

Launch of Fair Cost Index ESG equity indexes in partnership with Scope Group

After launching a full range of equity indexes in 2020, Fair Cost Index has signed a partnership with Scope Group, the leading European rating agency, to build a high-performance range of ESG equity indexes. This new range features traditional parent indexes based on types of exclusions and the ESG scores. A "core" sub-family adopts standard ESG characteristics. A "leaders" sub-family retains the highest scores of companies in their respective sectors, while many other varieties of ESG indexes can be created to meet clients' specific requirements.

Fair Cost Index prides itself on three core principles:

Methodology based on transparency: The methodology underpinning the FCI indices is fully transparent, documented and accessible to all users. The indexes reflect markets they represent without bias. They are built on a rigorous, automated methodology, free of judgment calls. The ESG range sets a high average score for each index as a goal, which helps to guarantee its representativity.

Fair prices: The indexes are low-cost products, priced independently of any use that a client makes of them. A unique license covers portfolio management, risk control, performance attribution, reporting and fund marketing all at once and at no additional cost.

A flexible offer: In addition to its full range of standard indexes, FCI can create customised indexes that reflect fund managers' specific needs.

Scope ESG Analysis prides itself on its unique, innovative approach to sustainability analysis:

Quantitative: The approach is based on rigorous quantitative measures of sustainability, applying dynamic weights to individual impacts.

Transparent: ESG impacts are measured using internationally recognised, publicly available data sources.

Supply chains: Impacts of company's direct activities and a comprehensive review of its indirect exposure to global supply chains are central to the ESG analysis.

Comparable: The monetisation of impacts allows for consistent comparisons across ESG dimensions and industrial sectors.

Global: Coverage is international, with capacity to analyse all company types, from small and medium-sized enterprises to large-cap companies, regardless of levels of ESG self-reporting.

The synergies shared by FCI and Scope as active participants in Europe's capital markets allows them to offer a range of high-performance low-cost ESG indexes, based on rigorous and transparent methodologies in the context of the regulatory harmonisation of sustainable finance in Europe.

"ESG is not just a passing trend! It is a change of paradigm with a significant impact on the financial markets. Scope will be the first rating agency to integrate ESG, holistically and profoundly, into its analytical DNA. Our partnership with Fair Cost Index contributes to the resonance of our own unique approach which is attracting a growing number of investors," says Marc Lefèvre, head of business development for Western Europe, Scope Group.

"Taking into account ESG criteria in management has become a socio-economic necessity and a regulatory requirement. In Scope Group we have found a partner who has built a comprehensive and well-balanced global database on the universes which we have delineated to construct our equity indices. Supporting various levels of scalability, the ESG indicators provided by Scope allow FCI, with both ranges of 'core ESG' and 'leaders ESG' to offer asset managers FCI ESG indices of gross added value," says Dr François Chauvet, CEO, Founding Partner, Fair Cost Index

About Fair Cost Index

Fair Cost Index, an independent company, was established in 2019 after four years of research and development. FCI obtained its AMF approval as an index administrator in 2020 and is registered with ESMA. FCI produces traditional equity indices and now ESG equity indices on all geographic zones, World, US, Europe, EMU, but also sectoral, thematic, management style or customized indices to meet the specific needs of its clients. More on www.faircostindex.fr

About Scope Group

With more than 250 employees operating from offices in Berlin, Frankfurt, Hamburg, London, Madrid, Milan, Oslo and Paris, Scope Group is the leading European provider of independent credit ratings, ESG and fund analysis. Based on forward-looking and innovative methodologies, Scope offers a European perspective that contributes to greater diversity of opinion for institutional investors worldwide. **Scope Ratings** is the largest European credit rating agency, registered in accordance with EU and UK rating agency regulation, offering opinion-driven and non-mechanistic credit risk analysis. **Scope ESG Analysis** provides tools for analysing and reporting on ESG impact and risk, as well as second-party opinions on green, social and sustainable bonds. **Scope Fund Analysis** rates more than 10,000 funds and asset managers across all major asset classes. The shareholders of Scope Group include CEO and founder Florian Schoeller and anchor shareholder Stefan Quandt, numerous senior personalities in European finance and industry as well as institutional investors from several European countries. More on www.scopegroup.com