



REFINITIV CASE STUDY

Refinitiv's ESG capabilities enable proprietary scoring

The Customer

This small-to-medium asset management firm with offices in continental Europe services predominantly institutional investors, and offers clients a range of ESG (Environmental, Social and Governance) funds that are invested in equity and fixed income assets.

The Challenge

The client has adopted a strong socially responsible investing policy based on multiple sectors, best effort and best-in-class criteria. They invest in companies that are currently undervalued by the market and have a strong potential to increase in value, over a mid- to long-term horizon.

The firm developed a screening and scoring methodology to easily assess the investment universe. They select assets based on focused investment ideas according to quantitative financial criteria and their best-in-class score.

The screening and scoring process calculates the industrial value of a company and analyzes the strength of the firm. The investment team then meets with the firm's management team to perform a more in-depth analysis of its potential.

The client reviewed the existing methodology and decided it needed a system to score the investment universe according to an outcome/driver model that also ranks issuers according to ESG scores.

The Solution

Refinitiv worked with the asset manager to review their ESG scoring system and develop a new ranking mechanism for the ESG pillars.

Refinitiv helped adapt the rules to include additional data available in Eikon. The way in which the data was organized, including availability and publication of ESG data, was also scrutinized.

The firm was particularly interested in Refinitiv's standardized data points, which help to assess all issuers on the same criteria. Eikon's ability to create custom scores that depend on drivers, outcome and weightings was also an attractive feature.

Customer Benefits

By partnering with Refinitiv, the asset manager was able to create a proprietary ESG scoring system that helps refine stock picking and more efficiently targets companies to contact for meetings.

The analyst team now has extra time to analyze companies and talk to CEOs, rather than scrutinize quantitative data.