



ESG Ratings Inspire Change

May 9, 2016

[Integrating Fundamental Analysis with Environmental, Social and Governance Factors](#)

Investors are paying increasing attention to the Environmental, Social and Governance (ESG) records of public companies, a focus that has been a constant at ClearBridge Investments for many years. In 2015, we formally recognized the importance of these factors to our investment process by establishing ESG ratings for every company covered by our research analysts. These ESG ratings are proprietary scores intended to signal to investment teams how well a company has executed its ESG practices.

With companies early on in their adoption of ESG practices, a primary motivation in publishing ratings is to engage companies and help them establish baseline ratings against which to measure their progress and communicate their accomplishments. We strive for our ratings to accurately reflect the most current sustainability efforts of the stocks we cover and they provide a framework to prioritize our one-on-one discussions with these companies.

ESG ratings, which support the concentrated position weightings we often take in companies, are the latest effort in our mission to drive positive corporate change, a mission that also includes making an impact through proxy voting and promotion of best practices.

About the Author



Mary Jane McQuillen

Managing Director, Portfolio Manager, Head of Environmental, Social, and Guidance Investment

- 21 years of investment industry experience
- Member of ClearBridge Investments Proxy Committee
- MBA in Finance from Columbia Business School
- BS in Finance from Fordham University

Past performance is no guarantee of future results.

Copyright © 2017 ClearBridge Investments.

All opinions and data included in this commentary are as of May 9, 2016 and are subject to change. The opinions and views expressed herein are of Mark McAllister and may differ from other analysts, or the firm as a whole, and are not intended to be a forecast of future events, a guarantee of future results or investment advice. This information should not be used as the sole basis to make any investment decision. The statistics have been obtained from sources believed to be reliable, but the accuracy and completeness of this information cannot be guaranteed. Neither ClearBridge Investments nor its information providers are responsible for any damages or losses arising from any use of this information.