

**Sustainable Investment Solutions**

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Layout: zengarten.com

Inrate, August 2011

# Inrate – for a sustainable future

Inrate is an independent sustainability rating agency based in Switzerland. Since 1990, we have been combining our sound understanding of sustainability with innovative research solutions for the financial markets – the main reason why we are one of the largest and most respected agencies in Europe.

Our mission is to be an integral part of the global financial infrastructure by providing sustainability intelligence that allows capital markets to redirect investment flows towards a more sustainable economy.

To do this, Inrate analyzes and assesses the ecological and social responsiveness of companies, institutions and countries by investigating the way they integrate sustainability issues into their strategies and operations. Our proprietary frameworks and methodologies have been developed over the past 20 years.

Supported by an experienced team of analysts, we are able to translate complex sustainability issues into useful tools to empower financial markets and investors.

- Inrate has **over 20 years** experience of monitoring sustainability trends and corporate practices.
- **Oldest sustainability rating** agency in Continental Europe.
- Our sound understanding of sustainability allows us to constantly develop innovative and **reliable research solutions** for investments.



# Sound understanding of sustainability – vital for our success

Sustainability, and its implications for business and investors, is a complex issue and requires expertise in many different fields, ranging from environmental, social, legal, and ethical issues to business, economic, political and scientific trends. It is vital to grasp what these factors mean for business sectors and the associated risks and opportunities that exist for companies. As the longest established provider of sustainability services in Continental Europe, we have the capacity to meet this complex challenge.

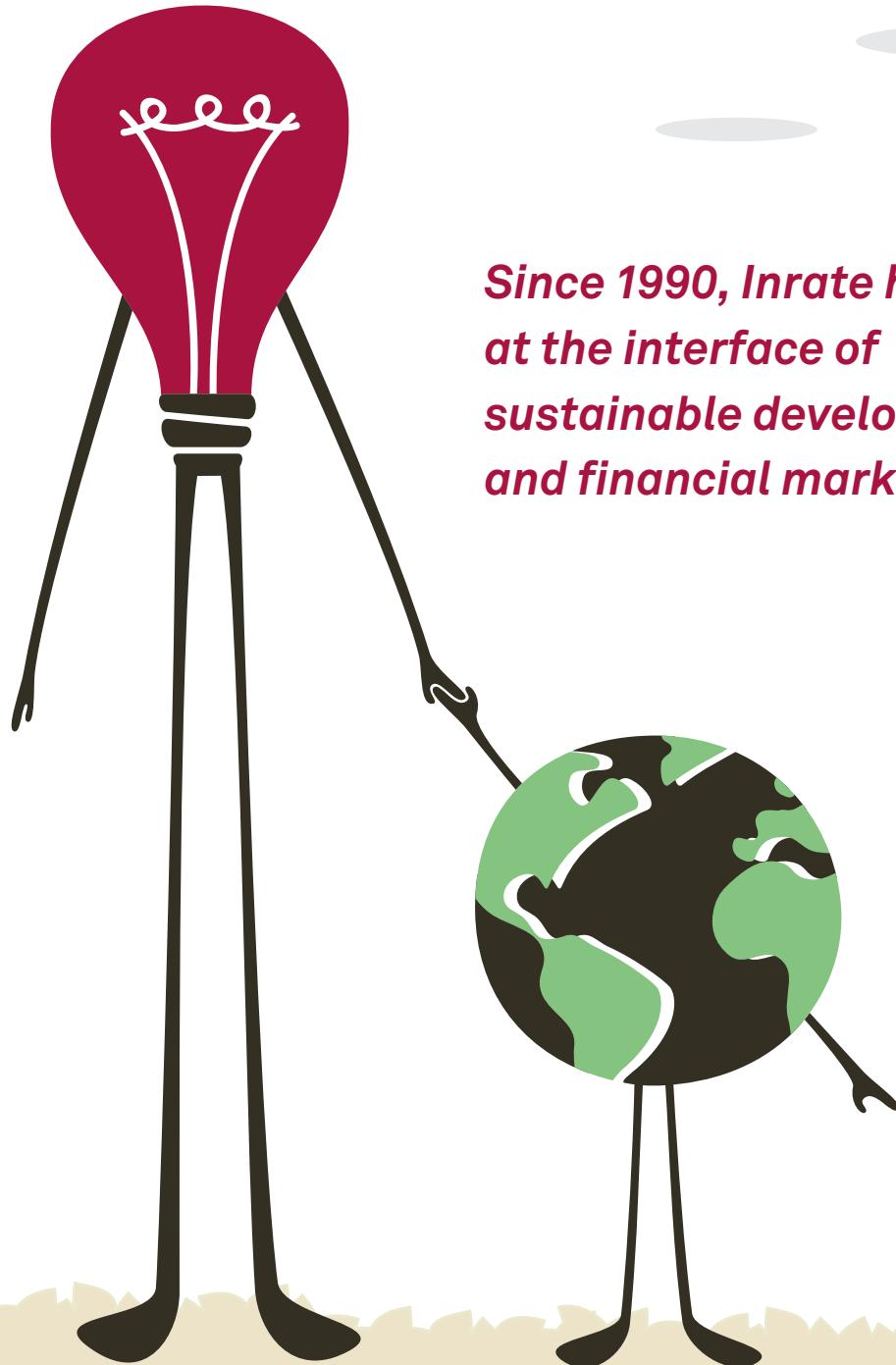
Many companies now produce information on how they address sustainability. However, it is extremely important to distinguish between those that are being sincere by taking positive action and those that are simply paying lip-service. Transforming this information into a useful tool requires experience and expertise.

## **Sustainable development**

Sustainable development is development that “meets the needs of the present without compromising the ability of future generations to meet their own needs”. (Brundtland Commission). Inrate helps investors to integrate the sustainable development dimension into their investment practices.

## **Inrate's contribution to sustainable development**

- With our research services, we foster and support the need for **transparency** in sustainability performance.
- Our assessments contribute to **redirecting capital flows** towards a more sustainable economic system.



*Since 1990, Inrate has been  
at the interface of  
sustainable development  
and financial markets.*



*Sustainable investment sets monetary incentives towards sustainable development and performs an important economic steering effect.*

# Why invest sustainably?

The ability of companies to integrate sustainability factors into strategies and operations is increasingly being considered a leading indicator of their management quality and economic performance. Therefore, taking into account ecological and social dimensions adds value to the investment research and process by uncovering hidden elements of companies' risks and opportunities.

## Sustainable investment – a growing trend

Considered for many years as a short-term fashion, sustainable investment is increasingly becoming a hard trend. Assets managed according to sustainability factors in Europe have displayed steady growth over the years despite economic downturn and crises. Historically, the Swiss financial marketplace has played a leading role in the market for sustainable investment products. Today, it is considered as one of the most dynamic markets and Inrate has been part of it from the start.

Pension funds have been, and they still are, a major catalyst for sustainable investment. They increasingly see it as a matter of risk management and fiduciary duty. Asset managers and financial analysts in turn are under increasing pressure to enrich their traditional financial services by integrating ESG (environmental, social, governance) considerations into their products and investment processes.

## Performance of sustainable products

- Studies show that sustainable investment products have **favourable risk characteristics** and investment return profiles at least similar to traditional financial products, if not superior.
- Therefore, sustainable investment products are suited to investors who wish to combine financial **success** with a contribution to sustainable **development**.

# Sustainable investment solutions for a wide range of needs

## Financial analysts

Whether the analysts are part of established sustainability analytical teams or belong to the mainstream, Inrate provides flexible tools allowing complex sustainability issues to be integrated in an effective way into their analytical framework. Financial analysts can therefore enrich recommendations and opinions on a large universe of stocks.

## Fund managers

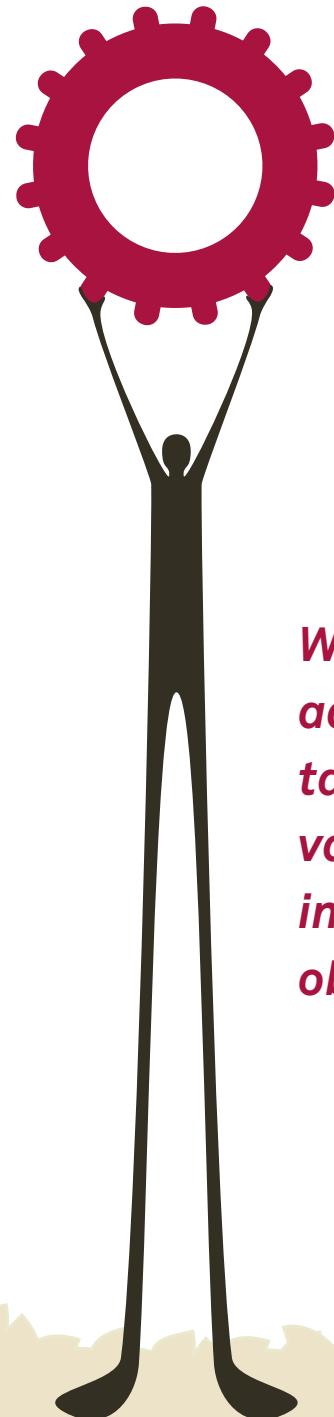
Fund managers are seeking outperformance and better understanding of risk when they incorporate sustainable research into their process. Inrate, based on its long experience of working with many different investment approaches, is able to tailor different solutions depending on the investment product profile.

## Institutional investors

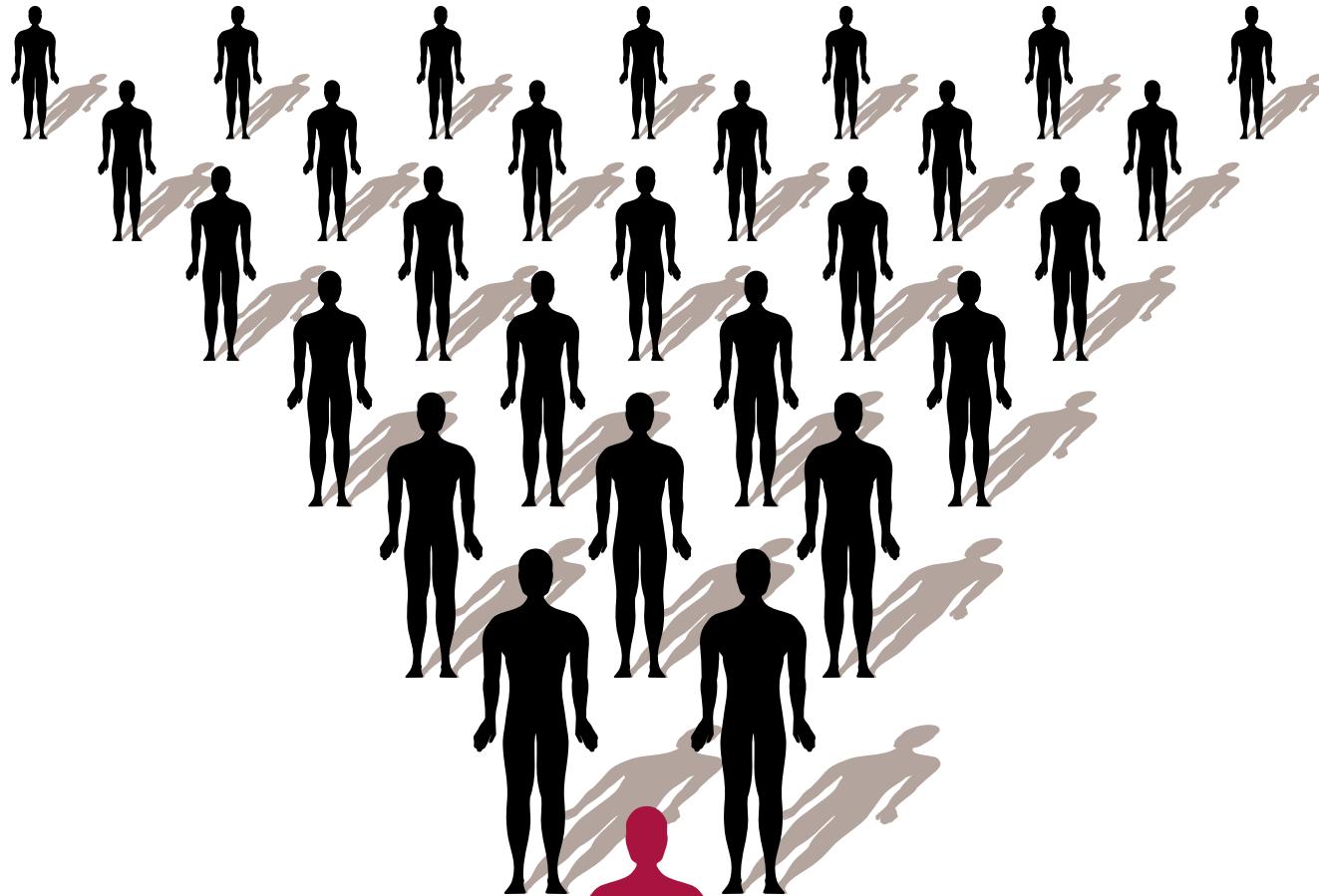
The trustees or pension-plan Board Members are empowered to ensure that the assets are invested according to their stated sustainability criteria. Inrate works in partnership with many such institutional investors, enabling them to monitor the work of fund managers and review the overall sustainability exposure across all mandates.

## Our clients are:

- **Established** sustainability analytical teams
- Mainstream **buy-side and sell-side** research
- Institutional and **retail fund managers**
- **Private wealth** managers
- Private and public **pension funds**
- **Insurance** companies
- Fund **consultants**
- **Discretionary investment** managers and advisors



*We offer sustainability  
advice and solutions  
taking into account the  
varying needs of different  
investment strategies,  
objectives and constraints.*



*Since 1990 we have been at  
the forefront of innovation in  
sustainability analysis and  
expect to remain leaders in the  
field for years to come.*

# Our services

Inrate provides a wide range of sustainability research services:

## **Our sustainability assessments**

identify leaders, followers and laggards by investigating the way companies integrate sustainability issues into their products and services, strategies and operations.

## **Our sustainability investment universes**

integrate conventional ESG issues in all the major global markets as well as thematic topics such as climate change, mobility and water.

## **Our climate change assessments**

enable investors to identify risks and future opportunities. Our quantitative model envIMPACT® estimates GHG emissions of the entire life cycle and integrates a product analysis.

## **Our portfolio analysis**

allows investors to monitor how their investments stand from a sustainability and climate change perspective.

## **Our company screening**

identifies controversial products or practices and allows exclusion decisions while reducing both reputational and ethical risks.

## **Our clients' recognitions**

- Clients using our services regularly achieve **top market recognition** for their products, performance or implementation of sound sustainability investment approaches.
- Using our highly selective sustainability solutions, a well-known retail investment manager has won the prestigious **lipper Fund Award** for best performance over five years in Swiss equities for five consecutive years.
- A large institutional investor received **top marks from the UN PRI initiative** for the implementation of its responsible investment principles.

# Our research process

We have developed and adapted our research approach for over two decades. Our own internal work has been added to and improved upon through collaboration with our expert partners around the world. Furthermore, the overall research process is supervised by an independent Board of Experts to ensure that the end product is free from any bias and remains at the forefront of industry standards.

We focus on the impact that corporate policies and management actions have on a company's sustainability performance and place particular emphasis on the relevance of processes, products and services for environment and society. Our research adopts a sector-specific view while assessing whether a company can manage sustainability risks and take advantage of any ESG opportunities.

We have set up a rigorous research process from data sourcing to our final assessment. This includes:

- Selection of trusted and credible local research partners around the world
- Selection of professional information service providers
- Quality management that focuses on consistency, comparability and traceability of results

## Independent Board of Experts

- Our rating process is monitored closely by an **independent Board of Experts**. This body consists of designated and experienced specialists who are experts in their respective fields such as water, energy or diversity.
- The Board of Experts has a **considerable influence** on the rating approach and the methodology and makes sure that the results of the sustainability analysis correspond to the given objectives.



*Our professional quality management as well as our independent Board of Experts ensure the high quality of our sustainability ratings.*

# Quality and integrity

Inrate prides itself on its quality and integrity. Without them, the company would not be an industry leader today. Quality and integrity will continue to be the main drivers of our development going forward and are reflected in our staff, our clients, our partners and our work.

## Measurements of quality

- Experienced analysts with multidisciplinary backgrounds
- Research partners providing access to local knowledge (proximity, language and experience)
- Rigorous, transparent research process

## Measurements of integrity

- No consulting roles with rated companies
- No assets under management
- Project partner for the establishment of a sector-wide quality standard for sustainability research

## Our history of innovation

1994: first **pioneering** methodology for corporate sustainability assessments

1998: developed our **“best in service” approach**

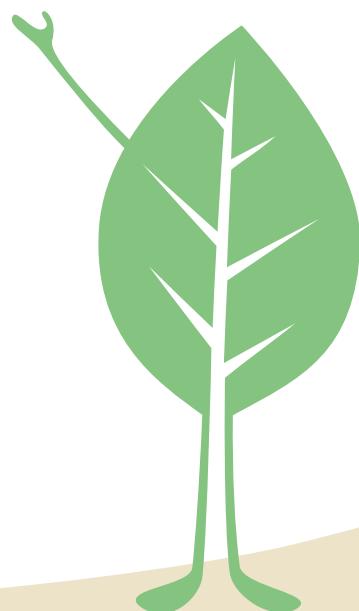
2005: first quantitative model to assess the **climate change impact** of companies over the entire value chain

2006: launched **theme-based research** on fundamental sustainability trends (e.g. climate change, water)

2009: first methodology to assess the sustainability of **private equity** investments

## ***Our success factors***

- 20 years at the interface of sustainable development and financial markets
- Sound understanding of sustainability
- Multidisciplinary and international network structure
- Innovative sustainability value chain assessment
- Independent Board of Experts
- Tailor-made solutions for clients with different needs
- Entrepreneurial independence





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