



FERMA
RISK MANAGEMENT
SEMINAR 2012

Panel Debate 6: Rating Agencies and Risk Management

Carl LEEMAN, Chief Risk Officer, Katoen Natie

Carol SIROU, President Credit Market Services France,
Standard & Poor's

Jvan GAFFURI, Senior Manager Sustainability Services,
Sustainable Asset Management

**LIVING AND
WORKING IN A
RISKIER WORLD**

VERSAILLES, FRANCE
22-23 October 2012
Palais des Congrès
de Versailles



FERMA
RISK MANAGEMENT
SEMINAR 2012



FERMA
RISK MANAGEMENT
SEMINAR 2012

What is an S&P rating?

It is an **opinion** on the **ability and willingness** of an obligor to **meet its debts as they fall due**, or to respect the financial terms of a particular debt security or other financial obligation.

**LIVING AND
WORKING IN A
RISKIER WORLD**

VERSAILLES, FRANCE
22-23 October 2012
Palais des Congrès
de Versailles



FERMA
RISK MANAGEMENT
SEMINAR 2012

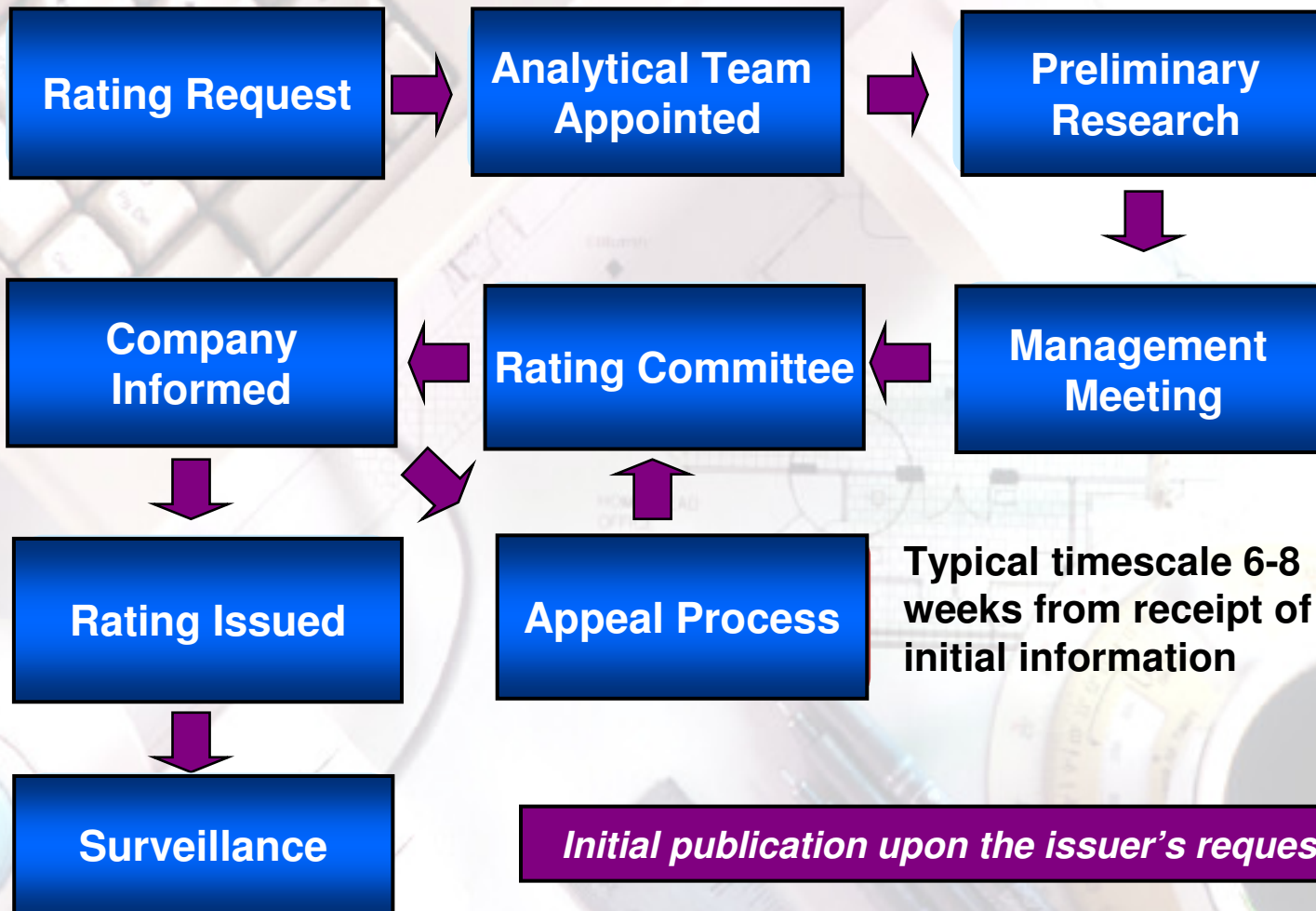


What it is:

- Forward-looking opinions about relative credit risk, i.e., the creditworthiness of an entity or its securities that ...
- ... strive to be **globally comparable** across sectors
- Incorporate views on **relative likelihood of default** that ...
- refer to the **timely payment of interest and principal** and ...
- ... are applied to entities and securities

And what it is not:

- Investment advice, a recommendation to purchase, sell or hold securities, or a comment as to market price or suitability for an investor
- a measure of liquidity or market value
- a way of defining “good” or “bad” companies, or a direct assessment of corporate governance
- an audit of the company or its auditors
- a guarantee of credit quality or of future credit risk





FERMA
RISK MANAGEMENT
SEMINAR 2012

SAM Corporate Sustainability Assessment™

SAM Sustainable Asset Management





FERMA
RISK MANAGEMENT
SEMINAR 2012

SAM Methodology

Systematic and consistent measurement of corporate sustainability performance

- Access to corporate information via web-based questionnaire, management meetings and public information
- Integrated assessment of economic, environmental and social criteria with focus on long-term value creation
- Assessment of more than 2000 companies yearly based on broad range of general and industry-specific criteria
- Emphasis on performance over management systems and policies
- Assessment complemented by a Media & Stakeholder Analysis
- Process audited annually by independent third-party firm
- Cooperation with S&P Dow Jones Indices for the publication and licensing of the DJSI, launched in 1999.



Measuring corporate sustainability

Information gathering



Criteria

Sustainability Database



Scores

Investment universes



Products

All Test Company SAM

Data Appraisal

ONE-STEP SYSTEM For companies with board of directors

EXECUTIVE DIRECTORS

Non-executive directors (not independent directors)

Independent directors

Table board size

TWO-STEP SYSTEM For companies with supervisors board

SUPERVISORY BOARD

Non-executive directors (not independent directors)

Data Points

ID	Item	Date	Type	Value	Details
K00001	Board Structure / Board Size (Integral)	2008.2010	Integer	N/A	
K00002	Board Structure / Chairman Representation	2008.2010	Integer	N/A	
K00003	Board Structure / Non-Executive Director %	2008.2010	Integer	N/A	
K00004	Board Structure / Independent Director	2008.2010	Integer	N/A	
K00005	Board Structure / Non-Executive Director	2008.2010	Integer	N/A	
K00006	Board Structure / Senior Executive Director	2008.2010	Integer	N/A	
K00007	Board Structure / Type (Yes / No)	2008.2010	Yes/No	N/A	

- Web-based questionnaire
- Company documents
- Company interactions
- Media & Stakeholder analysis

Corporate Sustainability Assessment Results

Explanations: The scores listed in company's performance are relative to the industry and are not comparable to other industry companies. The scores are based on the company's performance relative to the industry. The scores are based on the company's performance relative to the industry. The scores are based on the company's performance relative to the industry.

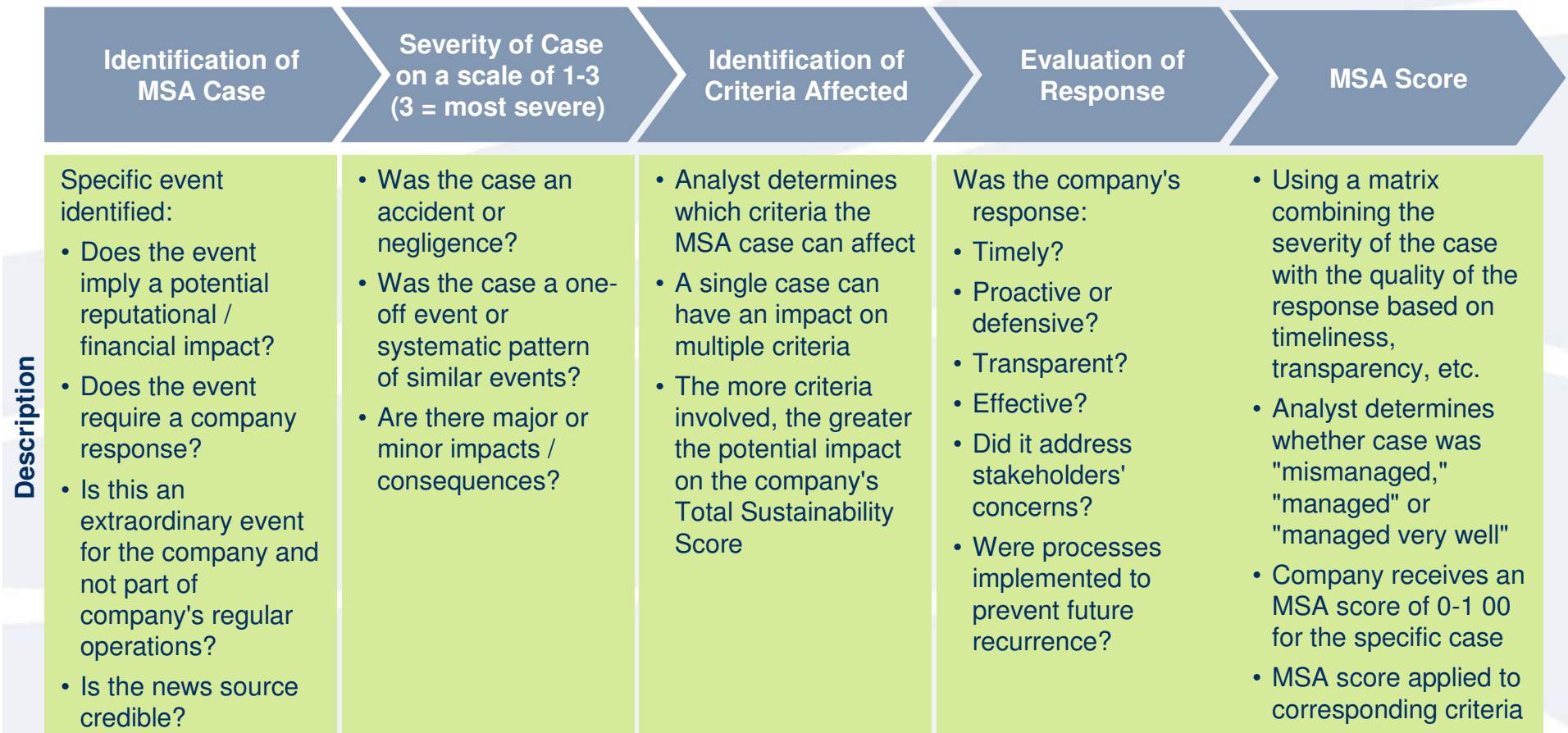
Company	Average Score	Best Score	Lowest Score	Lowest Score	Lowest Score	Lowest Score	Conditions of Duplication	Criteria
Total Score	60	90	41	84	67	81		
Dimension Scores:								
Economic Dimension	63	98	43	92	63	83		44
Environmental Dimension	36	51	28	36	27	46		16
Social Dimension	64	90	40	80	55	79		40
Criteria Scores:								
Economic Dimension								
Corporate Governance	88	100	65	95	84	94		6
Codes of Conduct/Compliance/Corruption/Solvency	82	100	66	86	70	78		9
Service to Stakeholders	98	100	88	98	98	98		3
Provision Management	98	100	88	98	98	98		2
Brand Management	40	53	28	40	40	40		7
Risk & Crisis Management	83	100	61	91	60	75		6
Customer Relationship Management	38	53	28	38	38	40		10
Privacy Protection	96	100	88	98	98	100		5
Environmental Dimension								
Environmental Reporting	34	52	24	34	34	34		3
Climate Strategy	10	26	10	10	10	10		4
Environmental Policy/Management System	10	26	10	10	10	10		4
Operational Efficiency	60	81	41	60	60	60		5

- Integrated assessment of economic, social and environmental criteria with a strong focus on long-term value creation
- Evaluation schemes driven by identified "best-in-class" examples
- Investment products
- Clients' portfolios



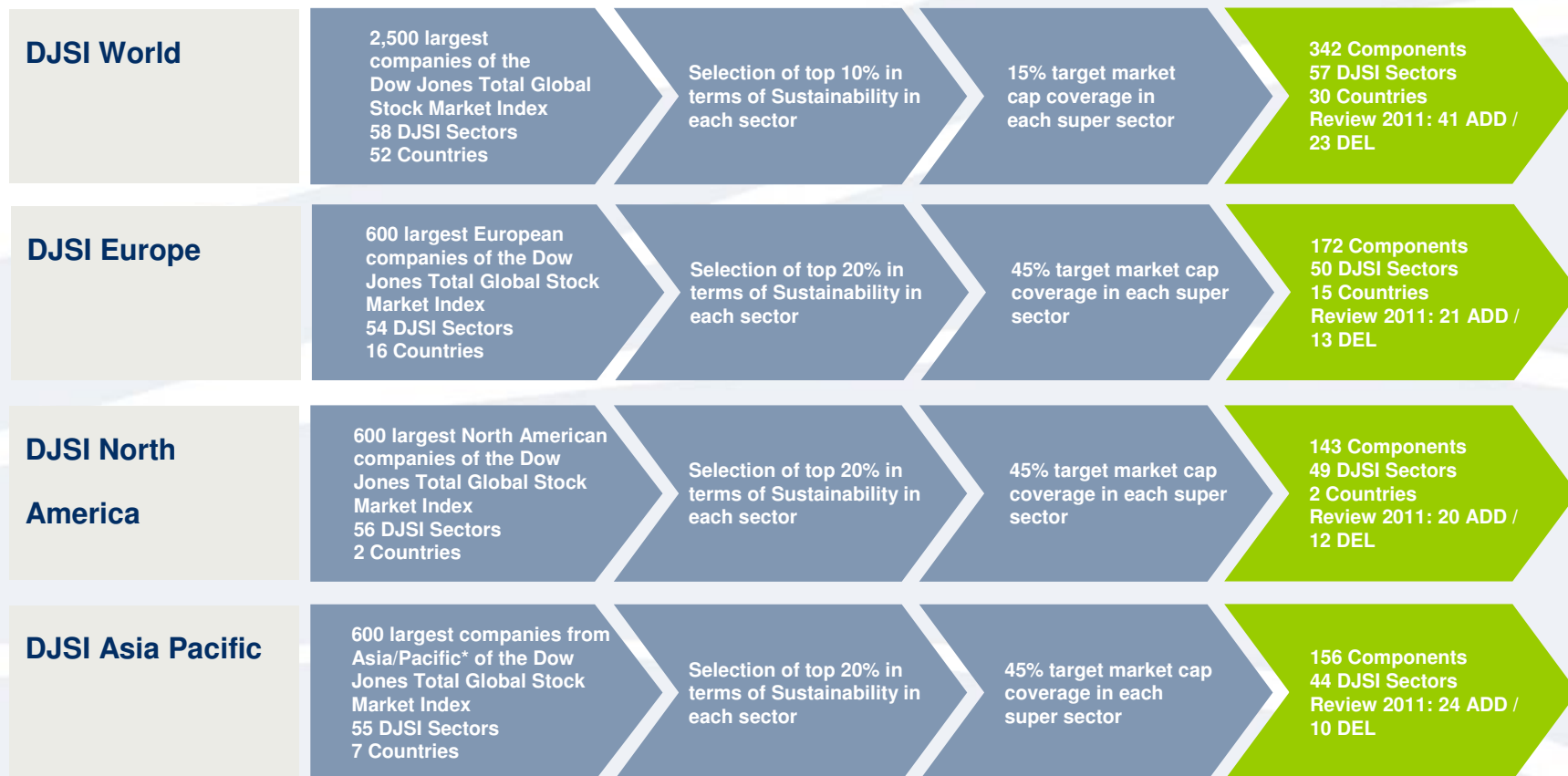


Media & Stakeholder Analysis (MSA)





DJSI Assessment and Selection Process



*600 largest companies from South Korea, Australia, New Zealand, Japan, Hong Kong, Taiwan, and Singapore
Figures as of launch September 19, 2011



FERMA
RISK MANAGEMENT
SEMINAR 2012

Disclaimer

No warranty This publication is derived from sources believed to be accurate and reliable, but neither its accuracy nor completeness is guaranteed. The material and information in this publication are provided "as is" and without warranties of any kind, either expressed or implied. SAM Sustainable Asset Management AG and its related, affiliated and subsidiary companies disclaim all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose. Any opinions and views in this publication reflect the current judgment of the authors and may change without notice. It is each reader's responsibility to evaluate the accuracy, completeness and usefulness of any opinions, advice, services or other information provided in this publication.

Limitation of liability All information contained in this publication is distributed with the understanding that the authors, publishers and distributors are not rendering legal, accounting or other professional advice or opinions on specific facts or matters and accordingly assume no liability whatsoever in connection with its use. In no event shall SAM Sustainable Asset Management AG and its related, affiliated and subsidiary companies be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of any opinion or information expressly or implicitly contained in this publication.

Copyright Unless otherwise noted, text, images and layout of this publication are the exclusive property of SAM Sustainable Asset Management AG and/or its related, affiliated and subsidiary companies and may not be copied or distributed, in whole or in part, without the express written consent of SAM Sustainable Asset Management AG or its related, affiliated and subsidiary companies.

No Offer The information and opinions contained in this publication constitutes neither a solicitation, nor a recommendation, nor an offer to buy or sell investment instruments or other services, or to engage in any other kind of transaction. The information described in this publication is not directed to persons in any jurisdiction where the provision of such information would run counter to local laws and regulation.