

## Kinder, Lydenberg, and Domini (KLD) and Socially Responsible Investing

### **RiskMetrics Group Announces Acquisition of KLD Research & Analytics, Inc.**

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NEW YORK—(BUSINESS WIRE)—RiskMetrics Group (NYSE:RMG), a leading provider of risk management and corporate governance services to the global financial community, today announced it has acquired KLD Research & Analytics, Inc. Headquartered in Boston, KLD is a leader in environmental, social and governance (ESG) research and indexes for institutional investors . . .

Led by Peter Kinder, President, and Tim Brennan, Chief Operating Officer, KLD provides ESG research, compliance screening and indices to over 500 investment professionals worldwide. Founded in 1988, KLD published the first research designed to evaluate the risks and opportunities associated with corporate social and environmental performance. Today, 30 of the top 50 institutional money managers use KLD services to integrate ESG factors into investment decisions.<sup>1</sup>

Peter Kinder read the draft press release announcing the sale of his company, KLD Research and Analytics, to RiskMetrics group. KLD provided annual social responsibility ratings for over 3,000 companies, employed over 60 people, and was widely regarded as a leader in social investment research. The KLD ratings were used in industry to assist fund managers in investment decisions based on a broad spectrum of social criteria; the ratings had also become the academic gold standard for research into the impacts of social performance on businesses, from their financial performance to their ability to attract high quality employees.

The acquisition offered KLD (named after the three initial participants Peter Kinder, Steve Lydenberg, and Amy Domini) an opportunity to continue to progress and spread its impact in the world of social investing. As he read the press release again his eyes lingered over one sentence: "Founded in 1988, KLD published the first research designed to evaluate the risks and opportunities associated with corporate social and environmental performance." Peter sat down and thought about how the original plans of the partners never envisioned social impact research as the key product of the company and he remembered the twists and turns they had taken in the early days in order to survive in the nascent field of social investing.



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