



June 2020 | Newsletter

Keeping you up to date with all the latest news from The S Factor Co.

We put the S in ESG™

Greetings!

The Name of the Game is Quality

This month's newsletter focuses on the topic of **quality**, what does that mean in the **evolving ESG landscape**? Most significantly, it's about **materiality** and **taxonomy**.

Harvesting public posts about Human Resource Management is not equal to the **Social Factors** or the S in ESG in its entirety. It may provide some unique insights about hiring **practices, policies, processes and monitoring accountability**. But this data alone does not encapsulate what we mean by the **S in ESG**. It is merely a **sum of its parts**. Similarly, tagging keyword entities in media is also not equal to or greater than the **material evaluations** of how companies are **measuring up** to their inherent social accountabilities.

I mentioned these examples because it seems there is a rush to **fill the social data gap**, and if we do so **without quality** than we risk the creation of another **bubble**, by applying another **band-aid solution**.

More than just **additives for compliance**, and perhaps even **greater a signal**, as proven with our **business cases and history** - the Social Factors, **measured with distinct and standardized criteria**, are **financially material** and can be **superior** in nature as well.

Enjoy the reads and the listens.

We sincerely hope that this newsletter finds you, your loved ones and your teams continuing to be **safe** and **managing** through these times of **continued uncertainty**.

It has always been **our mission** (for decades) to lend clearer, **simplified insight** with our **expertise** on the **social impact** of companies' measurements and management.

We hope that our content will act as a **resource** for you, to help **navigate** evolving market **trends** related to COVID-19, ESG, Big Data and **companies' behaviours, responsibilities and impacts**.

The S Factor Team.

Book your product demo
today!

Media & Events

Measuring Human Capital Management, the Quebec SASB FSA

**MORNING
TALKS**
BY QUEBEC SASB FSA
CREDENTIAL GROUP

WEBINAR
JUNE 23 //
10:00 AM TO 11:00

MEASURING HUMAN
CAPITAL MANAGEMENT
AND ITS FINANCIAL
EFFECTS



**Tuesday June 23rd
10 to 11am EST**

Join us next week for a webinar hosted by Quebec SASB FSA Credential Group on the topic of Human Capital Management and its Financial Effects. A topic which has gained more attention in recent years, and

even more so with the current coronavirus crisis.

[Register Here](#)



Tesla to Ink Deal with Glencore for Cobalt Supply

Tesla inks a pact with **Glencore** to buy cobalt for its batteries as it looks to secure enough of the rare metal to both boost output and keep competition at bay.



"This is the perfect opportunity for Glencore, Tesla and all investors to build a better

future and to set the international bar," said Bonnie Lyn de Bartok, founder and CEO of social-impact data analytics firm S-Factor.

"If ever there was an opportunity to set the standard for other supply chains to follow this is it. It's transparent, it's huge – and it's an opportune time to bring together ethics and investing in a modern way."

[Article Link](#)



The Family Office Summit

The CAASA Family Office Summit has, as one might expect, a diverse range of panels and speakers including our ESG & Impact Investing Panel that has views from many perspectives!

We look forward to the panel discussion with our colleagues from Bodhi Research Group, Alquity Investment Management, The S Factor Co., and Waratah Capital Advisors Ltd.

[Register Now for August 5th & 6th](#)



CAASA Pod Cast: S-Factor & Fundata



A moderated session between Canadian Fundata and The S-Factor Co. on the topic of ESG and the future of Fund Analytics.

CAASA: The Canadian Association of Alternative Strategies & Assets was formed to bring together alternative investment managers and investors, along with service providers, in a setting conducive to information sharing, discussion and networking, and collaborative initiatives.

Fundata was founded in 1987 Fundata began by collecting and distributing investment fund pricing to local newspapers and businesses.

Over the past three decades, Fundata has evolved into a multi-national data distributor and investment fund data and analytics company. The information we provide currently reaches over 80,000 advisors,

millions of investors, and scores of institutions every day through our network of newspapers, web and corporate clients across North America.



It's here! It's here! Recorded February 13th, 2020 Pre-COVID onset.

By the grace of our good friends at the [Fields Institute CQAM](#) and the TED team, post-COVID onset here in Toronto, they have done a lovely job of pulling our talk together. Thank you again for the wonderful opportunity. Some idea-generating thoughts on Social Return on Impact and the ESG / SRI market, enjoy!

[Watch here](#)



Product Highlights

S-Factor COVID-19 Social Data

How are companies measuring up?

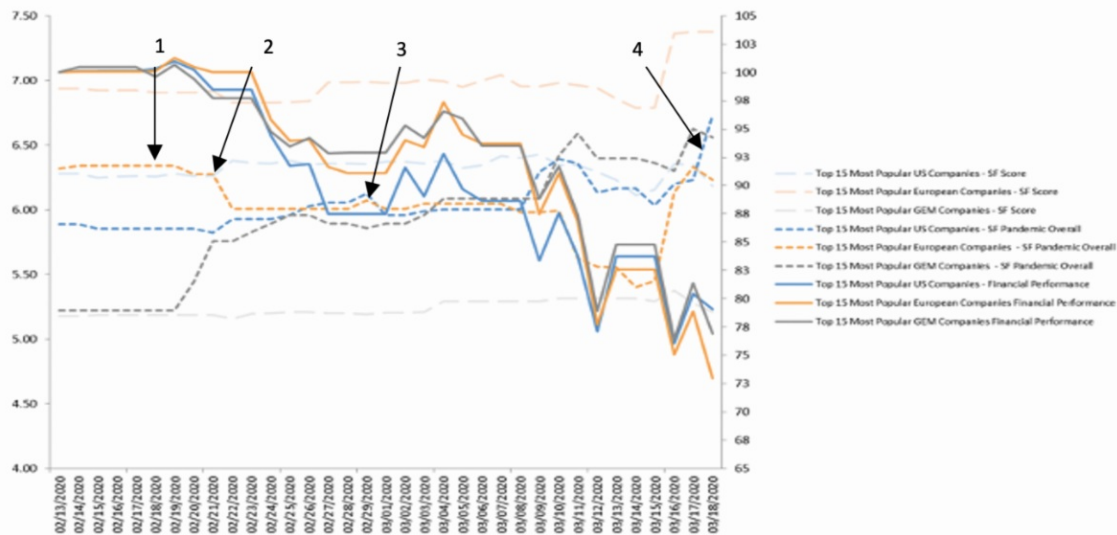
Earlier in **April** S-Factor delivered an **online session** on the latest on S-Factor **COVID-19 Pandemic social data** and trends. You can access a recording of this webinar and download the **FREE** report from the site [here](#).



Behaviour Monitoring during COVID -19

The most significant outcome? Early market detection.

Financial Performance



The S-Factor Co. has been tracking companies' behaviours and changes in behaviours regarding their ethics, supply chain, employees and communities since early Feb 2020 in real-time. The SF Pandemic Score (SFP) has resulted in performance signals, usually 5-10 days ahead of stock price/market movement (1-4).

In our recent report released in March of 2020, we captured a 35-day period of this performance from February 13 through to March 18, 2020, for 45 specific companies across 3 regions, to demonstrate the case. We found that the tone of sentiment versus the quantifiable action by companies in a timely manner as it related to their inherent fiduciary care where they operate, clearly defined the out-performers in a predictable fashion. The outcome signals are evident in short-term performance (1-4).

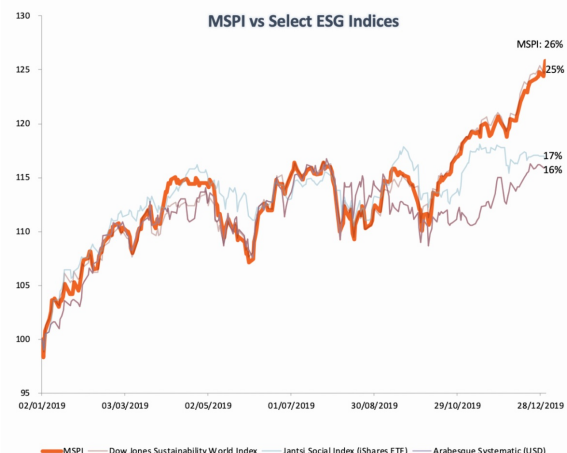
This signal monitoring has been tracking 1,000's of companies in real-time in the SF system since February 13, 2020. This feature has been added as a free add-on to the SF product to help markets navigate a more responsible future.



Business Case

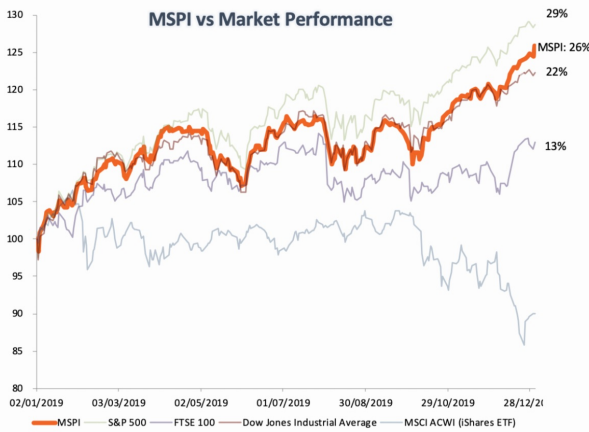
MSPI v ESG Indices

The difference between the MSPI (S-Factor's Social Performance Index) and other ESG Indices on the market is the addition of 1,000's of social factor metrics and the proprietary algorithms which measure companies' social policy compliance, best-practice behaviour and management, public sentiment, externalities, and their financial performance.



Business Case

MSPI v Market



The MSPI is S-Factor's Social Performance Index. It measures companies' social impact in relation to their compliance, best-practice norms, public sentiment, externalities and financial performance.

Here's what happens when you add the S to ESG!

Headlines

The Guardian: Within days of each other BHP and RioTinto set to repeat catastrophic history.

Rio Tinto blames 'misunderstanding' for destruction of 46,000-year-old Aboriginal site. The company "regrettably ... thought we had a shared understanding with the PKKP about the future of the sites" and would conduct a review to learn "how did this go wrong from our point of view".



▲ Juukan Gorge in Western Australia. Rio Tinto says it has 'taken accountability' for destruction of 46,000-year-old Aboriginal site. Photograph: PKKP Aboriginal Corporation/AFP/Getty Images

[Read More](#)



▲ A train loaded with iron ore from a BHP mine in the Pilbara region of Western Australia. The resources company has agreed not to damage 40 Aboriginal heritage sites which it has permission to destroy, before further consultation with traditional owners. Photograph: Ho/Reuters

BHP agrees not to damage 40 Aboriginal heritage sites without consulting traditional owners amid mounting shareholder backlash. The resources giant had permission from the Western Australian government to destroy the sites in the Pilbara.

[Read more](#)

Surely there aren't any excuses left in 2020, with access to information and consciousness about impact? Similar to [Tesla's news](#) of its future supply of cobalt pact with Glencore, mismanagement of land and its people can not be tolerated in the future.



The Outperformance of ESG Investing During the COVID-19 Selloff

ESG leaders outperformed the market and ESG laggards during the COVID-19 selloff. This demonstrates the benefit of ESG as a tool to align investments with moral values and produce above average returns. During the COVID-19 selloff, investors poured money into ESG investing strategies as one of the methods to reduce

[illegible]

A hand holding a black comb against a background of red hearts and confetti. The comb is positioned vertically, and the hand is holding it from the bottom. The background is a light pink color with numerous red hearts of various sizes and small red confetti pieces scattered throughout. The hearts have a textured, woven appearance. The overall theme is romantic and celebratory.

A close-up portrait of a woman with dark skin and curly hair. Her face is adorned with numerous small, colorful beads (red, green, blue, yellow, white) arranged in a decorative pattern around her eyes and mouth. She has dark, glossy lips and is looking slightly to the right. The background is blurred.

A woman attends a banned demonstration planned in memory of Adama Traore, a 24-year-old black Frenchman who died in a 2016 police operation which some have linked to the death of George Floyd in the United States, in front of courthouse in Paris, France June 2, 2020.



1 million women: Intersectional Environmentalism: Fighting For Climate Justice Means Also Fighting For Racial Justice

Medium: Investing has a role to play in ending systemic racism

Market Watch: A first-of-its-kind racial empowerment ETF is 'flying under the radar.' Maybe it shouldn't.

Calvert: It is time for investors to recognise that systemic racism is an ESG issue

Upcoming Events

CAASA Family Office Summit

New Date:

August 5-6 (Virtual)

The CAASA Family Office Summit brings together speakers and participants from single and multi- family offices, investment dealers, Canadian and global investment management houses, and affiliated service providers. Panels and break-out sessions will focus on key issues facing family offices in Canada and elsewhere including structuring, legal & tax issues, IT and operational areas, and investments – including: hedge funds, CTAs, private equity, private lending, real estate, infrastructure, and crypto-assets/blockchain-related investments. All content is subject to Chatham House Rule.



Join the S-Factor and a panel of experts for an intriguing discussion on ESG and Investment strategies. More details will follow.

Sponsors of the event include:



Register Now!



TALKING HEDGE

Talking Hedge

New Date:

September 15-16, 2020

SANTA MONICA

Loews Santa Monica Beach Hotel

Alternative investment managers and solutions providers increasingly construct unique portfolios for institutional asset owners and establish a well-defined alignment of interests. Tailoring solutions for investors results in lower costs, operational efficiencies, and alpha generation.

[Register here](#)



Generating Alpha

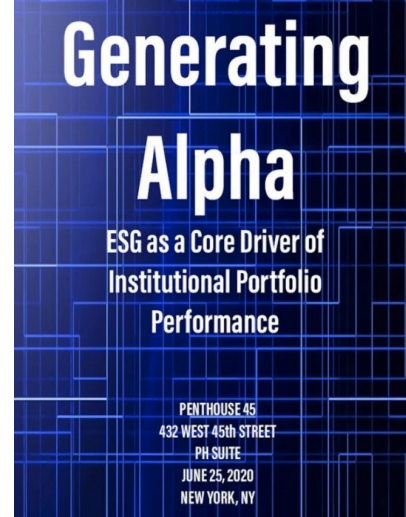
New Date:

Fall 2020

Penthouse 45, 432 WEST 45th Street, NYC, NY

ESG as a Core Driver of Institutional Portfolio Performance:
Companies have begun to implement ESG practices to reshape how they create value. This value manifests itself through returns in the equity selection process, as valuation models emerge to demonstrate those returns for institutional investors who seek out companies with strong ESG practices and ratings.

[Register Here](#)



Team



**CAREERS @
The S Factor Co.**

Despite the uncertainty, 2020 continues in growth mode as we scale to serve the demand for quality ESG content, information validation and creative use cases.

Current Open Positions:

Head of Sales, Americas - New York

Head of Sales, Europe - London

Office/Operations Manager

Marketing Assistant

Product Lead, Toronto

Case / Account Managers

Account Executives - Sales (Toronto, NYC, London)

Many new openings to come - watch for these postings here - [Careers](#) @The S Factor Co.

Get in Touch

We look forward to helping the market solve some seriously complex social impact challenges, fulfilling the gaps in information, benchmarking international norms, content validation and providing quality material evidence you can count on.

Sincerely,

Bonnie Lyn de Bartok

Founder & CEO



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