RepRisk Preps New Categories for ESG Risk Database, Grows Headcount

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Swiss environmental, social and corporate governance (ESG) data provider RepRisk is integrating six new topics into its company database of ESG information, to enable institutional investors to identify and assess financial, reputational and ethical risks associated with companies in which they plan to invest.

The six new topics—nuclear power, monocultures, sea bed mining, water scarcity, arctic oil drilling and conflict minerals—are being added in response to client demand, according to Philipp Aeby, chief executive of RepRisk.

“Our clients are interested in these hot topics because they are relevant to their business activity or investments and companies they are dealing with,” Aeby says. “These areas are specifically important topics because they can drive share prices or destroy your reputation as a company or an investor.”

RepRisk is currently integrating the new tags into its database—which currently covers more than 24,400 companies—and has assigned analysts to apply the tags to old stories relating to the topics dating back to 2005, which Aeby says could take up to two months. “The topic tags are a subset of our main ‘issues’ categories, so we should have the coverage already, but we have to look again and improve our source coverage,” by trawling through major media, newsletters, news sites, government agencies and blogs, Aeby adds.

In the meantime, RepRisk will round out its coverage using specialized sources, such as non-governmental organizations (NGOs) that collect information on undersea coal mining in Australia, for example.

In other news, the firm has boosted staff numbers over the past two months with the addition of five new analysts in Korea and China, who will be responsible for monitoring ESG news relating to companies in Asia, as well as two new developers to the technology team based in London and a new strategic marketing analyst based in New York.

Aeby says the additional coverage of Asia-Pacific companies is designed to provide insight into local practices for its existing clients in the US, Australia and Europe, rather than to grow its client base in the region. “There are differences in how criticism [of companies] is voiced in Korea and China,” he says. “For example, in Korea, media enterprises are often associated with conglomerates, so there is more of a political background, whereas in China, news is very often controlled by the government, so we were keen to bring analysts with local knowledge in-house.”