

Background Brief on Michael Jantzi

Biography



Michael Jantzi is the CEO of Sustainalytics. He was the founder of Jantzi Research and has been active in the responsible investment field since 1990. Michael is a thought leader on sustainability investment and corporate social responsibility issues and regularly appears in the global media. He is the co-author of *The 50 Best Ethical Stocks for Canadians: High Value Investing*, published by MacMillan Canada. Over the years Michael and his team have been recognized for their research excellence and for being champions of sustainable and responsible investment globally. In 2006, Jantzi Research won the Capital Markets Award for Sustainable Investment & Banking, awarded by the GLOBE Foundation and The Globe and Mail as part of the prestigious GLOBE Awards for Environmental Excellence program. In June 2010, Michael was awarded the Lifetime Achievement Award by the Social Investment Organization (now the Responsible Investment Association) in recognition of his contributions to the Canadian sustainable and responsible investment market through leadership, initiative, collaboration and innovation. He was named one of Canada's "Clean50" leaders in 2012 and again in 2020, and he was also awarded the prestigious Canada Clean16 award in the Finance and Services category for his significant contributions to the causes of sustainability and clean capitalism in Canada.

Under Michael's leadership, Sustainalytics has been recognized as one of the top two responsible investment research firms in the world by the Independent Research in Responsible Investment (IRRI) survey for the last seven consecutive years and has also won several Environmental Finance and Climate Bonds awards for its work with green bonds. RIA Canada recently recognized Sustainalytics as a Leader in ESG Integration.

For more than a decade, Michael has served as a member of the Finance and Investment Committee of Tides Canada, where he is also a Board Director. Michael serves on the Board of Directors for the PRI (Principles for Responsible Investment) and was recently appointed to the SASB Foundation Board. Michael holds degrees from the University of Western Ontario and Dalhousie University.



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Overview of Sustainalytics' Initiatives to Combat Climate Change

- Over the last 25 years, Sustainalytics has brought together leading ESG research and client servicing professionals to support investors who incorporate ESG and corporate governance insights into their investment processes.
- Sustainalytics provides data on 40,000 companies, with ratings on 13,000 of those, in addition to monitoring 172 countries.
- Sustainalytics flagged governance concerns at Volkswagen months before the 2015 Volkswagen emissions scandal. They also flagged corporate governance concerns regarding Fiat Automobiles 18 months prior to the company being accused of breaking emissions laws in 104,000 diesel vehicles in January 2017.
- Sustainalytics also provides "second opinions" for corporate governmental issuers that assesses the framework of the issuer's green, social or sustainability bond. Notably, in 2019, Sustainalytics completed projects with PepsiCo, Reykjavik Social Housing and Etihad Airways among others.
 - For example, PepsiCo priced its first-ever green bond, from which the proceeds will help reduce plastic pollution in line with its target to reduce 35% of virgin plastic content across its beverage portfolio by 2025. The bond will help fund the purchase of compostable, biodegradable and/or recyclable material for use in product packaging.
- In June 2020, Sustainalytics launched *Transition Bond Second-Party Opinion Service*, a service that assesses "transition bonds" issued by high-carbon emitters that are hoping to transition to a low-carbon future. Targeting companies in the natural gas and steel industries, the service gives investors information on "the credibility of their transition strategy" and the potential access to capital that can result from the sustainable finance market.
- Sustainalytics' Impact Framework includes six key themes, which categorize the 17 Sustainable Development Goals: Human Development, Climate Action, Healthy Ecosystems, Resource Security, Basic Needs, Leadership and Collaboration

Sustainalytics chief: 'We are past the time of voluntary disclosures'

<https://www.ft.com/content/8b73bad7-adcb-495d-8686-3ccc70658b5b>

Jennifer Thompson | February 16, 2020

Helping investors navigate a thicket of new terminology and data are businesses such as Sustainalytics, which provides ESG ratings for companies and countries, conducts analysis on whether they are involved in controversies such as human rights abuses, and designs indices.

Sustainalytics is one of the oldest, largest and most influential in the field. It provides data on 40,000 companies with ratings on 13,000 of those, as well as monitoring 172 countries.

The first clients were a mix: retail investors and small institutions interested in obtaining a return while also investing in line with their personal values, as well as some groups with a religious mission. He credits the emergence of the UN-backed Principles for Responsible Investment in 2006 with helping catapult ESG investing into the mainstream.

"You could say for that period [1992 to 2006, when the PRI was launched] it was probably more about education than anything else," he says. "It was about building the concept more than the company."

Sustainalytics has grown via a series of partnerships and acquisitions. The research business Mr. Jantzi founded joined forces with a grouping of Europe-based research businesses just over a decade ago, gaining the Sustainalytics name and headquarters in Amsterdam.

Morningstar took a 40 per cent stake in Sustainalytics in 2017, with the latter providing the data company with ESG ratings for the mutual and exchange traded funds it tracks. It has also entered a corporate governance data provision agreement with Glass Lewis and has worked on indices with both Morningstar and FTSE Russell.

Most of Sustainalytics' 600-odd employees are based in one of the group's 16 offices, with outposts in Sydney, Poland and Japan among others, but they are also experimenting with having some "roving" analysts sprinkled in far-flung locations across Asia and Latin America.

Mr Jantzi says demand in Europe and Australia for ESG services is high but that North America is the fastest-growing market. Although the US has a strong background in ethical investing, he says for a long time it was focused on exclusionary policies.

"What we need is an IFRS for ESG disclosure," he argues.

We speak at a time when markets around the world are moving at different speeds, with the US having rebuffed calls for companies to report more ESG data and disclose climate-related risks, the Chinese authorities encouraging greater disclosure and European lawmakers moving towards the final stages of a landmark agreement on sustainable investing.



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Appendix

Selected Media Reports

[Sustainalytics CEO: ESG Investing Is at an 'Inflection Point', *Wealth Management*](#) [September 2020] (2-min. read; full text attached)

[Pandemic Creates Watershed Moment for Sustainable Investing, *Chief Investment Officer*](#) [September 2020] (2-min. read; full text attached)

[Sustainalytics chief: 'We are past the time of voluntary disclosures', *Financial Times*](#) [February 2020] (4-min. read)

[Why ESG matters at Morningstar, *Morningstar India*](#) [September 2020] (3-min. read)

[Sustainalytics launches service to assess 'transition bonds', *Investment Executive*](#) [June 2020] (1-min. read)

Selected Research Reports

[Sustainable Momentum: Sustainability Report 2019 by Sustainalytics](#) (33 min.)

Podcast by Morningstar featuring Michael Jantzi

[Michael Jantzi: Making 'Informed Choices' in Sustainable Investing](#) [December 2020] (52 min.)

The CEO of Sustainalytics discussed the evolution of the ESG movement, the regulations and rule-making behind it, and the future of sustainable investing.

Videos featuring Michael Jantzi

[ESG Leaders Video Series: Sustainalytics' Michael Jantzi](#) [May 2020] (17 min.)

Jantzi participated in a video interview with ESG leaders on the impact of the coronavirus pandemic on investment. He argues that the pandemic has highlighted the importance of ESG investment: "It's an inflection point for our industry and I feel hopeful that our industry as a whole will be able to grasp this opportunity."