

		Level of controversies # of RepRisk risk incidents per quarter and trend of the last three months† DJF MAM JJA SON	FI exposure Share of news criticizing banks and / or insurers	ECOFACT summary	ECOFACT risk rating
Agriculture	Palm oil	 -39%	39%	The palm oil sector is the subject of severe criticism owing to issues such as deforestation, threats to endangered species, and poor working conditions. NGOs, and even companies, increasingly deem the Roundtable on Sustainable Palm Oil's (RSPO) current certification scheme to be insufficient. It remains to be seen if recently adopted changes, such as zero deforestation requirements and a ban on peat removal, will strengthen the framework and increase acceptance by NGOs. FIs involved with palm oil companies perceived as non-compliant with best practices face considerable reputational risks.	D
Oil and gas	Oil sands	 -58%	80%	The development of oil sands and oil pipeline projects continues to be opposed by communities and civil society groups owing to concerns about their environmental and social impact, including climate change, pipeline safety, and their effect on indigenous peoples' rights. FIs involved with oil sands producers or related pipeline projects face significant reputational risks. Moreover, some FIs partially exclude oil sand projects and/or companies from their portfolios.	E
Utilities	Coal-fired power	 -26%	14%	Coal-fired power remains highly controversial due to its impact on human health and the environment, and particularly to its contribution to climate change. FIs involved in financing coal-fired power plants or associated companies are often targeted by NGOs. Increasing numbers of FIs are distancing themselves from coal-fired power projects and companies.	E

†The green / red arrows mean that the number of RepRisk risk incidents has fallen or risen by more than three risk incidents in the last three months, whereas the orange arrow means that the change in the number of RepRisk risk incidents in the last three months has been smaller than three.

High-risk sectors

Oil & Gas · Mining · Forestry · Agriculture · Utilities · Chemicals · Other

Risk factor / Best practice

Are green resources fueling conflict in the transition to low carbon?

The tools set to promote a low-carbon economy, such as wind turbines and solar panels, still require substantial amounts of minerals and metals to function, and unless an alternative technological breakthrough is imminent, these resources must come from traditional mining. According to the International Institute for Sustainable Development (IISD)'s 2018 report entitled Green Conflict Minerals: The fuels of conflict in the transition to a low-carbon economy, this demand will threaten the fragile quest for peaceful, sustainable development in countries with strategic reserves. There is a real danger that mineral extraction will cause conflict, so it is essential that steps be taken now to develop a competent, transparent mining supply chain. Drawing on mapping analyses, stakeholder consultation, case studies, and prior mineral supply chain governance mechanisms, the IISD advises that civil society, the private sector and governments take concerted action. August 2018.

Read more → The report →

Risk factor

New report lifts the lid on animal abuse in farms across Europe

A landmark report has called for the immediate end to abusive farming in Europe. The report, entitled Animal welfare in the EU: closing the gap between ambitious goals and practical implementation, was prepared by the European Court of Auditors (ECA) and highlights the widespread maltreatment of animals in rural Europe. Intensive farming methods that place profit above animal welfare squeeze high volumes of animals into close quarters. Such overcrowding causes excessive pecking, cannibalism, aggression and biting. Rather than reduce numbers, farmers perform painful physical alterations like beak trimming, tail docking, castration and teeth clipping. They also engage in brutal slaughterhouse and live animal transport management. With 40 percent of smaller EU farms excluded from regulatory control, the report calls for stronger enforcement and compliance. The European Commission has accepted most recommendations, and legislative actions may follow. November 15, 2018.

Why we think it matters: Slaughter-houses are not only criticized for animal mistreatment but have also been linked to psychological and physical effects on their workforce. Apparently, slaughterhouse work has been linked to post-traumatic stress disorder, with undercover video evidence gathered by workers revealing animal cruelty. Worker-related domestic violence is prevalent, as is alcohol and drug abuse. Finally, there's the physical toll. The UK Health and Safety Executive has cited the slaughter industry as having the highest injury rates in all UK jobs. In their six-year study, the UK Health and Safety Executive found that 800 UK abattoir workers had suffered serious injury, with 78 requiring amputations and four dying at work.

Read more (1) → Read more (2) →
Read more (3) → ECA report →

Best practice

RSPO adopts full ban on palm oil deforestation

The Roundtable on Sustainable Palm Oil (RSPO) has adopted new, global standards for zero deforestation, banning its member companies from clearing any forest in areas required to maintain or enhance High Conservation Values (HCVs). The new standards also introduce a ban on new planting on peat, regardless of depth, after November 2018. Previously, RSPO-certified companies could clear secondary forests and peat forests with a peat layer no deeper than three meters. While certain institutional investors have pushed for a blanket ban, environmental activists remain wary, noting that enforcement of the certification body's standards has historically been lax. November 16, 2018.

Why we think it matters: Strict enforcement of the new zero-deforestation standard will be key to enabling financial institutions and other stakeholders to continue to use RSPO as their benchmark for sustainable palm oil amid a consumer and commercial backlash against palm oil. This is particularly important, as existing zero-deforestation pledges have been criticized in the Zoological Society of London's analysis of palm oil companies – using SPOTT, its Sustainability Policy Transparency Toolkit – as being either shortsighted or not checked, let alone enforced. Furthermore, companies define deforestation in a variety of ways. This means that more than half of zero-deforestation commitments have been ignored in certain types of intact or secondary forests.

Read more (1) → Read more (2) →
Read more (3) → Read more (4) →
Updated Principles → ZSL assessment →

Emerging risks

Risks that may become material in the near future or are relevant when looking into a company's business model, but are not yet considered as highly significant risks from a financial institution's reputational risk perspective, or are not related to a high-risk sector.

Climate Change

➔ No G20 country achieving climate targets; action needed before 2030

In the *Brown to Green Report,* Climate Transparency compares G20 countries to each other, as well as collectively, against 1.5°-C and 2°-C benchmark climate change scenarios. Emissions around the world need to be halved by 2030 to meet the 1.5°C objective. Only India has set targets that would, in theory, keep temperatures below 2°C. Jointly, G20 countries continue to use fossil fuels for 82 percent of energy needs. Based on current efforts, the planet is heading for a 3.2°-C temperature rise. The Intergovernmental Panel on Climate Change (IPCC) issued a special report on global warming of 1.5°C that warns of the increased risk of extreme drought, fire, flood, and shortages of water and food as soon as 2030. Despite high-level commitments to change, the window for action is "closing rapidly" and will require increasingly radical and urgent tactics. November 14, 2018.

Why we think it matters: The Principles for Responsible Investment (PRI) is warning investors and governments that significant negative effects on the "global economy, societies and investment portfolios" can be expected if more action is not taken to meet the 2-degree goal. The longer it takes for adequate policy response, the more disruptive and "forceful" the actions will need to be; this is predicted to cause large-scale volatility in capital markets.

Read more (1) | Read more (2) | Read more (3) | Read more (4) | Read more (5) | Climate report | IPCC report

Business case

Information that underlines the business case for environmental and social risk management in financial institutions.

➔ New research on the environmental and social impact of sustainable investing

While investors are increasingly considering the environmental, social, and governance (ESG) performance of their investments, research on sustainable investing to date has largely focused on their financial performance. Whether sustainable investing actually has a positive environmental and social impact is a question that has only recently been addressed by researchers at the universities of Zurich and Hamburg. The results of their literature review suggest that a number of approaches can increase investors' environmental and social impact. These include intensifying engagement efforts, focusing on widely shared priority issues, and ensuring that these issues are consistently assessed. Capital allocation strategies are more likely to be effective when companies depend on external capital for growth. However, the review did not identify influencing companies indirectly through intermediaries as a promising approach. November 28, 2018.

Read more (1) ➔ | Read more (2) ➔

➔ EU passes "historic" due diligence requirements for financial investment

The EU Parliament's cross-party acceptance of the proposed regulation, *Disclosures relating to sustainable investments and sustainability risks,* indicates widespread support for increased transparency and communication with regard to environmental, social, and governance (ESG) risks in investment. Promoted as a way of encouraging ethical behavior in finance by reorienting private capital, the initiative follows guidelines set in the OECD's Due Diligence for Institutional Investors. If accepted by member states, investors and investment services would have to identify, avoid or mitigate, account for, and communicate ESG risks, whether actual or potential. Acceptance of the initiative at parliamentary level signals acknowledgement of the need for better due diligence and a framework to support it. November 5, 2018.

Read more (1) ➔ | Read more (2) ➔ | Read more (3) ➔

ECOFACT Policy Outlook users can find additional information **here**

Policy Outlook, a monitoring and implementation package, covers regulatory change pertaining to ESG and corporate responsibility issues. Click **here** for further information.

➔ UK: Banks and insurers will have to account for impact on climate change

A pair of papers published by the Bank of England's Prudential Regulation Authority (PRA) and the Uk's Financial Conduct Authority (FCA) each look at the risks of climate change and the opportunities offered by green finance. In the FCA discussion paper, the group solicits public and institutional opinions on the development of climate risk reporting requirements, the growth of green finance, and the types of information that should be provided to investors about the financial impact of climate change. The FCA also plans to start consultations on climate-related rules for contract-based, defined-contribution pension schemes in early 2019. The PRA consultation paper presents a draft supervisory statement (SS) on "banks' and insurers' approaches to managing the financial risks from climate change." Expecting firms to understand how climate change will affect their business, the PRA is asking for feedback on what kind of risk measurement and public disclosure should be implemented. October 16, 2018.

Read more (1) → Read more (2) → Read more (3) → Read more (4) → FCA paper → PRA paper →

Peer approach

New sector and issue policies that financial institutions have recently adopted. The table below gives an overview of the number of sector and issue policies produced by financial institutions.

➔ UNEP FI to develop risk assessment tools for insurance industry

In order to integrate the Financial Stability Board (FSB)'s Task Force recommendations on Climate-related Disclosures (TCFD), the United Nations Environment Programme Finance Initiative (UNEP FI) has announced its intention of developing analytical tools for the insurance industry's climate risk disclosures. "An uninsurable world is a price that society could not afford," said UN Environment chief, Erik Solheim. The tools will be built using scenario analysis, assessment of physical and transition risks, and refer to the most recent findings in climate science. This set of tools will focus on core insurance portfolios and products. November 13, 2018.

Read more →

➔ ING institutes "Terra approach" to measure portfolios and steer lending to support climate change action

In partnership with 2˚ Investing Initiative (2˚ii), ING has developed an open-source, science-based methodology for setting and measuring the extent to which portfolios can have an impact on the climate. Built over several years, the "Terra approach" aims to help all banks finance the kind of change needed to move towards a low-carbon economy and meet the Paris Agreement goals. It will enable the sector to adopt a customized approach, and will focus on those sectors that emit the highest levels of greenhouse gases (energy, including oil, gas, renewables and conventional power; automotive, shipping, and aviation; steel, cement, residential mortgages, and commercial real estate). By delivering information on "what needs to shift, [by] how much and by when," the bank's EUR 600 billion lending portfolio will be evaluated and steered towards financing technologies that will have an impact. The approach relies on data collated from global databases that track public and private-sector companies. September 14, 2018.

Read more (1) → Read more (2) → Read more (3) →

Sector and issue policies adopted by insurers

(A) indicates the number of insurers among the 9 Systematically Important Insurers which have adopted a policy, guideline, or commitment addressing the corresponding sector or issue for their investments. (B) indicates the number of insurers which have adopted a policy, guideline, or commitment addressing the corresponding sector or issue in underwriting. Only the sectors or issues covered by policies are included in the table.

Sector policies	A	B
Agriculture	2	1
Palm oil	2	1

Issue policies	A	B
Climate change	5	4
Agricultural commodities	2	1

This table includes the 9 global systemically important insurers (G-SIIs) according to the Financial Stability Board: Aegon N.V., Allianz SE, American International Group, Inc., Aviva plc, Axa S.A., MetLife, Inc., Ping An Insurance (Group) Company of China, Ltd., Prudential Financial, Inc., Prudential plc. Source: **fsb.org**

Sector and issue policies adopted by banks

(C) indicates the number of banks among the 29 Systematically Important Financial Institutions which have adopted a policy, guideline, or commitment addressing the corresponding sector or issue and disclose its content. (D) indicates the number of banks which disclose that they have adopted a policy, guideline, or commitment, but do not disclose the corresponding content.

Sector policies	C	D
Agriculture (general)	8	5
Biofuels	3	2

Issue policies	C	D
Biodiversity	1	3
UNESCO World Heritage Sites	14	1

This table includes the 29 Systematically Important Financial Institutions (SIFIs) according to the Financial Stability Board: Agricultural Bank of China, Bank of America, Bank of China, Bank of New York Mellon, Barclays, BNP Paribas, China Construction Bank, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, Groupe BPCE, Crédit Agricole, HSBC, Industrial and Commercial Bank of China Limited, ING Bank, JP Morgan Chase, Mitsubishi UFJ FG, Mizuho FG, Morgan Stanley, Nordea, Royal Bank of Canada, Santander, Société Générale, Standard Chartered, State Street, Sumitomo Mitsui FG, UBS, Unicredit Group, Wells Fargo. Source: **fsb.org**

New tools and databases

This section presents new tools and databases that can help to identify or manage environmental and social risks.

FAIRR Protein Producers Index helps identify best in class for meat, fish, and dairy

With an eye on sustainability issues, the new Coller Farm Animal Investment Risk and Return (FAIRR) Protein Producers Index has measured 60 intensive farming companies against nine risk factors aligned with the UN Sustainable Development Goals. Sixty percent of companies were found to be "high-risk" in terms of their overall management of sustainability. The best managed risk factor was waste management, while the worst was antibiotic management. The "worrying lack of ESG [environmental, social and governance] data availability and disclosure" from the sector is described as "a cause for concern". Aquaculture producers display the best reporting on critical sustainability risks. Greenhouse gas emissions reporting is "inadequate, unstandardized and unverified" across the sector, "putting the implementation of the Paris Agreement in jeopardy." Of the Asia-based companies examined, 94 percent are not managing risks or disclosing basic information. June 4, 2018.

Read more (1) → Read more (2) → Read more (3) → Read more (4) →

Three new tools to help assess investments' climate risk

A trio of tools targeting investment decision-makers and climate risk has been issued. The first, a joint project between Principles for Responsible Investment (PRI) and California Insurance Commissioner Dave Jones, aims to reveal the extent of the gap between an investor's current portfolio holdings and the 2°C benchmark. The free, confidential, online tool is called the Paris Agreement Capital Transition Assessment (PACTA). Users can access multi-scenario analyses that show the transition risk exposure of their fixed income and equity portfolios. Confidential, custom reports can be generated that will enable users to tailor output by sector, region, climate scenario, and other indicators.

Read more → PACTA tool →

About this report

This briefing is tailored to the needs of individuals and teams in charge of assessing and controlling environmental and social risks in corporate banking, investment banking, and commercial insurance. It aims to provide an update on risks, standards, tools, and best practices that are relevant primarily from a reputational risk perspective.

The content is organized into four levels: each item of information is headed by a title which allows the reader to digest the report in less than five minutes. Subsequently, a brief abstract summarizes the key facts. Additionally, if appropriate, a short comment illustrates why this information might matter and, finally, a link to the original source allows the reader to drill down further into the subject.

Our research process consists of four steps: firstly, ECOFACT collects information from international newspapers and specialized periodicals. Secondly, the websites of the most relevant NGOs, international organizations, private and academic research centers, environmental and sustainability think-tanks, and government agencies are visited regularly. Thirdly, specialized newsletters to which we subscribe are screened, and finally, organizations in charge of international environmental and social standards are contacted.

Selection criteria for the content of the briefing: a) information on environmental and social risks that b) was published (in most cases) over the past quarter, and c) is relevant from the reputational risk perspective of a financial institution. The scope covers the ten principles of the UN Global Compact.

ECO:FACT CELEBRATING 20 YEARS

About ECOFACT

ECOFACT has addressed the risks and opportunities that environmental, social and governance issues present to the financial sector since 1998. We work primarily for banks, insurers, institutional investors, and international standard-setters.

We help our clients to improve their understanding of credit, reputational, compliance and liability risks in the context of sustainability, ESG and responsible business conduct.

Due Diligence

We assist our clients in designing processes and conducting due diligence:

We provide solutions for issue monitoring, policy development, portfolio screening, individual risk assessment, and engagement services.

Research Products

In addition to the *ECOFACT Quarterly,* ECOFACT also produces the *Policy Outlook.* The *Policy Outlook* covers regulatory change pertaining to ESG and corporate responsibility issues. It a monitoring and implementation package that consists of an online tool and provides access to a network of peers.

Read more →

Knowledge Sharing

ECOFACT hosts three events that facilitate knowledge sharing among peers and experts:

- The *Policy Outlook Conference* gives you the chance to join peers and experts from the fields of public policy, legal & compliance, corporate responsibility and sustainability in exploring how financial firms are addressing corporate responsibility regulations.
- The *Environmental and Social Risk (ESR) Roundtable* provides an opportunity for peers to discuss the challenges that arise as environmental and social issues are further integrated into financial institutions' business with corporate clients.
- The *Reputational Risk Management (RRM) Roundtable* is a platform for dialog and knowledge sharing on common and best practices in reputational risk management in the financial sector.

ECOFACT is a signatory to the *United Nations Global Compact* and the *Principles for Responsible Investment,* and a member of *Swiss Sustainable Finance.*

Swiss Sustainable Finance   THE GLOBAL COMPACT WE SUPPORT   PRI Principles for Responsible Investment

Subscribe

For a subscription
Fax this page to **+41 44 350 6020,** or e-mail your contact details to **contact@ecofact.com.**

☐ **Please sign our organization up for a one-year subscription to the ECOFACT Quarterly** at the rate of CHF 2,000* (4 issues at CHF 500 each). I would like the subscription to start with

☐ the current issue. ☐ the next issue.

A subscription to the ECOFACT Quarterly makes it possible to share it internally.

Name: ....

Department: ....

Company: ....

Address: ....

Postcode, city: ....

E-mail address: ....

You will receive the invoice as a pdf file by e-mail. Please let us know if you need a signed hardcopy.

We also accept credit cards.

** As a contribution to sustainable banking practices in emerging markets, ECOFACT offers reduced rates to organizations headquartered in countries classified by the World Bank as upper-middle-income economies (CHF 800), or as lower-middle-income or low-income economies (CHF 200).*

ECOFACT Quarterly
Production: Jenifer Guillemin, Bronwin Patrickson, and Anna Reimann.
Additional editors and contributors: Deborah Attolini, Simone Hutter, Olivier Jaeggi, and Gabriel Webber Ziero.
Design: **Naomi Atkinson Design**

Produced and distributed by ECOFACT AG, Stampfenbachstrasse 42, 8006 Zurich, Switzerland.
Tel: **+41 44 350 6060** | Fax: **+41 44 350 6020** | **contact@ecofact.com** | **www.ecofact.com**