



## **Sustainable Investment Research International Group**

the world's leading independent socially responsible investment group

### **Local Expertise**

from eleven members on three continents

### **Global Solutions**

specialist SRI research and consulting services for international financial markets





# PROFILE

Sustainable Investment Research International (SiRi) Group is the world's largest independent provider of SRI research and consulting services for institutional investors.

Formed in 2000, the SiRi Group comprises eleven specialist SRI research organisations based in Europe, North America and Australia. With a research base of over 100 specialist SRI analysts worldwide, the SiRi Group has an unrivalled resource of knowledge and expertise on corporations, local markets and SRI investment strategies.



The SiRi Group's vision is to provide and promote high quality SRI research products and services for the institutional investor market. We serve the needs of some of the largest investment managers, pension funds, foundations, religious investors, charities and trusts, creating SRI solutions tailored to the requirements of our clients and local market conditions.

SiRi Group members provide detailed SRI research on corporations based in their own home markets, but with **consistent content** in a **standardised format** and with **harmonised quality standards** determined by the Group as a whole. Clients benefit from extensive global coverage based on local knowledge and expertise. The SiRi Global Profiles database covers the largest 1000 international companies.

In addition, individual SiRi Group members provide research on thousands of other leading corporations worldwide and offer a wide range of sustainable investment services for institutional investors.

# SIRI GROUP SERVICES

The SiRi Group and its members provide a complete range of research and consultancy services providing sustainable investment solutions for wholesale and retail investors. These include:

- Company profiles and ratings
- SRI indices
- SRI strategy consultancy
- SRI fund monitoring
- SRI company engagement



## ■ SiRi Global Profiles

The SiRi Group has pioneered the publication of detailed harmonised profiles of the largest global corporations. These SiRi Global Profiles are researched according to consistent criteria and in a standardised format using a stakeholder-based model.

For 2002 the coverage of SiRi Global Profiles is being expanded to the largest 1000 international companies up from 500 profiles in 2001.

Each Profile contains over 350 data points and associated analysis, providing unrivalled detail and breadth of comment. All major stakeholder issues are covered including community involvement, environmental impact, employment relations, customer policies, human rights issues and corporate governance. For each issue, SiRi describes and analyses the company's policies, management systems, reporting standards and impacts together with particular strengths and weaknesses. In addition, SiRi Global Profiles contain information on controversial business practices such as armaments, tobacco, animal testing or GMOs.

These unique Profiles allow comparison between companies, sectors and markets and over the whole range of socially responsible investment issues of concern to professional investors. Our clients use them as the basis for best-in-class analysis, negative screening, company engagement, SRI ratings and index construction, or simply to add to their sources of investment research.

The local expertise of each SiRi Group member enables variable corporate data disclosure or differences in treatment of issues between countries to be highlighted in each profile and the SiRi Group's rigorous quality processes ensure that each profile is based on a consistent research methodology and a common set of criteria and definitions, vital when analysing such a wide range of stocks.

Profiles are available in pdf format from our dedicated website.

### ■ **Local profiles**

Each SiRi Group member provides additional research on stocks within their own local market indices. SRI data and analysis on over 3000 additional companies is available, the broadest universe of companies covered by any SRI research provider.

### ■ **Exclusionary screening**

SiRi Group members work with clients to construct portfolio and index screens using a wide variety of social, ethical or environmental criteria, both positive and negative.

### ■ **SRI ratings**

SiRi Group members offer a variety of SRI ratings based on standardised or customised criteria and weightings for a variety of markets and indices.

### ■ **SRI indices**

SiRi Group members provide research to support SRI indices benchmarked against both international and domestic market indices.

### ■ **SRI fund analysis**

SiRi Group members monitor the development of SRI investment funds globally and provide market intelligence on trends within the sector.

### ■ **Strategic SRI advice**

SiRi Group members assist in developing appropriate SRI investment strategies for institutional investors including analysis of policy issues, definition of SRI criteria, and choice of benchmarks.

### ■ **Shareholder engagement**

SiRi Group members offer engagement services for investors pursuing an SRI strategy based on a responsible shareholder activist approach.

### ■ **Sector profiles**

SiRi Group members publish sector profiles highlighting key SRI issues and undertake sector studies on a customised basis for clients with specific criteria.



# SOCIALLY RESPONSIBLE INVESTMENT

Socially responsible investment (SRI) is one of the fastest growing investment trends. Starting with the establishment of specialist ethical and environmental funds in the 1970s and 1980s based on negative screening, SRI strategies have developed in a variety of ways and have been adopted by many leading investment managers, pension funds and other institutional investors. SRI has moved from the fringe to the mainstream.

This process has been driven by increasing concerns over the environmental and social impacts of companies which have raised consumer awareness and fuelled high-profile NGO campaigns. At the same time, there has been a growing understanding of the potential benefits for investment returns of companies adopting higher corporate social responsibility standards as a way of both managing risk and identifying ways of enhancing future performance.

With increasing pressure on both companies and investors to demonstrate that their activities are sustainable, many markets now have regulations requiring disclosure and consideration of social, ethical or environmental issues by investors.

The growth in SRI represents a recognition that traditional financial analysis and investment techniques do not capture the full range of factors of concern to investors and which increasingly affect company performance.

The agenda of SRI issues is constantly changing as the market develops, and as our understanding of how to achieve sustainability evolves. For example, the concept of stakeholder accountability and engagement has quickly become a key theme for socially responsible investors. Equally, the types of performance metrics that can be used to report on corporate social performance are undergoing rapid development.


The SiRi Group's unique business model, global reach and wealth of specialist experience enables us to track market developments globally and identify SRI investment issues to create innovative solutions for our clients.

In order to provide SRI products for their clients and customers, institutional investors need research of the highest quality that deepens understanding of a company's operations and enhances the quality of investment decision-making.

SRI research can be used for a variety of purposes, but is primarily used to identify:

- company activities that are unacceptable to clients for the purpose of portfolio screening
- deficient CSR practices that expose companies to reputational or other risks,
- favourable commercial positioning in relation to future market or political developments,
- companies with higher standards of social and environmental performance relative to their sector or index
- issues where investors can influence company behaviour through engagement strategies

As the SRI market has grown, more varied and sophisticated investment strategies have been developed that seek to integrate social and environmental concerns into conventional financial analysis. SRI is now applied to the full range of retail investment products. For institutions, SRI as a stock selection tool is being augmented by shareholder engagement strategies, both by individual institutions and by coalitions of investors with common concerns.



But whatever strategy is adopted, institutional investors need a basis of in-depth, independent analysis that adds value to their own understanding of companies. This is SiRi Group's core strength. By working with a wide variety of institutional investors, we have developed an unrivalled knowledge of the needs of investors, of SRI research methodologies and of corporate activities.

# MEMBERS

Recognition of the importance of corporate social responsibility and corporate sustainability is increasing. In spite of differences in capital market structures, demand for SRI services is growing around the globe.

The SiRi Group brings together a worldwide network of specialists dedicated to providing high quality research and advisory services to meet this demand.

## Mission statement

The mission of the SiRi Group is to provide and promote high quality social investment research products and services throughout the world.

The SiRi Group's goals include:

- global coverage of all major financial markets
- the publication of harmonised profiles in comparable formats of the largest publicly traded companies throughout the world
- the publication of social profiles of companies making up the major stock indices throughout the world
- the promotion and development of socially screened national and transnational indices
- maintenance of the highest possible standards for social investment research

The SiRi Group website contains full information on our members and our services, together with sample Profiles, and other publications.

[www.sirigroup.org](http://www.sirigroup.org)







SiRi Group members consist of the leading sustainable investment research organisations in major financial markets. Working together, we are able to combine resources and knowledge to provide more extensive and higher quality research and advisory services for our clients.

Avanzi SRI Research s.r.l., Italy,  
[www.avanzi-sri.org](http://www.avanzi-sri.org)

CaringCompany-Etikanalytikerna AB,  
Sweden,  
[www.caringcompany.se](http://www.caringcompany.se)

Centre Info SA, Switzerland,  
[www.centreinfo.ch](http://www.centreinfo.ch)

Dutch Sustainability Research BV,  
Netherlands,  
[www.triodos.com](http://www.triodos.com)

Fundación Ecología y Desarrollo, Spain,  
[www.ecodes.org](http://www.ecodes.org)

KLD Research & Analytics, Inc.,  
USA,  
[www.kld.com](http://www.kld.com)

Michael Jantzi Research Associates Inc.,  
Canada,  
[www.mjra-jsi.com](http://www.mjra-jsi.com)

Pensions & Investment Research  
Consultants Ltd., UK,  
[www.pirc.co.uk](http://www.pirc.co.uk)

scoris GmbH, Germany,  
[www.scoris.de](http://www.scoris.de)

SIRIS – Sustainable Investment Research  
Institute P/L, Australia,  
[www.siris.com.au](http://www.siris.com.au)

Stock at Stake NV, Belgium,  
[www.stockatstake.com](http://www.stockatstake.com)

# QUALITY STANDARDS

The SiRi Group members are among the leading providers of SRI research in their own markets. The SiRi Group structure provides member groups and individual analysts with the opportunity to share expertise and build knowledge of SRI research techniques in order to ensure the breadth, depth and accuracy of our research.

The SiRi Group is committed to providing clients with research of the highest quality. SiRi has developed a unique Quality Management System which all members are required to follow. This System covers data gathering, knowledge management, contacts with stakeholders, relationships with corporations and incorporation of feedback.

For our Global Profiles, the SiRi Group applies these quality standards to ensure a consistent approach to information gathering and analysis. The SiRi Group applies proprietary criteria, definitions and explanations relating to all issues covered in Profiles.

Wide-ranging data and news searches are undertaken. All companies analysed are contacted at an early stage for their input and all see a draft copy of their profile for comment and feedback. Company visits are undertaken in many cases. Stakeholder groups are contacted for their views.

Each profile is reviewed by a separate SiRi Group member, after internal checking, and each group member organisation is subject to an audit of their research processes.

These quality standards ensure that each Profile contains comparable data and analysis in spite of variations between local markets. They also enable us to benchmark our research methodologies across the Group.



# CONTACT

For full details of the SiRi Group's services please visit our website [www.sirigroup.org](http://www.sirigroup.org) or contact your nearest SiRi Group representative.

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