NextWise ESG Competition

Rules and methodology

Explanatory note for participants · StarQube · 2 October 2026

In brief

The ESG Challenge is now live on NextWise! A dedicated ESG ranking rewards the portfolios that combine extra-financial quality with financial performance, just as an ESG portfolio manager would.

- **Each company** receives 4 scores from 0 to 100: Climate, Social, Governance and DNSH ("do no significant harm").
- **Your portfolio** receives the same 4 scores, plus a global ESG score that combines them (30% Climate, 20% Social, 20% Governance, 30% DNSH).
- **During the competition**, flash rankings show where you stand against the other participants on each of these 5 scores.
- **The final ESG ranking** is based 70% on your extra-financial performance and 30% on your financial performance.

All data and scores are available on the StarQube platform.

Step 1 — ESG scores for each company

Each eligible company receives 4 scores, each between 0 and 100: the higher the score, the better the company on that pillar.

Climate, Social and Governance: sector-relative scores. For each indicator, the company is ranked from 0 to 100 among the companies in its sector (GICS level 1 classification). A company is therefore only compared with its peers: a utility is not penalised against an IT company. The pillar score is the average of its indicators, all equally weighted.

DNSH (*Do No Significant Harm*): exclusion criteria. Each of the 5 criteria earns 20 points if the company is not concerned and 0 points if it is. The DNSH score is the sum of the 5 criteria, i.e. 100 for a company concerned by none of them.

Pillar	Indicator	Weight within the pillar	What improves the score
Climate	Carbon footprint (total GHG emissions / enterprise value)	25%	Low value
Climate	GHG emissions intensity (total GHG emissions / revenue)	25%	Low value
Climate	Share of non-renewable energy consumption and production	25%	Low value
Climate	Energy intensity (total energy consumption / revenue)	25%	Low value
Social	Gap between the share of women in management bodies (executive committee) and their share in the total workforce	20%	High value

Pillar	Indicator	Weight within the pillar	What improves the score
Social	Average unadjusted gender pay gap	20%	Low value
Social	Rate of employees with disabilities	20%	High value
Social	Rate of absenteeism	20%	Low value
Social	Rate of resignation	20%	Low value
Governance	Board gender diversity rate	50%	High value
Governance	Board independence rate	50%	High value
DNSH	Activity in the fossil fuel sector	20 points	Not concerned
DNSH	Activities with a negative impact on biodiversity-sensitive areas	20 points	Not concerned
DNSH	Involvement in violations of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises	20 points	Not concerned
DNSH	Lack of policies for monitoring compliance with these principles, or of grievance-handling mechanisms	20 points	Not concerned
DNSH	Involvement in the manufacture or sale of controversial weapons (anti-personnel mines, chemical, biological, nuclear weapons, etc.)	20 points	Not concerned

Step 2 — Your portfolio's scores

Your portfolio receives one score per pillar, equal to the average score of the companies held, weighted by their weight in the portfolio.

Example: a portfolio invested 50%, 30% and 20% in three companies with Climate scores of 80, 60 and 40 has a Climate score of 50% × 80 + 30% × 60 + 20% × 40 = 66.

ETFs are not taken into account in these calculations: only your equity holdings determine your scores.

The portfolio's **global ESG score** then combines the 4 pillars:

Global score = 30% × Climate + 20% × Social + 20% × Governance + 30% × DNSH

Example: with scores of 66 for Climate, 55 for Social, 70 for Governance and 90 for DNSH, the global score is 19.8 + 11 + 14 + 27 = 71.8.

These scores are recalculated every day: they change with your trades and with the weight of each holding in your portfolio.

Step 3 — Flash rankings

Throughout the competition, 5 flash rankings position your portfolio against those of the other participants: Climate, Social, Governance, DNSH and Global.

Each flash ranking is based on the portfolio's **current** score for the pillar in question. It is a snapshot at a given moment: it tells you where you stand and which pillar to improve, but it does not determine the final ranking on its own.

Step 4 — The final ESG ranking

The final ESG ranking combines two rankings: extra-financial performance for 70% and financial performance for 30%. An ESG portfolio manager is judged on both dimensions, and so are you.

Component	Weight	Ranking based on
Extra-financial performance	70%	The daily average of your portfolio's global ESG score over the whole competition
Financial performance	30%	Your portfolio's cumulative financial performance since the start of the competition

Your final score is the weighted average of your two ranks: 70% × extra-financial rank + 30% × financial rank. The lower the score, the better your final ranking.

Example with 4 teams:

Team	Extra-financial rank	Financial rank	Final score	Final ESG ranking
B	2	1	70% × 2 + 30% × 1 = 1.7	1
A	1	4	70% × 1 + 30% × 4 = 1.9	2
C	3	2	70% × 3 + 30% × 2 = 2.7	3
D	4	3	70% × 4 + 30% × 3 = 3.7	4

Team A has the best ESG score, but its financial performance puts it behind Team B, which is strong on both counts.

Two practical consequences:

- **Consistency pays off.** The ESG score used is an average over the whole competition: a portfolio that scores well from the start keeps its edge over one reshuffled in the final days.
- **ESG alone is not enough.** A portfolio with a very high ESG score but weak returns can be overtaken by a well-managed one.

Special cases

- **Missing data.** A company with no data receives a neutral score: 50 on the Climate, Social and Governance criteria, and 10 points (out of 20) on the DNSH criteria. Missing data is therefore neither rewarded nor penalised.
- **ETFs.** ETFs remain eligible in your portfolio and count towards your financial performance, but they are not included in the ESG score calculations.
- **No global score per company.** The global score exists only at portfolio level. Simply picking the highest-rated companies is therefore not enough: it is up to you to weigh the pillars against each other and build your own approach.

What this means for your strategy

- **Build ESG in from the start.** Since the score used is a daily average, every day counts.
- **Look at the weights.** Climate and DNSH together account for 60% of the global score.

- **Compare companies with their peers.** Climate, Social and Governance scores are sector-relative: every sector has highly rated companies, which leaves you free in your sector allocation.
- **Keep an eye on performance.** It accounts for 30% of the final ESG ranking.
- **Formalise your approach.** This shared framework allows you to explain and justify your ESG choices to the jury.

All indicators, each company's scores, your portfolio's scores and the flash rankings are available on the StarQube platform.