

FAIRE 2008



vigeo

CORPORATE SOCIAL RESPONSIBILITY  
RATINGS

VIGEO INDICES

[www.vigeo.com](http://www.vigeo.com)



- **VIGEO indices**
- **Financial performance of SRI Indices**
- **VIGEO methodology**
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## Vigeo : 2 complementary approaches to CSR

3.

- An **Ethical approach to CSR**, based notably on the identification of controversial activities and exclusion criteria:
  - **Armament**
  - **gambling,**
  - **nuclear energy,**
  - **Tobacco**
- **CSR as:**
  - A **commitment from the company management** to take into account stakeholders' legitimate interests, expectations and fundamental rights
  - A **mean to mitigate CSR risks** (reputation, efficiency, legal, etc.)

# VIGEO : 2 complementary indices families

4.



## Aspi Eurozone© Zone : Euro

Reference universe:  
**DJ Euro Stoxx** (315 values)

First published on  
July 2001

**Top 120 VIGEO**  
rated companies from  
the benchmark  
financial index

Filter : **Best in class**

Annual Review,  
Quarterly and “on  
going” readjustment

Free-float market-  
capitalisation  
weighted



## — The ASPI Eurozone© Index

- **A positive approach** - companies are selected on good and best practices in Social Responsibility risk management – no activities exclusion (nuclear, tobacco...)
- **Customers:** Axa France (ETF, commercialised by Carrefour), Netik (ex-Capco) (US)

## — The Ethibel Sustainability Indices (ESI)

- **An Exclusion Index** for reason of societal controversies on products and services - sustainability performance always precedes index construction as a criterion
- **Customers:** Degroof Fund Management Company, Dexia AM, Vlaams Zorgfonds



**ESI Excellence Global**  
Zone: Europe, North America, Pacific As  
Reference universe: S&P 1200 Global  
First publish in 2002  
318 companies

**ESI Excellence Europe**  
Zone: Euro  
Reference universe: S1P Europe 350  
First published in 2002  
176 European companies

**ESI Pioneer Global**  
Zone: Europe, North America, Pacific Asia  
Reference universe: S&P 1200 Global  
First published in 2002  
199 companies

**ESI Pioneer Europe**  
Zone: Europe  
Reference universe: S&P Europe  
First publish in 2002  
350 companies

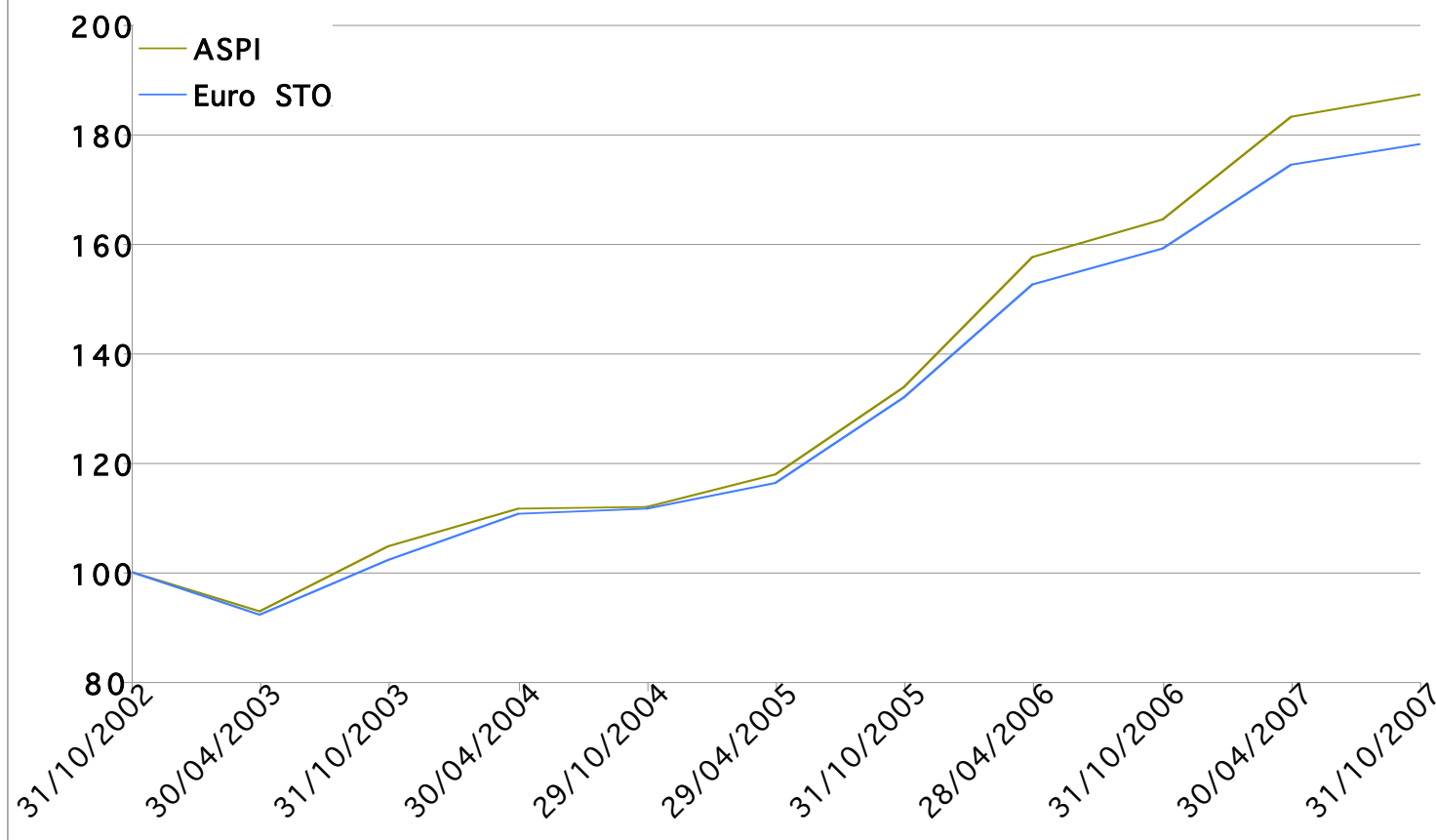
**ESI Excellence Europe Institutional** – a customized index based upon the ESI Excellence Europe



# ASPI Eurozone© index – Financial Performance and security on long run

5.

Performances de l'indice ASPI et du DJ Euro STOXX 5





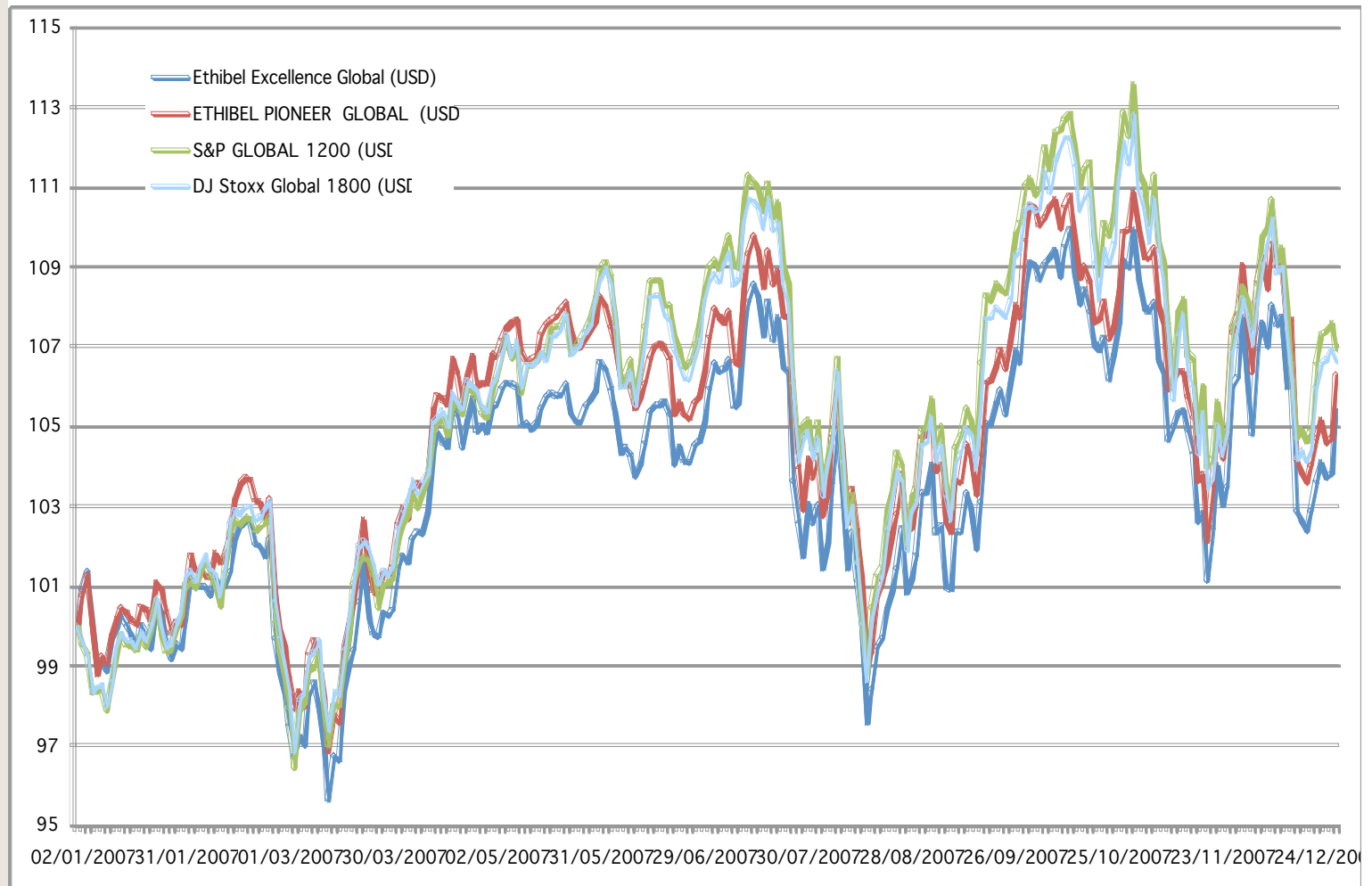
## Ethibel – invest in another way (1)

6.

- **Responsibility of the committee index:** The Board of Directors of [Forum Ethibel](#)

- **Sectorial representation:** Not all sectors (nuclear energy, weapons, gambling and tobacco) are represented with a consideration identical to that of S&PG Global 1200

- Particular attention to companies whose activities are linked to: **alcohol, chemicals, genetic engineering, pornography and animal**



## Ethibel – invest in another way (2)

7.

- **Goal:** select, for each sector, the most liquid shares meeting Ethibel's own methodological criteria

- Stocks with limited float may be included if they are **actively traded, suitably liquid** and if the market is large enough

- **Investable Weight Factor (IWF) or Float Shares**  
Revisions to organisations' IWFs are done every year by S&P in order to avoid frequent





# Financial performance of SRI Indices

8.

- **Comparison with a financial benchmark: general interpretation bias**
  - Lack of historical data: short term comparison when SRI is best evaluated on the long run
  - Relative small size of SRI indices => low diversification => higher risk
  
- **SRI indexes based on an exclusion approach**
  - *Is appraisal of financial performance relevant?*
  - Definition of CSR based on ethics which does not provide a comprehensive approach to CSR risks management
  - Sector bias resulting from the exclusion of certain activities
  
- **SRI indexes based on a CSR risks management approach**
  - Bias linked to weighting system (e.g. stock-exchange capitalization penalizes small companies)





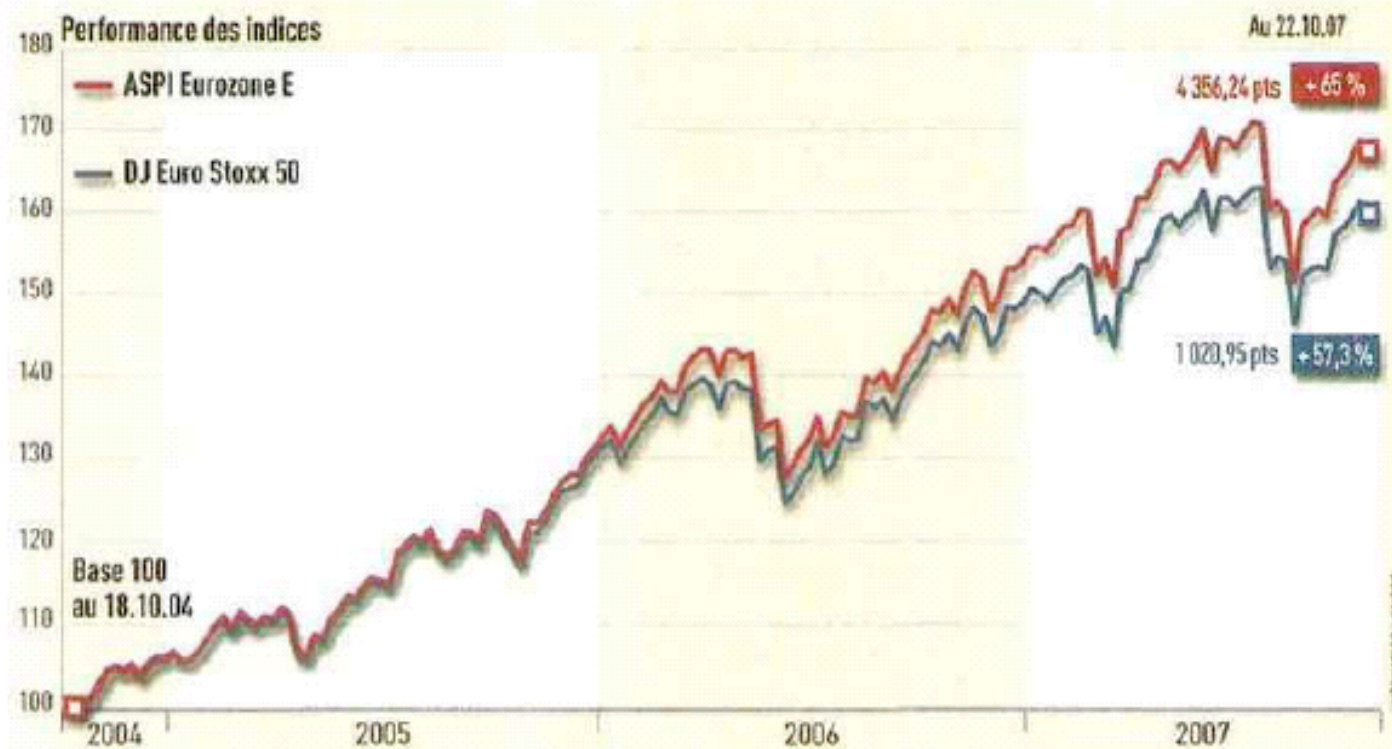
## ASPI: competitive advantages

9.

The **ASPI Eurozone©** tends to minimise these bias

- **High level of risks management security** linked to CSR
- **Solid financial** performance on long run (see next graphic)
- **Historical data**
  - 31/12/2000
- **No sectorial Bias**
  - Rating sector per sector – no under or over weighting
- **No bias linked to the size**
  - 120 companies
- **No change risk**
  - Calculation in € - Euro zone
- **Transparency**
  - Anticipation of ASPI index evolution
- **Calculation and Methodology Robustness**
  - David Davydoff (Dow Jones Euros STOXX)

## La gestion ISR suit les performances du marché



Longtemps en ligne avec les indicateurs européens, l'indice **Aspi** Eurozone – compose des 120 sociétés cotées les mieux notées de la zone euro, sur la base des notations Vigeo – se démarque légèrement du DJ Euro Stoxx 50 depuis janvier 2006. Sur trois ans, il enregistre un résultat de 65 %, contre 57,3 % pour l'indice européen. Deux explications à cela : d'une part, les encours des produits ISR ont gonflé en 2006, donnant plus de latitude aux gérants de ces produits. D'autre part, la gestion « éthique » trouve ses marques après une dizaine d'années d'existence.

# VIGEO Methodology respects the 2 approaches

11.

## VIGEO Corporate Sustainability Ratings per criterion

Companies selection for inclusion in the ASPI

For the Ethibel Index, Vigeo analyses direct or indirect (through participations) involvement of the types of companies in the following controversial business activities:

Armament

Nuclear energy

Hazardous chemicals

GMO in food

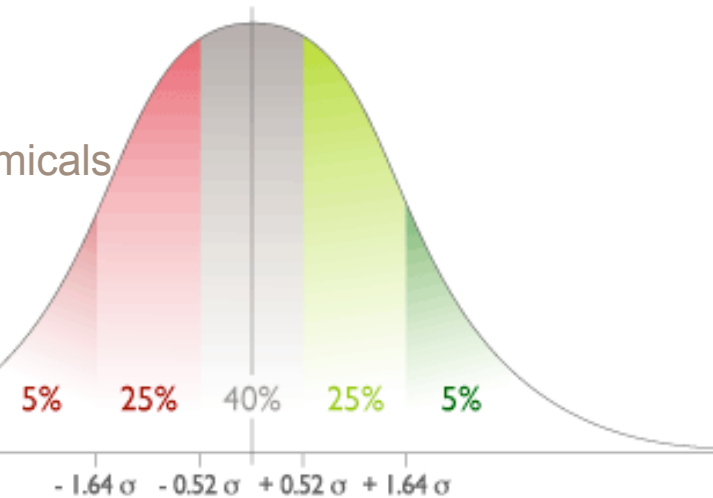
Alcohol

Tobacco

Gambling

Sex industry

Animal maltreatment



Company ranked as the least performing in the sector



Company ranked as a below average performer in the sector



Company ranked as an average performer in the sector



Company ranked as an active performer in the sector



Company ranked as a leading performer in the sector

Vigéo rejects these companies of its rating

## Corporate structure

- Founded in 2002, by Nicole Notat
- Paid-up capital of **€17.7 million**
- **75 employees** and **14 different nationalities**, in **4 locations** Paris, Brussels, Milan and Casablanca

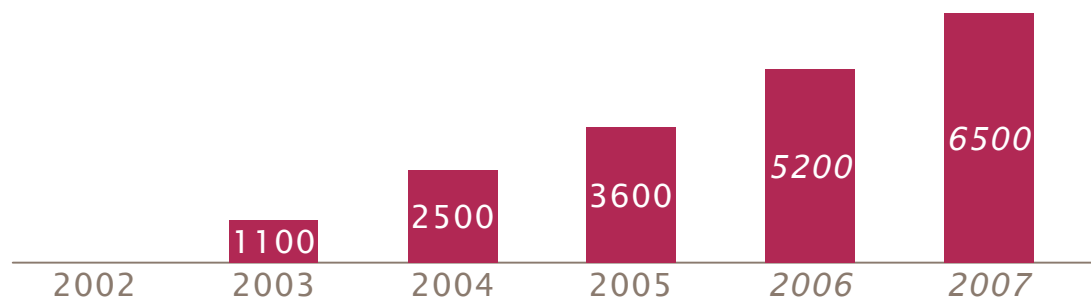
## Business activities

- **For investors and asset managers** (SRI Department)
- **For companies and local governments** (CSR Audit Department)

## Key numbers

- **600 European companies** evaluated (SRI Research)
- **60 investors and asset managers** in Europe
- **More than 90 CSR audits** carried out
- **More than 200 speeches**, conferences, seminars, trainings, etc., since 2002

## Evolution of the operating income (€ K)





## CORPORATE SOCIAL RESPONSIBILITY RATINGS

- PARIS
- BRUXELLES
- MILAN
- CASABLANCA



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