What is Sensefolio?

Sensefolio ESG/Sustainability Scores:

Sensefolio provides ESG/Sustainability scores for over 12,000 companies and their 200,000+ subsidiaries over 50+ countries. The E, S, and Governance scores are provided, as well as their 11 sub-categories (i.e. Climate Change, Sustainability, Biodiversity and Water, Health & Safety, Employee Standards, Community Responsibility, Human Rights, Leadership & Management Structure, Business Innovation & Performance, Outside Activities, and Business Ethics) and 51 ESG topics.

For this, Sensefolio aggregates more than 100,000 sources of information from news, reports, social media posts and company reviews.

Machine Learning/Natural Language Processing (NLP):

Sensefolio utilizes Machine Learning and Natural Language Processing (NLP) techniques to "read", analyse and monitor companies' involvement into ESG-related topics. In this way, Sensefolio can quantify the neutrality, positivity or negativity of a text.

Sensefolio has been constantly developing its NLP algorithms for the last 4 years. The more data we have had, the better the Sensefolio scores have become.

Sensefolio Market Intelligence:

The Sensefolio Market Intelligence is a dedicated team to research and development at Sensefolio. We provide top-notch research notes on the ESG and Sustainability topics, as well as backtesting strategies developed out of Sensefolio ESG data.

As true believers of ESG involvement as source of long-term performance, the aim of the Sensefolio Market Intelligence is to show how Sensefolio scores can be used to benefit from the market environment and how can companies can significantly and efficiently grow in the long-term.

ESG News Provider:

Sensefolio also provides the latest news on ESG and Sustainability topics.

Don't miss out. You can find @sensefolio on Facebook, Twitter, LinkedIn and Instagram.

What is the difference between Sensefolio and other ESG/Sustainability score providers?

Sensefolio is different from other ESG/Sustainability score providers in many ways:

Cutting-Edge Technology and Finance professionals:

Sensefolio algorithms have been trained and developed over 4 years and are constantly improving as it is aggregating more and more data. They have been developed by Computer Science graduates from leading STEM universities across the globe, Data Scientists who have been working in Fintech companies, as well as with financial professionals in collaboration with top business schools with a focus on ESG and Sustainability topics.

The Sensefolio ESG Framework (SEF) and other frameworks to adopt:

The Sensefolio ESG Framework, commonly known as SEF, has been developed throughout the years and has finally come into 3 pillars (E, S and G), 11 sub-categories (i.e. Climate Change, Sustainability, Biodiversity and Water, Health & Safety, Employee Standards, Community Responsibility, Human Rights, Leadership & Management Structure, Business Innovation & Performance, Outside Activities, and Business Ethics) and 51 topics (find more on sensefolio.com/SEF.

What makes Sensefolio stand out from its peers is also that it has developed ways to categorize the different themes developed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the UN Sustainable Development Goals (SDGs). In this way, users can either choose the SEF framework, or rely on the existing ones cited above.

Investment-focus and Alpha-Generation:

As true believers of ESG involvement as source of long-term performance, the aim of the Sensefolio Market Intelligence team is to bring value to its customers. By delivering top-notch research, clients can be constantly informed on the market as well as benefit from strategies and various developments carried out by the team.

Note that past performance may not be indicative of future performance and the Sensefolio Market Intelligence team provides materials for informational purposes only and do not constitute an offer to sell, a solicitation to buy, a recommendation or endorsement for any security or strategy, nor does it constitute an offer to provide investment advisory or other services by Sensefolio, Sense Portfolio SAS or its employees.

Great number of inputs and sources of information:

With over 100,000 sources of information, Sensefolio provides deep integration of news, ESG/Sustainability reports, social media posts as well as company reviews. Sensefolio aggregates everything and does the hard work for you.

Also, Sensefolio scores are updated on a (near) real-time basis and as more data are integrated into the Sensefolio systems, the better the Sensefolio algorithms become.

Academic Research and Collaborations:

Sensefolio's algorithms have been developed by Computer Science graduates from leading STEM universities across the globe, Data Scientists who have been working in Fintech companies, as well as with financial professionals in collaboration with top business schools with a focus on ESG and Sustainability topics.

Do you have an ESG/Sustainability framework or do you rely on other frameworks?

Sensefolio has its own ESG/Sustainability framework: the *Sensefolio ESG Framework (SEF).*
This includes 11 categories (i.e. Climate Change, Sustainability, Biodiversity and Water, Health & Safety, Employee Standards, Community Responsibility, Human Rights, Leadership & Management Structure, Business Innovation & Performance, Outside Activities, and Business Ethics) and 51 sub-categories.
However, you can also rely on the frameworks of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the UN Sustainable Development Goals (SDGs) as every of their categories can be classified into the 11 categories of the Sensefolio ESG Framework (SEF).
More information can be found on *www.sensefolio.com.*

How are Sensefolio scores calculated?

Sensefolio have been developing Machine Learning and Natural Language Processing (NLP) algorithms to 'read' and analyze articles for the last 4 years. The more data has been added into our systems, the better our algorithms become.

In this way, on Sensefolio's 5-point scale, positive news and information are scored above 2.5, and negative news and information are scores below 2.5.

Where does your data come from?

Report-based evaluation:

Sensefolio aggregates financial reports from the companies covered. This includes annual reports and ESG reports (these latter can also be named as Sustainability reports or CSR reports).

News-based evaluation:

Sensefolio integrates news as soon as they are published. However, further quality checks are being carried out by the Sensefolio systems in order to make sure only certified and approved sources of information are being retrieved and placed into our databases. This includes check for fake news sources.

Social Media evaluation:

Sensefolio also integrates social media posts that have been retrieved by our systems if they have been relevant to certain topics and themes used by the *Sensefolio ESG Framework (SEF)*.

Company Reviews evaluation:

Sensefolio finally retrieves company reviews from current and past employees. Every aspect of a company social and governancethemes are thus being analyzed carefully.

How are the sources of information chosen by Sensefolio?

Sensefolio utilizes internal and proprietary web-scraping technology as well as partnerships with news providers to read, analyze and scan millions of information from more than 100,000 sources of information. Sensefolio aggregates financial reports (e.g. ESG/Sustainability/CSG reports), financial news (e.g. Bloomberg, CNBC, Financial Times, SeekingAlpha, etc.), and information from social media (e.g. Twitter, Glassdoor, Indeed, FairyGodBoss, InHerSight). Every source has been carefully selected and added to add as much information as possible for every category of the Sensefolio framework.

How often are the scores calculated?

Sensefolio scores are being updated on a (near-) real-time basis. This means that, as an example, as news are being integrated on a real-time basis by the Sensefolio systems, the Sensefolio quality check algorithms still need to make sure that the news are not only relevant, but also do come from legitimate sources. The quality checks are proprietary algorithms designed and developed by the Sensefolio Market Intelligence team.

How does Sensefolio ensure input data quality?

Insured data quality has always been primordial at Sensefolio and its systems. We do not deliver invented data and we do not provide data that do not make any sense. In this way, Sensefolio has various data quality checks installed and that have been developed throughout the years.
- No double-counting
- Making sure that no fake news are being integrated via proprietary algorithms

- Reliance on different sources of information
- Some news providers are more weighted than others
- Sensefolio has also developed a database listing the viewpoint and bias of certain news providers
- Regarding financial reports, Sensefolio takes into consideration the objectivity/subjectivity of the text

How does Sensefolio account for gaps or inconsistencies in data?

As data quality has always been of high importance at Sensefolio, we have developed algorithms that account for gaps or inconsistencies in the data being retrieved.
- There needs to be sufficient data about a new information in order to be integrated
- Data is being cleaned on a real-time basis: before data is fully integrated into the Sensefolio systems, the algorithms will first assess whether the data make sense or come from 'fake news' providers
- Outlier detection: Sources are being deeply scrutinized if they add a complete opposite view of a certain company
- 'Fake news' detection

Do you include a way to filter out companies based on controversial activities – e.g. Alcohol, Tobacco, Gambling, or Fossil Fuel?

Yes. Sensefolio will tell you whether a company's revenue comes mainly from (i.e. more than 5% of its revenue) controversial activities. The list of controversial activities is the following:
- **Adult Entertainment**
- **Alcohol**
- **Defence**
- **Fossil Fuel**
- **Gambling**
- **GMO**
- **Nuclear**
- **Pork**
- **Stem Cells**
- **Tobacco**
- **Weapons**

Who uses Sensefolio?

Sensefolio has a broad range of clients. They are investment professionals who are looking for a more reliable, more constant and more granular data to assess and monitor the companies they are covering. Because of the Big-Data used by the Sensefolio platform and the Sensefolio algorithms, investors trust more real-time and more tangible data from various sources of information. Sensefolio thus aggregates every information about companies and do the hard work for them.

That is why most of our clients are:
- **Portfolio Managers**
- **Quantitative investors**
- **Analysts**
- **Consultants**
- **Hedge Fund managers**

How can companies/firms use Sensefolio scores?

- **Benchmarking** within their sector and industry. Companies can evaluate themselves by comparing their historic and current Sensefolio scores to its peers.
- Companies can also **check their Sensefolio category scores** and underlying components (both the Sub-Categories scores and Topics scores)
- Companies can also **monitor the data sources** and see how they are seen publicly
- Companies can also assess whether the supply chain firms they source from are also having good Sensefolio scores. This allows more **Supply chain transparency**.

How can investors use Sensefolio scores?

As making sense to portfolio (i.e. make portfolios more ethical while sustainable and efficient at the same time) is one of the main objectives of Sensefolio, we cannot cite the clients we are offering our services to. Our clients can utilize Sensefolio scores as a:

- **Risk management tool**: Through the near real-time update of the Sensefolio scores, investors can monitor and assess the ESG/Sustainability involvement of the companies they are covering instead of relying on annual ESG updates provided by both companies and analysts.
- **Investment management**: By rating companies on a near real-time basis, investors can track companies that are more likely to perform well in the long-term, as well as track companies that are likely to underperform in the short, middle and long-term.
- **Compliance & Reporting**: Investors can check whether the companies they are covering are compliant with the regulations in their respective countries.
- **Meet demand for ESG-based investments from Millennials**: With millennials becoming the future generation of investors, a recent study from Morgan Stanley has shown that 84% of them are being interested in sustainable investing and cite investing with a focus on ESG impact as a central goal.
  Source :   :
  https://www.morganstanley.com/pub/content/dam/msdotcom/ideas/sustainable-signals/pdf/Sustainable_Signals_Whitepaper.pdf

How can the media use Sensefolio scores?

The media can use Sensefolio scores to show both positive and negative elements for a certain company. For instance, how Sensefolio scores were predictive of company scandals or how companies in a certain sector have been endeavouring to reduce their carbon footprint and improve their long-term sustainable success.

How can Academic Researchers use Sensefolio scores?

Academic Researchers from universities and business schools are most welcome to contact us for collaboration with the Sensefolio Market Intelligence team to access our data and track, develop, and test potential investment strategies and/or market research.

Do you have scores for companies that are no longer listed and/or bought by another company?

Yes. Sensefolio covers **12,000** companies (and more than **200,000** of their affiliates) from over 50 countries. These include all public companies in the US as well as large and mid-cap international companies.
E.g. Amazon took over Whole Foods in 2017. This means that not only Whole Foods will have scores until 2017, but will also contribute to the Sensefolio scores of Amazon from 2017 onwards.

Do you have brands and affiliates of the 10,000+ companies you are covering?

Yes. Sensefolio covers 12,000 companies and more than 200,000 of their affiliates. Sensefolio also holds a database of the 12,000 companies and their brands. Unilever owns over 400 brands such as Axe/Lynx, Knorr, Lipton, Magnum, Surf etc.

How can we access the Sensefolio scores?

Sensefolio scores can be accessed via the Sensefolio API, via file transfer using FTP, or by using the Sensefolio platform (even though it is still under constant improvement).
As scores are constantly updated, you can update them by re-requesting Sensefolio scores.

What is the granularity of the Sensefolio data?

Sensefolio has data from 2007 onwards. However, due to the scarcity of very valuable data back then, we consider the year 2010 to be the start of the Sensefolio scores. Indeed, after 2010, data have become more ubiquitous and valuable. Also, the Sensefolio algorithms are constantly improving by adding more data.
One score will be allocated for each one of the components for each category (categories are more detailed on slide 6 of this presentation.

Any additional questions?

If you have any additional questions, please contact: info@sensefolio.com or find us with @sensefolio on Facebook, Twitter, LinkedIn or Instagram.

You can also visit Sensefolio's website on: www.sensefolio.com

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