



Dear << Test First Name >> ,

Welcome to the first issue of *GISR INSIGHT*, a new resource for keeping you informed on the latest developments of the Global Initiative for Sustainability Ratings (GISR) and for sharing new ideas and resources on sustainability ratings.

GISR is part of suite of initiatives aimed making capital markets an agent of, rather than impediment to, sustainability. Over the next 18 months we will develop a global Standard for measuring corporate sustainability performance to embed sustainability in the capital markets.

## The GISR Standard

Under the stewardship of the Steering Committee Technical Review Committee (TRC), the GISR "stand alone" standard will comprise three components:

**Principles.** Pillars that support excellence in sustainability rating, including determining what's material, boundary-setting, frequency of updates, auditability, quality assurance, and sustainability context.

**Process.** Attributes of the ratings process aimed ensuring state-of-the-art technical excellence, dynamism and inclusiveness with regard to stakeholder input.

**Performance.** Social, environmental, (non-financial) economic and governance indicators, focused on outcomes of the organization's activities. Performance assessment also will cover intangibles such as the quality of strategy and management, capacity to innovate, and sustainability culture.

In addition to the stand-alone standard, GISR will certify other ratings methodologies as "GISR-compliant" when such approaches substantially adhere to the principles, process and performance aspects of GISR's stand-alone standard.

## A Key Role for the Technical Review Committee

We are in the early stages of assembling the Technical

### MOVING MARKETS: THE NEXT GENERATION OF SUSTAINABILITY RATINGS WEBINAR

Join us December 15th for an interactive webinar with experts from the sustainability ratings community - asset owners, asset managers, companies, ratings analysts - for an exploration of critical issues shaping the next generation of sustainability ratings.

[REGISTER NOW](#)

### NEW GISR MATERIALS

New materials are available for download that describe GISR's mission and role in the sustainability movement. Use the links below to download the GISR Materials:

- [Brochure](#)
- [Frequently Asked Questions](#)

### OUR PARTNERS

We are pleased to welcome UBS Asset Management and AMD as the most recent Founding Partners. GISR's Founding Partners and Collaborating Organizations include:



Review Committee (TRC), a multistakeholder group that will oversee development of a beta version of the Standard over the next 12 months, and release Version 1.0 in approximately 18 months. Technical work will begin on the GISR standard in Q1 2012. We welcome your feedback and input into this standard-setting process. [Email us](#) to learn more and participate in the standard development process.

## KPI Pilot Program

The GISR standard will encompass both cross-sectoral and sector-specific key performance indicators (KPIs). KPIs are metrics used by investors and other stakeholders to assess corporate sustainability opportunity and risk. Markets have a strong appetite for credible KPIs. When GISR uses the term KPI, it signifies a variable that demonstrably drives sustainability performance. GISR is undertaking a research project to design two types of KPIs: (1) cross-sectoral (i.e. core) environmental KPIs and (2) KPIs for two trial industry sectors.

Our goal is to experiment with approaches for identifying KPIs that demonstrate both financial materiality and sustainability materiality, that is, concurrently create value for both investors and value for society at-large. GRI Guidelines and SASB's KPI methodology will be key ingredients in this pilot project.

[Email us](#) to learn more about participating in the GISR Pilot Program.

## Resources

**Rate-the-Raters.** In May of 2011, the consultancy [Sustainability](#) published the first of four research reports on sustainability raters titled *Rate the Raters*. The report "aimed to shed light on the universe of corporate sustainability ratings and to influence and improve their quality and transparency." This is a must read for companies and investors. The final report can be accessed [HERE](#). Sustainability also issued a Call to Action, inviting:

*"All ratings organizations to respond publicly by 1 January 2012 to the same short set of questions we posed to the 21 raters with whom we worked during phase three. In making this request, we are channeling the sentiment of the many stakeholders with whom we've spoken during the project, who want to see the same level of transparency from raters as we all expect from the companies they rate. We commit to compiling all responses and making them publicly available in the spring of 2012."*

**Newsweek Green Ratings.** Newsweek released its third annual [Green Rankings](#) on October 16th and garnered



GISR supporters include representatives from pension funds, investment managers, companies, government agencies and NGOs. We welcome inquiries regarding partnership programs. Contact [Mark Tulay](#), GISR Program Manager.

### GOVERNANCE

GISR is governed by a multistakeholder Steering Committee. SC Members include:

**Mindy Lubber**, CERES  
**Allen White**, Tellus Institute  
**Nelmara Arbex**, GRI  
**Bruno Bertocci**, UBS  
**Suzanne Fallender**, Intel  
**Hans Hirt**, Hermes  
**Joe Keefe**, Pax World  
**Chris Jochnick**, Oxfam  
**Erica Matthews**, PepsiCo  
**Amy O'Brien**, TIAA-CREF  
**Curtis Ravenel**, Bloomberg  
**Roberta Simonetti**, FGV  
**Alan Willis**

### ABOUT GISR

GISR's mission is to design and implement a global sustainability ratings standard to expand and accelerate the contribution of business and other organizations worldwide to sustainable development.

GISR will not rate companies. Instead, it will certify other organizations to apply its standard through a process of training and follow-up quality assurance.

Launched in June 2011 as a joint program of CERES and Tellus Institute, GISR is a global non-profit, mission-driven program aimed at moving markets to the advantage of true sustainability leaders.

significant interest among companies and investors. Joel Makower's '[Agony and Ecstasy of Newsweek's Green Rankings](#)'. describes how Newsweek's methodology changed this year as they changed a research provider and the methodology:

*"The tweaked methodology will confound some companies. While the top and bottom of the list look roughly the same — 5 of this year's top-10 companies are the same as last year, as are 6 of the 10 lowest-ranked companies — several companies' scores changed dramatically, not always for obvious reasons.*

GISR will publish articles and analysis that will describe some of the differences in the leading ratings and what it means for investors. Stay tuned for more information on this research. To sign up for research alerts, [email us](#).

**A front row seat to a CalPERS meeting on ESG integration.** Have you ever wondered how pension funds decide on how or if to integrate ESG considerations into their investments? The largest US public pension fund convened an 'ESG Opportunities Workshop' on August 15, 2011 that provides a thoughtful and engaging discussion on how these decisions are made. Recorded videos can be viewed [HERE](#).

We welcome your feedback and input in our programs and invite you to share this update with your organization and networks.

#### FEEDBACK

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