FAQs

What type of ESG data does the S-Factor focus on (Environment only, Socially Responsible only, Governance only, or all three?
Our research focuses on the "S", or Social aspects of ESG, though we also cover some of the "G" through a social lens. We are the "S" in ESG™.

How is the S Factor different from other ESG products on the market?
The S-Factor offers a unique analysis of companies' ESG performance based on our proprietary methods and metrics in relation to globally-accepted frameworks. We provide a significantly deeper dive into social themes and anaysis than any other provider.

Who does the S-Factor target as users of the data?
There are many possible applications for S-factor data; while the product primarily targets buy-side firms for impact investing and sell-side firms for due diligence, it has broader application such as individual corporations for benchmarking/M&A, NGOs and governments for monitoring, etc..

Is your data presented as indices, ratings, rankings or some combination of all three?
Our information focusses primarily on company ratings and rankings, with a best-in-class index presented as the MSPI (MacCormick Social Performance Index).

How many companies does the S-Factor cover?
We have about 42,500 companies in our database (almost all publicly-listed equities); they will have various levels of "S" scoring in our initial product launch in March, with our early focus on large and mid-caps.

Which asset classes or industries does the S-Factor data set cover?
We are focused on publicly-listed equities in all major industries.

Where is your coverage focused (geographically)? What are the start dates of the different regions?
We cover global equities; all companies in all regions will have the same time-series coverage.

How much history does the S-Factor have?
We will have a minimum of five years of historic ratings in the March product launch, which will facilitate trend analysis and back-testing of the data.

Is your data point-in-time?
Yes, the S-Factor's data is point-in-time, with discrete events or social risks that affect a company's score captured in time-series. The product will be launched with five years of historical time-series data, with go-forward scoring maintained at point of event/report.

What is the cross section of the dataset (continuous or discrete)?

The S-Factor data is continuous and can be customized to specific needs.

Is your data tickerized? If so what type of ID linking do you use?
The S-Factor uses exchange/ticker and ISIN, along with our own unique company IDs to match and link company data throughout the database.

What are the underlying sources and the methods you use for extraction of information?
The S-Factor gathers company information (sustainability reports, etc.) industry reports, etc., but also monitor thousands of other news sources and social media using some NLP to gather information on company sentiment and activities as it relates to the 74 social themes (mapped to 45 industry and best-practice frameworks) that we track. These sources are passed to our analysts who then validate the relevancy and provide a score for the company based on our methodology.

By monitoring external sources (not just company provided information) we're able to give a more accurate picture of a company's social performance, avoiding any potential bias or green-washing.

How current is the S-Factor data?
Most data are updated daily to ensure the S-Factor data is current, while some 3rd party data is updated as it is made available (daily, weekly, or monthly). There can be a two- to three-day lag in some data to allow for quality control, as files are regularly compared to existing data for updates/corrections.

How is the S-Factor data accessible? (API, Excel, Platform Only)?
The S-Factor data is subscription-based, and can be accessed via the Web UI, custom generated reports (csv via web UI), and through daily SFTP or API feeds.

<u>**General FAQs**</u>

What is ESG data?
A rich source of environmental, social and governance (ESG) research data, providing performance information on individual companies for in-depth, socially responsible investment analysis.

What are ESG standards?
The ESG standards is a set of criteria for a company's operations that socially conscious investors use to screen investments. Mention frameworks?

How do ESG standards differ by industry?
ESG standards differ by industry based on defined regulatory frameworks, standards, benchmarks, indicators of specific impacts in ESG. These standards are typically defined by industry specific regulatory associations, like The International Council on Mining and Metals (ICMM) for the mining industry.

What is ESG reporting?
Investors expect companies to disclose environmental, social, and governance (ESG) information they can trust and understand. For the past decade, investors have expressed interest in ESG issues, including their importance in the investment decision-making process.

What is SRI investing?
Sustainable, responsible and impact investing (SRI) is an investment discipline that considers environmental, social and corporate governance (ESG) criteria to generate long-term competitive financial returns at the same time as positive societal impacts.

What is an ethical Investing?
Ethical investing describes an investment process that incorporates environmental and social factors when selecting investments, in addition to the objective of achieving a competitive financial return.

What is mission-related investing?
Mission-related investing refers to the selection of specific investments by individuals, pension funds or foundations as tools to achieve their philanthropic goals. The term mission investing describes investments by mission-based organizations that are designed to generate both a social and a financial return.

What is sustainability-themed investing?
According to the Global Sustainable Investment Alliance (GSIA), sustainability-themed investing is the investment in themes or assets specifically related to sustainability, such as clean energy, green technology or sustainable agriculture.

What is impact/community investing?
According to the Global Sustainable Investment Alliance (GSIA), impact or community investing is the investment, typically in private markets, aimed at solving social or environmental problems, and includes community-targeted investing, where capital is specifically directed to traditionally underserved communities or groups, as well as financing that is provided to businesses with a clear social or environmental purpose.

What is a Social Impact Bond?
A social impact bond (SIB)—also known as Pay for Success Financing, a Pay for Success Bond, a Social Benefit Bond or simply a Social Bond—is a contract with the public sector or governing authority in which a commitment is made to pay for improved social outcomes that result in public sector savings, part of which can be passed onto investors.

What is social finance?
Social finance is an approach to managing money which delivers a social dividend and an economic return. Social finance is often used to describe the lending to and investment in companies that are considered social enterprises, charities, co-operatives, and other impact-focused organisations.

What are Program-Related Investments?
Program-Related Investments (PRIs) are investments made by foundations to support charitable activities that involve the potential return of capital within an established time frame. Foundations make PRIs to further some aspect of their charitable mission (e.g., in the areas in which they make grants).

What is a socially responsible mutual fund?

S·Factor™

A socially responsible mutual fund hold securities in companies that adhere to social, moral, religious or environmental beliefs determined by the fund. To ensure the stocks chosen have values that coincide with the fund's beliefs, companies undergo a careful screening process.

What are positive and negative screening?
Screening is easily broken down into two very different methods: positive screening and negative screening. Negative (or avoidance) screening refers to excluding companies that manufacture certain products that are objectionable, such as weapons or tobacco products. Positive (or affirmative) screening refers to including companies that set positive examples of environmentally friendly products and socially responsible business practices.

What is social screening?
Social screening is the most common way for investors to practice socially responsible investing. Social screening is the process of selecting companies to invest in based on their social and/or environmental performance in addition to their financial performance.

What is positive/best-in-class screening?
According to the Global Sustainable Investment Alliance (GSIA), positive or best-in-class screening is the inclusion in a fund or portfolio of certain sectors, companies, or projects selected for their positive ESG performance relative to industry peers.