

# S&P Global ESG Scores

Unlocking Essential ESG Intelligence



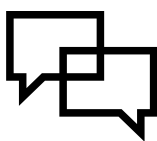
# Discover multiple layers of ESG insight with S&P Global ESG Scores, powered by the deep heritage of the SAM Corporate Sustainability Assessment (CSA).

Combining comprehensive data sources, sound methodology and a sharp focus on material issues, the CSA is identified as the “highest quality” and most “useful” ESG assessment by global sustainability professionals and investors.<sup>1</sup> For the first time, financial institutions can now harness the power of the CSA in the investment process to assess ESG factors expected to have an impact on a company’s growth, profitability, capital efficiency, and risk exposure.

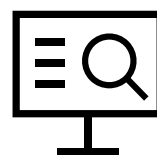
## What sets S&P Global ESG Scores apart?



Assessment of industry-specific risks and opportunities, guided by 61 industry-specific approaches and monitoring of company controversies<sup>2</sup>



Deep engagement with companies through a dedicated in-house web platform



Delivered via Xpressfeed™ providing integrated access to over 200 financial datasets and extensive global Cross Reference Services that seamlessly link reference data



Rigorous, multi-stage and third-party audited quality review process<sup>3</sup>



24/7/365 global customer support team



Displayed and used across S&P Global platforms

<sup>1</sup> Wong, Christina, et al. Rate the Raters 2019: Expert Survey Results. SustainAbility, an ERM Group company, 2019, pp. 1–39, Rate the Raters 2019: Expert Survey Results and Wong, Christina, and Erika Petry. Rate the Raters 2020: Investor Survey and Interview Results. SustainAbility, an ERM Group company, 2020, pp. 1–54, Rate the Raters 2020: Investor Survey and Interview Results.

<sup>2</sup> Source: “Measuring Intangibles. SAM’s Corporate Sustainability Assessment Methodology”. SAM, part of S&P Global, 2020.

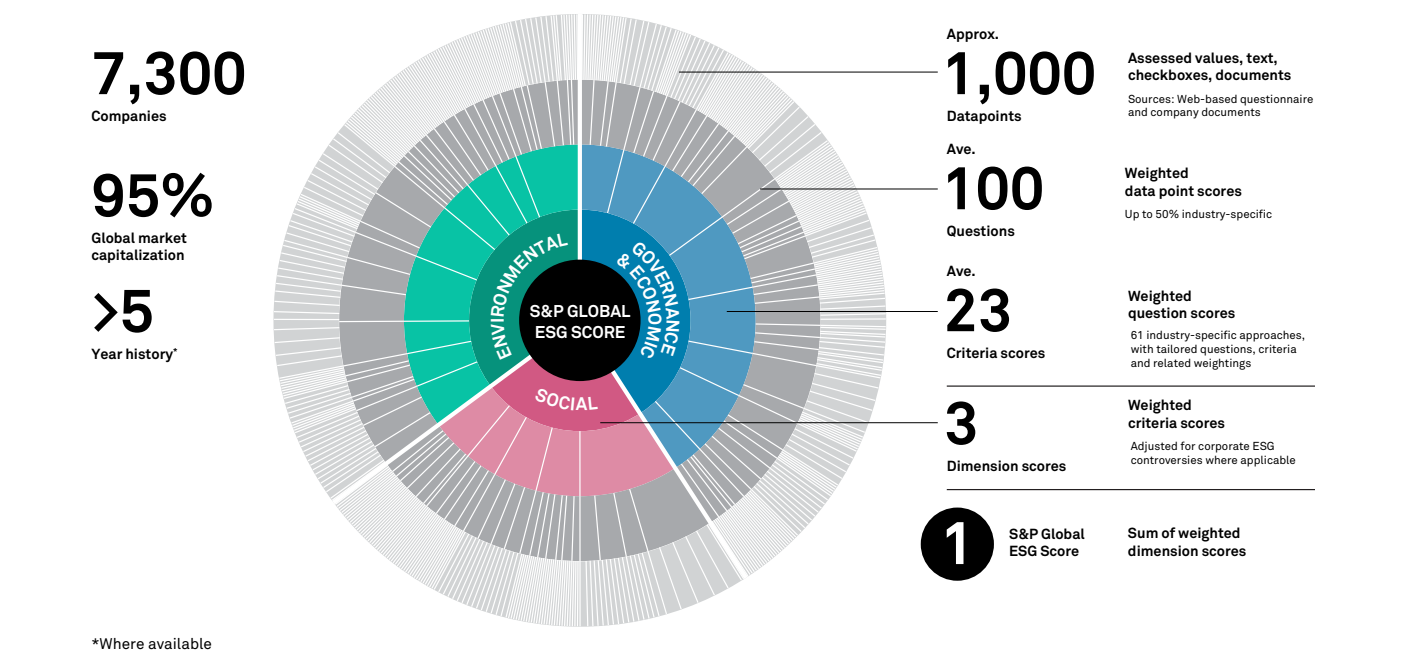
<sup>3</sup> Source: “CSA Methodology”. SAM, part of S&P Global, 2020. Retrieved from: <https://www.robecosam.com/csa/csa-resources/csa-methodology.html>

# Leverage multiple layers of **Essential ESG Intelligence**

S&P Global ESG Scores give financial institutions the transparency and flexibility to drill down into three underlying Environmental, Social and Governance & Economic *Dimension* Scores, and an average of 23 *Criteria* Scores. A 100-question exploration (on average), guided by 61 industry-specific approaches, informs each criteria score.

With coverage of 7,300 companies representing approximately 95% of global market capitalization, each of these layers of company ESG data is available to discover and derive meaningful investment signals.

**Figure 1: Inside the S&P Global ESG Score**



## Social Dimension Criteria Topics

- Addressing Cost Burden
- Asset Closure Management
- Corporate Citizenship and Philanthropy
- Financial Inclusion
- Health Outcome Contribution
- Human Capital Development
- Human Rights
- Labor Practice Indicators
- Local Impact of Business Operations
- Occupational Health and Safety
- Partnerships Towards Sustainable Healthcare
- Passenger Safety
- Responsibility of Content
- Social Impacts on Communities
- Social Integration & Regeneration
- Social Reporting
- Stakeholder Engagement
- Strategy to Improve Access to Drugs or Products
- Talent Attraction & Retention

## Environmental Dimension Criteria Topics

- Biodiversity
- Building Materials
- Climate Strategy
- Co-Processing
- Electricity Generation
- Environmental Policy & Management Systems
- Environmental Reporting
- Fuel Efficiency
- Genetically Modified Organisms
- Low Carbon Strategy
- Mineral Waste Management
- Operational Eco-Efficiency
- Packaging
- Product Stewardship
- Raw Material Sourcing
- Recycling Strategy
- Resource Conservation and Resource Efficiency
- Sustainable Forestry Practices
- Transmission & Distribution
- Water Operations
- Water Related Risks

## Governance & Economic Criteria Topics

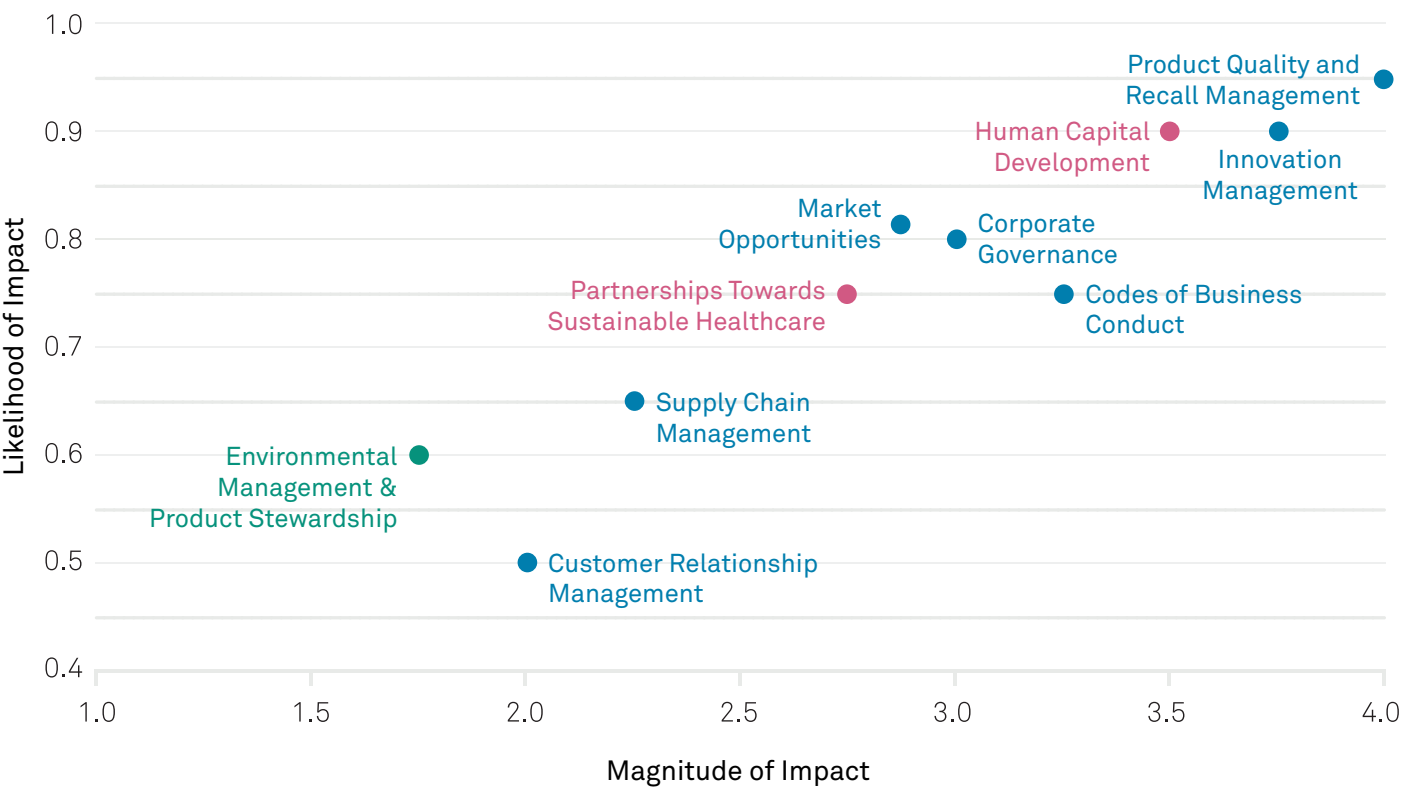
- Anti-crime Policy & Measures
- Brand Management
- Codes of Business Conduct
- Compliance with Applicable Export Control Regimes
- Corporate Governance
- Customer Relationship Management
- Efficiency
- Energy Mix
- Financial Stability and Systemic Risk
- Fleet Management
- Health & Nutrition
- Information Security/Cybersecurity & System Availability
- Innovation Management
- Market Opportunities
- Marketing Practices
- Materiality
- Network Reliability
- Policy Influence
- Principles for Sustainable Insurance
- Privacy Protection
- Product Quality and Recall Management
- Reliability
- Risk & Crisis Management
- Strategy for Emerging Markets
- Supply Chain Management
- Sustainable Construction
- Sustainable Finance
- Tax Strategy

General criteria applied to all industries: Codes of Business Conduct, Corporate Governance, Materiality, Policy Influence, Risk & Crisis Management, Climate Strategy, Environmental Reporting, Operational Eco-Efficiency, Corporate Citizenship and Philanthropy, Human Capital Development, Human Rights, Labor Practice Indicators, Social Reporting, Talent Attraction & Retention.  
Source: SAM, part of S&P Global (2020). For illustrative purposes only.

# Driven by a Focus on Financial Materiality

At the heart of the CSA lies a financial materiality matrix. For each of the 61 industries assessed, specialist analysts conduct a financial materiality analysis to identify which ESG factors have demonstrated the clearest correlations to past financial performance — and which factors are likely to have the most significant impact on a company’s business value drivers of growth, cost, or risk, and ultimately, future financial performance. Each factor is ranked on the magnitude and likelihood of its impact on the company’s business drivers and financial performance over time — and weighted accordingly in the assessment process.

Figure 2: Financial Materiality Matrix for the Pharmaceutical Industry



The factors that appear in the upper right-hand corner of the matrix are the most financially material.  
Source: SAM, part of S&P Global (2020). For illustrative purposes only.

# Informed by Deep Corporate Engagement

S&P Global ESG Scores benefit from an ESG data collection process that goes far beyond simply collecting information from public disclosures, engaging directly with companies through the CSA to capture approximately 1,000 granular data points per company. With direct and targeted company access, the CSA captures a much broader range of sustainability topics at a much more granular level than public reporting, providing unique insights through a robust and comprehensive assessment of company ESG performance.

# Capturing Emerging and Underreported Trends

By engaging companies directly, the CSA is uniquely positioned to reflect upcoming or underreported sustainability topics that are of growing importance to investors. To stay current, CSA topics are reviewed annually, frequently challenging companies on emerging topics that may become part of upcoming regulatory changes, reporting guidelines, or the broader conversation. A Media and Stakeholder Analysis further captures a company’s involvement and management of ongoing ESG issues or crisis situations, and can result in quarterly score updates.

Figure 3: CSA captures emerging and underreported trends

<b>Human capital development</b>  Human Capital Management Coalition, established 2017, 25 asset owners, \$2.8tn in assets*		<b>Tax transparency</b>  UNPRI investor guide 2018: evaluating and engaging on corporate tax strategy***	
<b>2002</b>	<b>2013</b>	<b>2014</b>	<b>2017</b>
<b>Human rights</b>  Top ESG criterion for Money Managers in 2018 representing USD 2.2tn**	<b>Climate strategy</b>  Task Force on Climate-related Financial Disclosures (TCFD) recommendations 2017, 100+ C-level supporters, company, financial institutions, exchanges, raters index provider		<b>Policy influence</b>  Top shareholder concern in 2018, filing by 74 institutional investors at 50 US companies****

Sources: \*"Human Capital Management Coalition." UAW Trust, 2020, [uawtrust.org/hcmc](http://uawtrust.org/hcmc). \*\* "US/SIF." The Forum for Sustainable and Responsible Investment, 2019, [www.ussif.org/](http://www.ussif.org/). \*\*\* "Principles for Responsible Investment." PRI, 2020, [www.unpri.org/](http://www.unpri.org/). \*\*\*\* "Corporate Governance." Corporate Governance, 2020, [www.corpgov.net/](http://www.corpgov.net/).

The Human Capital Development criterion entered the CSA in 2002, 15 years before 25 asset owners with USD 2.8 trillion AUM established the Human Capital Management Coalition. Human rights, the top ESG criterion for money managers representing USD 2.2 trillion in 2018 (source: [www.ussif.org](http://www.ussif.org)), has featured in the CSA since 2002. The climate strategy criterion was introduced in 2013, four years before the Task Force on Climate-related Financial Disclosures (TCFD) set out its recommendations for helping businesses disclose climate-related financial information. In 2014, the tax transparency criterion was introduced into the CSA followed four years later by the UNPRI, launching new guidance for investors to assist them with engaging the companies in their portfolios on greater tax disclosure.

# Delivering Differentiated ESG Data Applications

Optimized portfolio construction and benchmarking	Comprehensive coverage and multiple layers of data insight enable portfolio optimization and efficient capital allocation.
Risk management	A granular breakdown of ESG data insight provides the flexibility to screen risk factors with aggregated S&P Global ESG Scores — or develop tailored screening approaches aligned to investment philosophies with underlying Dimension Scores and Criteria Scores.
Reporting	Established assessment of corporate sustainability; used by companies for comprehensive ESG performance reporting.

## Delivered via Xpressfeed™ — Powerful Data Feed Solution

- **Tap into over 200 datasets** including Climate, Market Data (e.g., Enterprise Value and Market Cap), point-in-time financials, Compustat®, Capital IQ Financials, GICS®, S&P Global Ratings & Research, S&P Dow Jones Indices, S&P Global Earnings Estimates, and more.
- **Accelerate your data integration** and analysis by leveraging extensive global Cross Reference Services that seamlessly links reference data such as ISINs, LEIs, CUSIPs, or other identifiers by company, sector, and instrument.
- **Benefit from data loading and maintenance technology** providing a reliable and efficient solution to data delivery and management.



# S&P Global Esg Scores Are Displayed and Used Across S&P Global platforms

## S&P Dow Jones Indices

A Division of **S&P Global**

The Dow Jones Sustainability Indices (DJSI), the leading benchmarks for corporate sustainability, are powered by the S&P Global ESG Scores. S&P Dow Jones Indices, which calculates the DJSI, uses the S&P Global ESG Scores to identify the companies with the best ESG profiles, industry by industry, to construct these “best in class” indices. These indices are not only used to highlight companies with sustainable practices, but they are also used for investment purposes, as the underlying benchmarks for many funds across the world.

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## S&P Global Ratings

S&P Global Ratings ESG Evaluation is a forward-looking, long term opinion of a company’s readiness for disruptive ESG risks and opportunities, underpinned by the responses provided in the CSA. The methodology is founded on Ratings analysts’ sector and company expertise, with direct engagement with company management to assess material ESG impacts on the company, past, present and future.



Now a Part of **S&P Global**

Assessed companies use the S&P Global ESG Scores to benchmark against industry peers and to identify and prioritize improvement areas. Many CSA participants use the online questionnaire portal as a repository of information to answer detailed Investor requests about the company’s relative position.

# About S&P Global Market Intelligence

At S&P Global Market Intelligence, we know that not all information is important — some of it is vital. Accurate, deep and insightful. We integrate financial and industry data, research and news into tools that help track performance, generate alpha, identify investment ideas, understand competitive and industry dynamics, perform valuation and assess credit risk. Investment professionals, government agencies, corporations and universities globally can gain the intelligence essential to making business and financial decisions with conviction.

S&P Global Market Intelligence is a division of S&P Global (NYSE:SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit [www.spglobal.com/marketintelligence](http://www.spglobal.com/marketintelligence).

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