



WORLD'S FIRST CLIMATE RATING FOR EQUITY FUNDS LAUNCHED

- 'Climetrics' rates funds worth €2 trillion
- Rating launched by CDP, ISS-Ethix Climate Solutions and EU-backed Climate-KIC

BERLIN & ZURICH (July 6, 2017): The world's first climate impact rating for funds, Climetrics, launches today, enabling investors to more easily integrate climate impact into investment decisions.

The rating – symbolized by green leaves “issued” on a scale of one to five– will enable investors to gauge and compare the climate impact of investments in funds and potentially encourage growth in climate-responsible fund products.

The equity fund market – worth more than €3 trillion in Europe¹ – could be a significant lever for mitigating climate change. But, despite fast-growing institutional and customer demand for climate-conscious investing, to-date no rating system has allowed investors to compare funds' climate-related impacts.

Climetrics bridges this gap, uniquely rating each fund on the climate change impact of its portfolio holdings, as well as on the asset manager's own application of climate impact as an investment and governance factor.

Climetrics is backed by international climate specialists: CDP, the global not-for-profit holding the most comprehensive set of corporate environmental data, and ISS-Ethix Climate Solutions, part of the responsible investment arm of Institutional Shareholder Services Inc. Climetrics was catalysed and funded by Climate-KIC, the European Union's main climate innovation initiative.

Top-rated funds can be found for free on climetrics-rating.org, with deeper fund results offered on a subscription basis. Commercial use of the rating by funds will be licensed, allowing asset managers and banks to promote the sale of funds which outrank peers on climate-related impact.

CDP's Executive Chair Paul Dickinson says: "For the first time, investors in funds will be aware

¹ UCITS funds across all asset classes as per end of Q1 2017)

of their funds' climate impact and can judge investments accordingly. Climetrics is a missing link between individual investment choices and the global problem of climate change, and will move the needle in incentivising both investors and companies to contribute to the low-carbon transition."

Climate-KIC's CEO Dr Kirsten Dunlop says: "Climetrics is a unique rating designed to transform investment decisions and drive climate-positive outcomes. As a climate innovation catalyst, we work with partners to identify and broker system-changing collaborations with the most potential for growth and environmental gain. This project is an excellent example of the potential for collaborative innovation to unlock the finance needed to scale up climate action."

Maximilian Horster, Managing Director at ISS-Ethix Climate Solutions says: "Climate change related investment risks and impact can thus far only be managed by professional investors. Climetrics will change this historical model by providing a sophisticated, transparent and independent climate rating of funds, based on the best available data, turned into a simple output that can be understood by every financial market participant."

The methodology underlying the ratings was developed by the rating's data providers CDP and ISS-Ethix Climate Solutions, in consultation with NGOs, asset owners and managers, and members of the academic community. Also including a number of external data sources, it scores funds across three levels to produce its 1-5 green leaf rating. Most importance is placed on each fund's *portfolio score*, measuring the climate impact of all individual companies in which the fund is invested. An *asset manager score* identifies asset manager action on integrating climate change into their governance and investment processes, while a *fund policy score* identifies funds with a specific ESG mandate. The universe of funds is provided by yourSRI.com, the service provider for all of Climetrics' fund-related information.

Climetrics covers more than 55 percent of the assets invested in equity funds that are currently for sale in Europe, representing about €2 trillion in fund investments.

Climetrics arrives as both institutional and private investors are increasingly attentive to climate-related risks to assets, and at a time when global finance's role in the low-carbon transition is in the spotlight. France recently broke ground with Article 173 - the first law to mandate climate change related reporting for investors, while the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) explicitly calls for financial actors and companies to disclose climate-related financial risks and opportunities.

- ENDS-

Media enquiries

For more information or interviews, please contact:

CDP: Joshua Snodin | e: joshua.snodin@cdp.net | t +49 30629033142 | m: +49 17621467125

[@cdp](#) | www.cdp.net

ISS-Ethix Climate Solutions: Fatou Samateh | e: fatou.samateh@issethix.com | m: +41 76 778 88 07

Climate KIC: Gudrun Freese | e: gudrun.freese@climate-kic.org | t +44 (0) 203 7708 083 | m: +44 (0)7825600487

About Climetrics

Climetrics is the world's first fund rating which enables investors to integrate climate impact into their investment decisions. Covering equity funds in Europe worth €2 trillion, it was developed by two recognized climate specialists: not-for-profit [CDP](#) (formerly Carbon Disclosure Project) and ISS-Ethix Climate Solutions, part of the responsible investment arm of Institutional Shareholder Services Inc. Climetrics provides investors with a 1-5 rating – symbolized by green leaves “issued” on a scale of one to five – based on a comprehensive, three-level methodology using data from CDP and ISS-Ethix. Top-rated funds can be found for free on [climetrics-rating.org](#). Climetrics was catalyzed and funded by Climate-KIC, the EU's main climate innovation initiative.

About CDP

CDP is an international non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. Voted number one climate research provider by investors and working with institutional investors with assets of US\$100 trillion, we leverage investor and buyer power to motivate companies to disclose and manage their environmental impacts. Over 6,000 companies with some 60% of global market capitalization disclosed environmental data through CDP in 2016. This is in addition to the over 500 cities and 100 states and regions who disclosed, making CDP's platform one of the richest sources of information globally on how companies and governments are driving environmental change. CDP, formerly Carbon Disclosure Project, is a founding member of the We Mean Business Coalition. Please visit [cdp.net](#) or follow us [@CDP](#) to find out more.

About ISS

Founded in 1985 as Institutional Shareholder Services Inc., ISS is the world's leading provider of corporate governance and responsible investment (RI) solutions for asset owners, asset managers, hedge funds, and asset service providers. ISS' solutions include: objective governance research and recommendations; RI data, analytics, and research; end-to-end proxy voting and distribution solutions; turnkey securities class-action claims management (provided by Securities Class Action Services, LLC); and reliable global governance data and modelling tools. Clients rely on ISS' expertise to help them make informed corporate governance and responsible investment decisions. For more information, please visit [www.issgovernance.com](#).

About Climate KIC

Climate-KIC is the EU's largest public private partnership addressing climate change through innovation to build a zero-carbon economy. They address climate change across four priority themes: urban areas, land use, production systems, climate metrics and finance. Education is at

the heart of these themes to inspire and empower the next generation of climate leaders. Climate-KIC runs programmes for students, start-ups and innovators across Europe via centres in major cities, convening a community of the best people and organisations. Their approach starts with improving the way people live in cities. A focus on industry creates the products required for a better living environment, and the organisation looks to optimise land use to produce the food people need. Climate-KIC is supported by the European Institute of Innovation and Technology (EIT), a body of the European Union. For more information visit the Decision Metrics and Finance section of the Climate-KIC website climate-kic.org/themes/decision-metrics-finance or [@ClimateKIC](https://twitter.com/ClimateKIC)