



ESG Impact and Controversies:

Navigating the Global Landscape

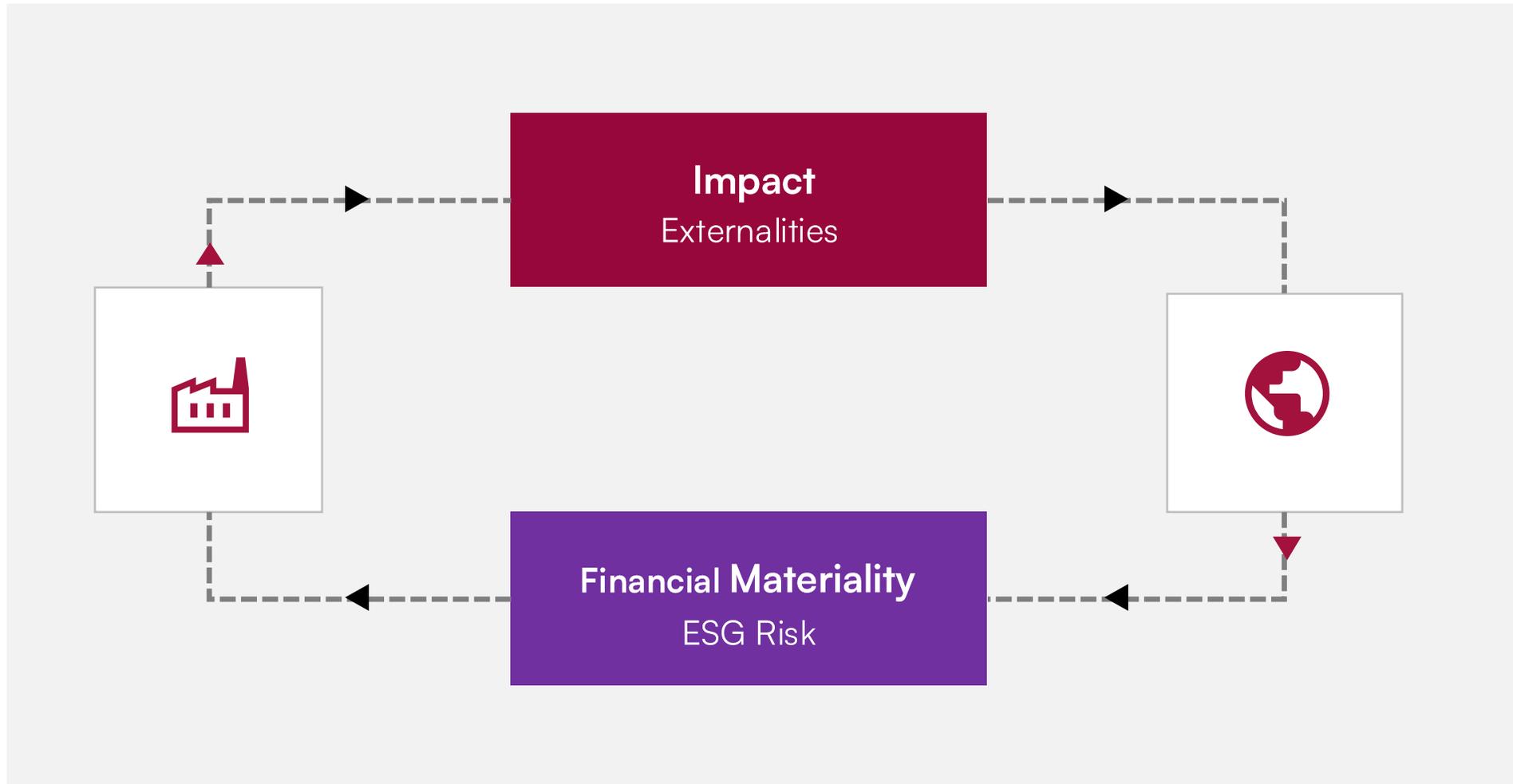
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The Notion of Double Materiality



Inrate's ESG Impact Rating Framework

↑ Core Research ↓

1

Business Activity Impact (BAI)

Sustainability impact assessment of companies' revenue-generating business activities across various themes.



Uncovers the fundamental impact of businesses



Reduces susceptibility to greenwashing



Mitigates bias created by corporate disclosures

2

Corporate Disclosures Assessment

140+ sector-specific indicators assessing corporate sustainability disclosures, policies & actions.



Analyses the sustainability efforts of issuers



Assesses corporate governance around material ESG issues



Reflects company alignment with regulatory frameworks

3

ESG Controversies

Real-time impact-based assessment of ESG controversies clubbed into 34 informative indicator scores.



Assesses company's involvement and impact through negative events



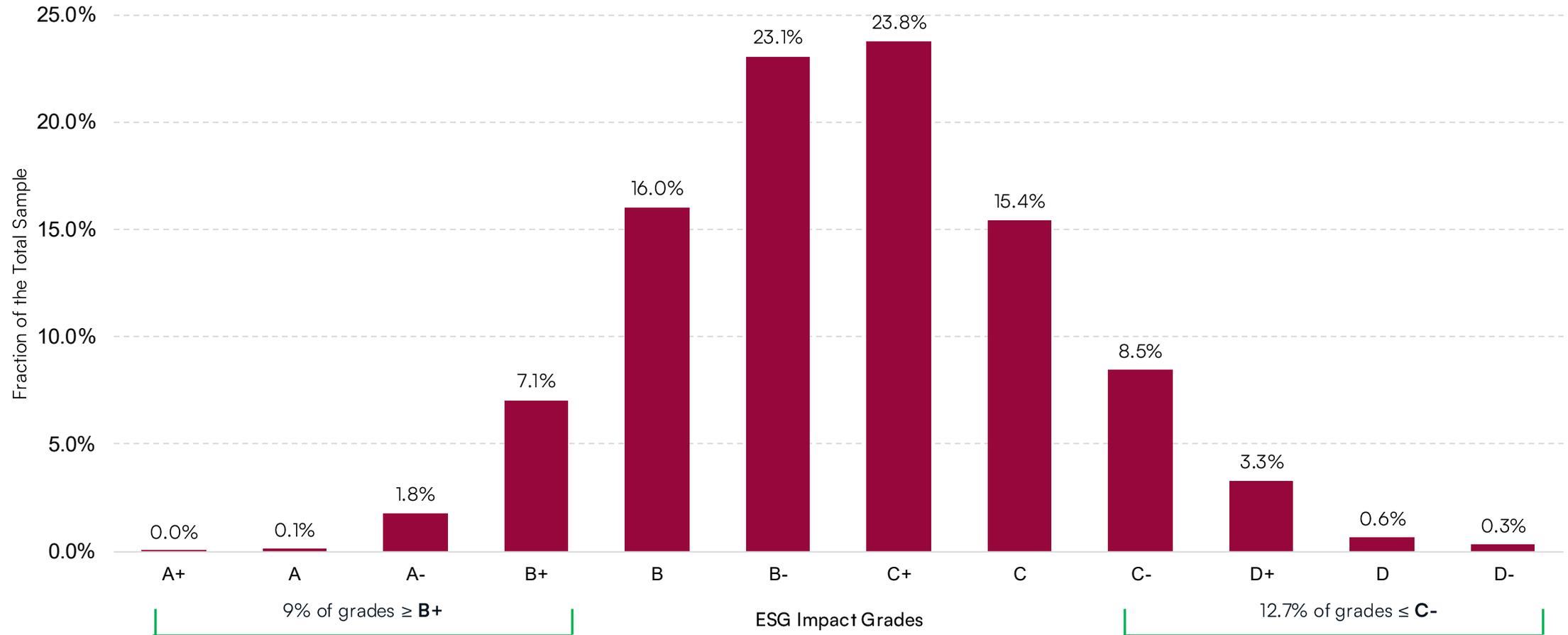
Considers corporate corrective action for any violations



Reflects elements such as penalties and fines

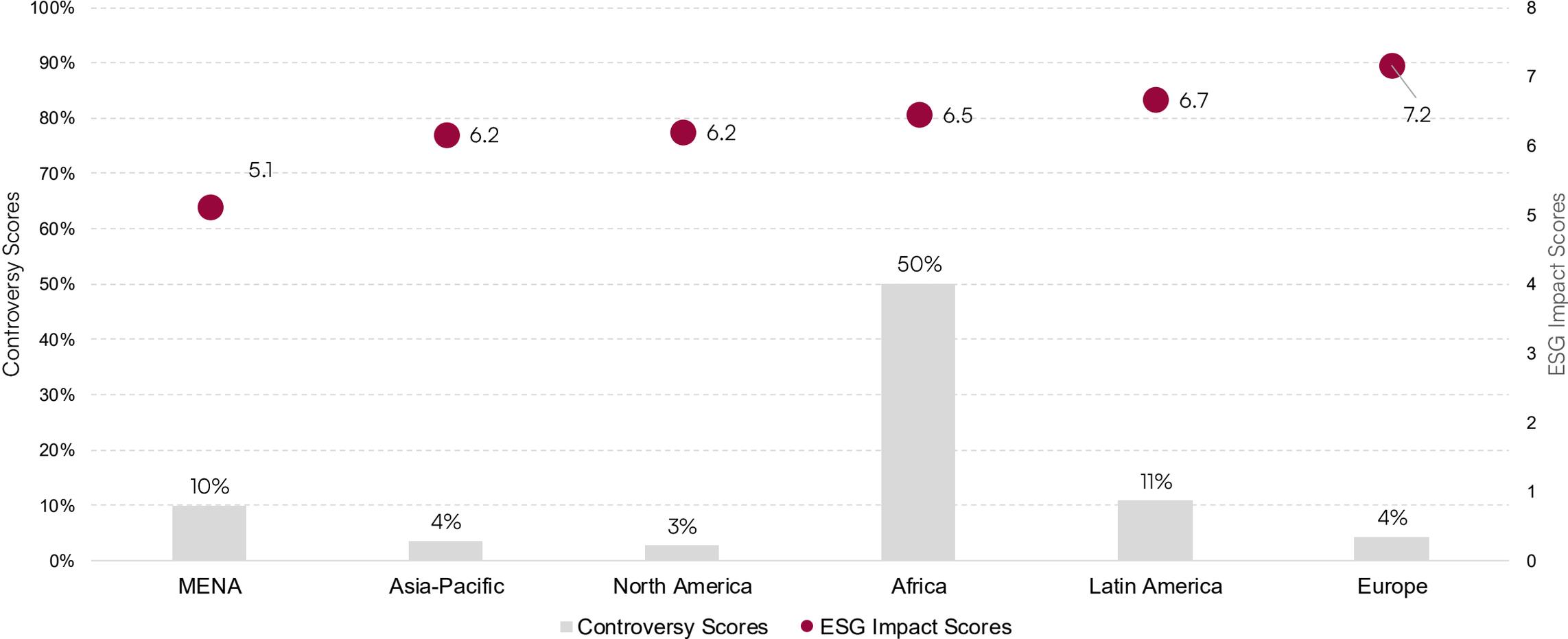
ESG Impact Risk Grades: A Bell-Shape Distribution

9% of companies have a grade higher than B+, and 12.7% have a grade of C- or lower



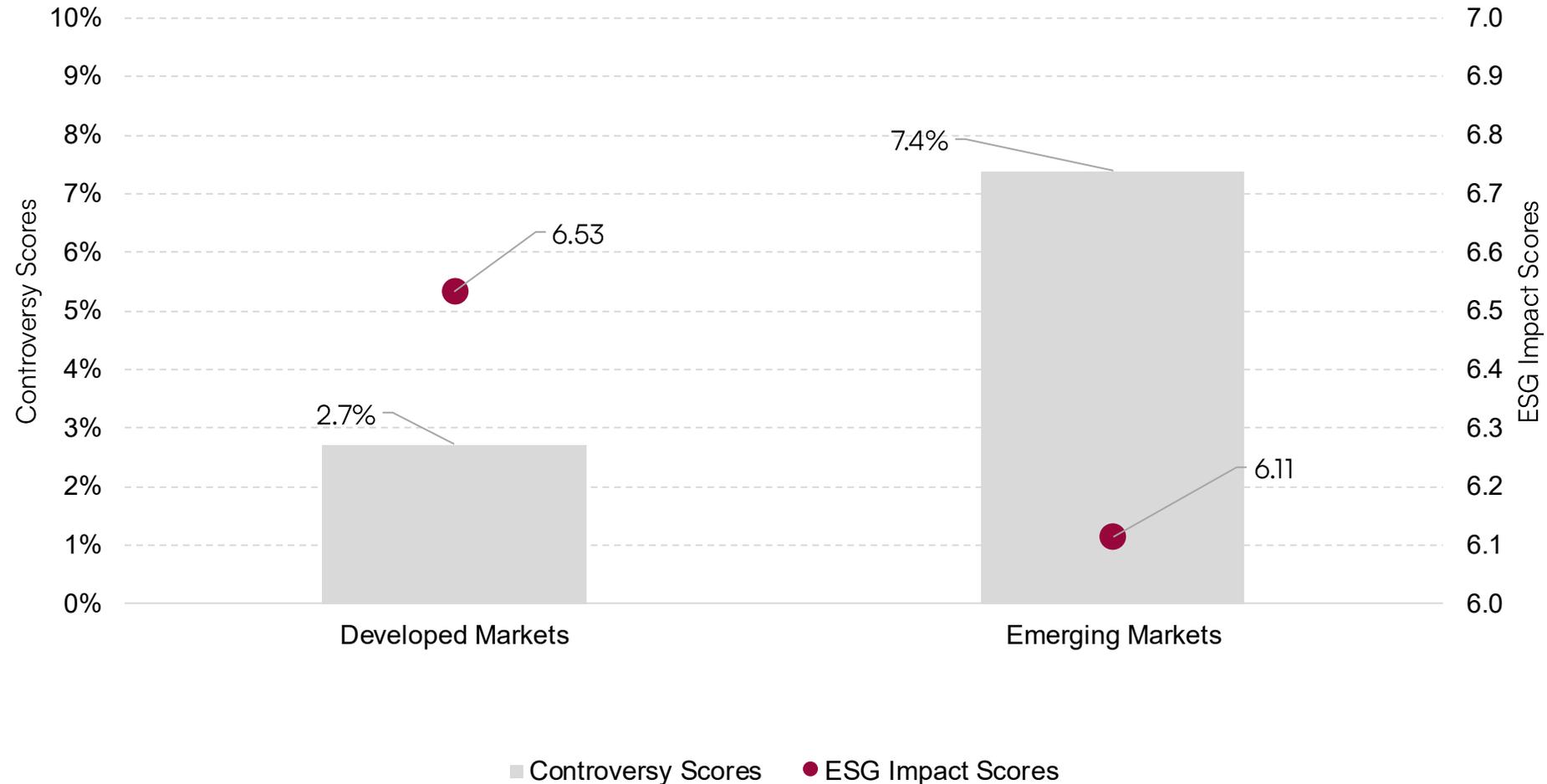
ESG Impact and Controversies Scores across Regions

Europe has the best ESG Impact, score and North America has the best Controversy Score



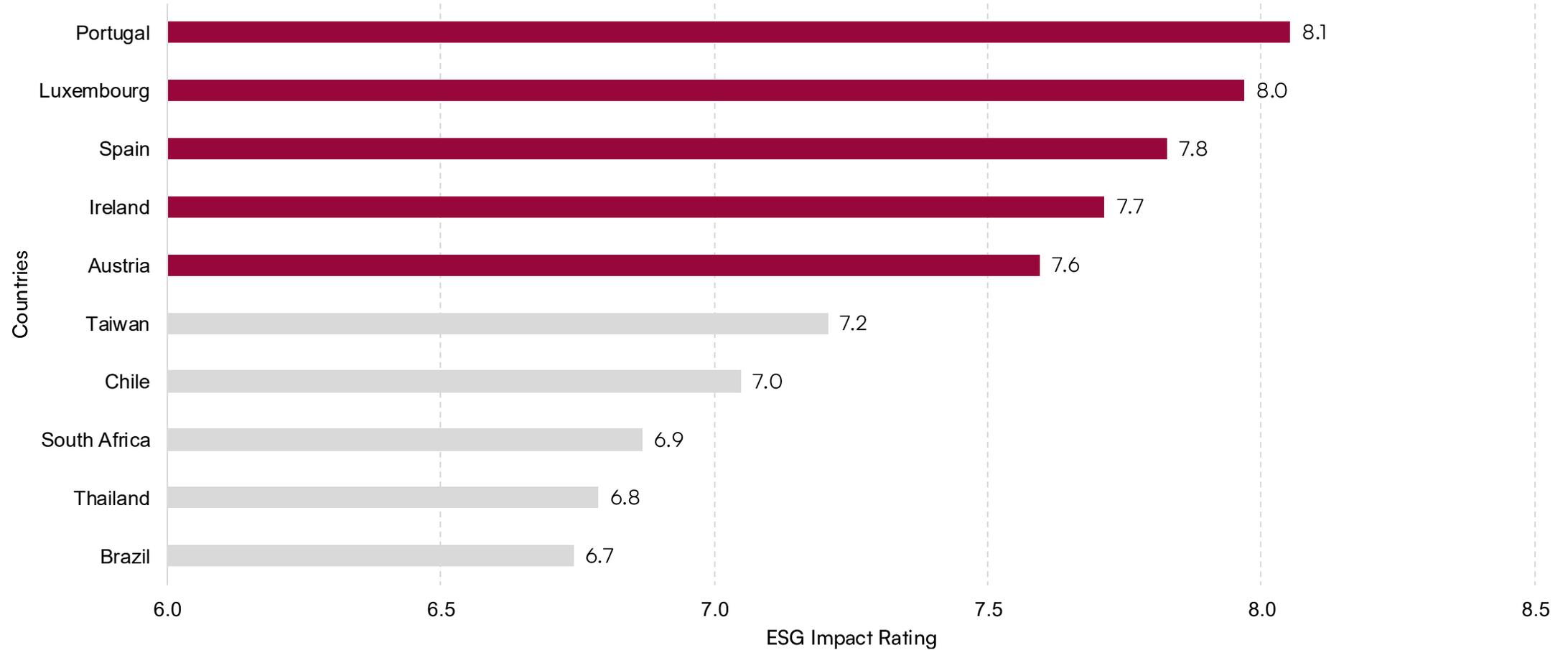
ESG Impact and Controversies: Developed vs. Emerging Countries

Developed markets show higher ESG Impact scores and lower Controversy scores



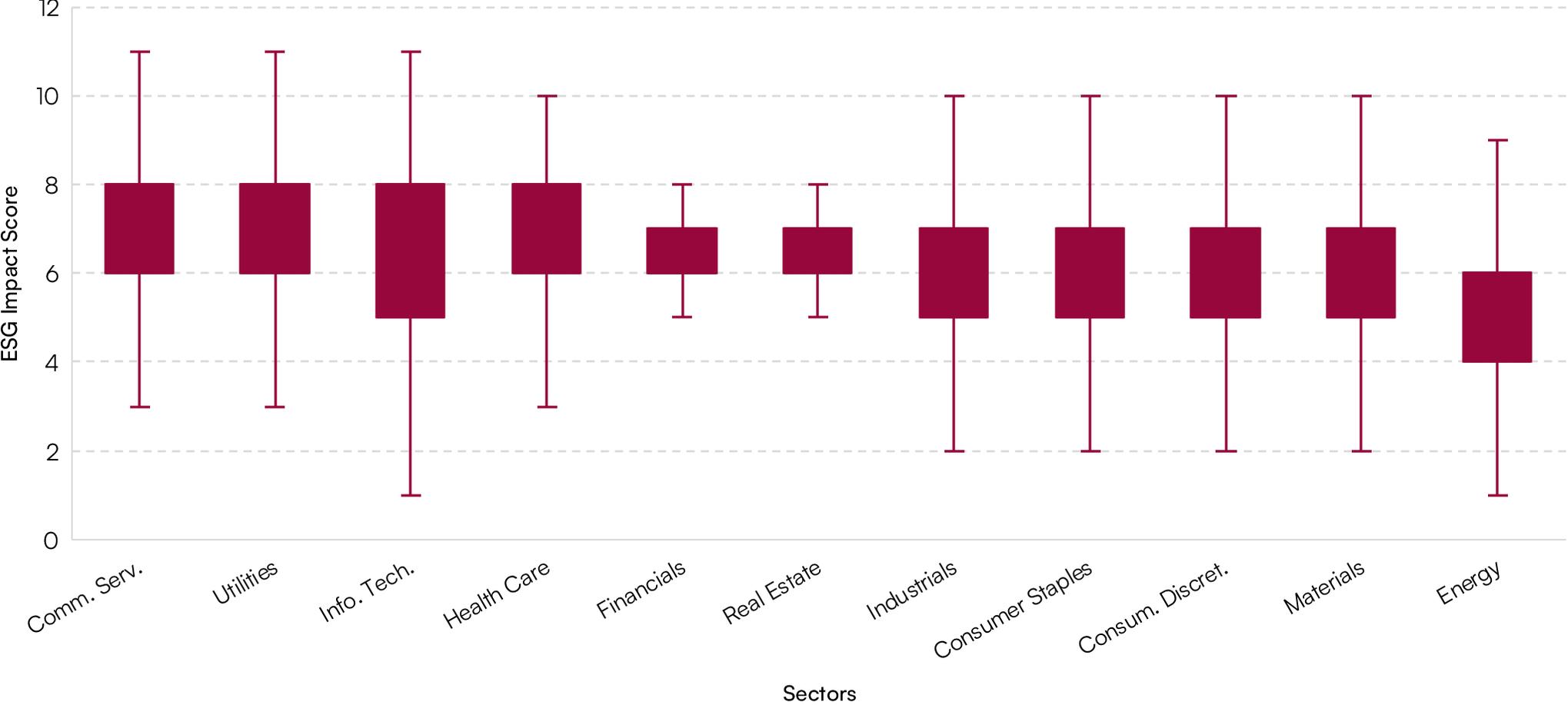
Top 5 Developed and Emerging Countries

No overlap between top 5 Developed and Emerging Markets



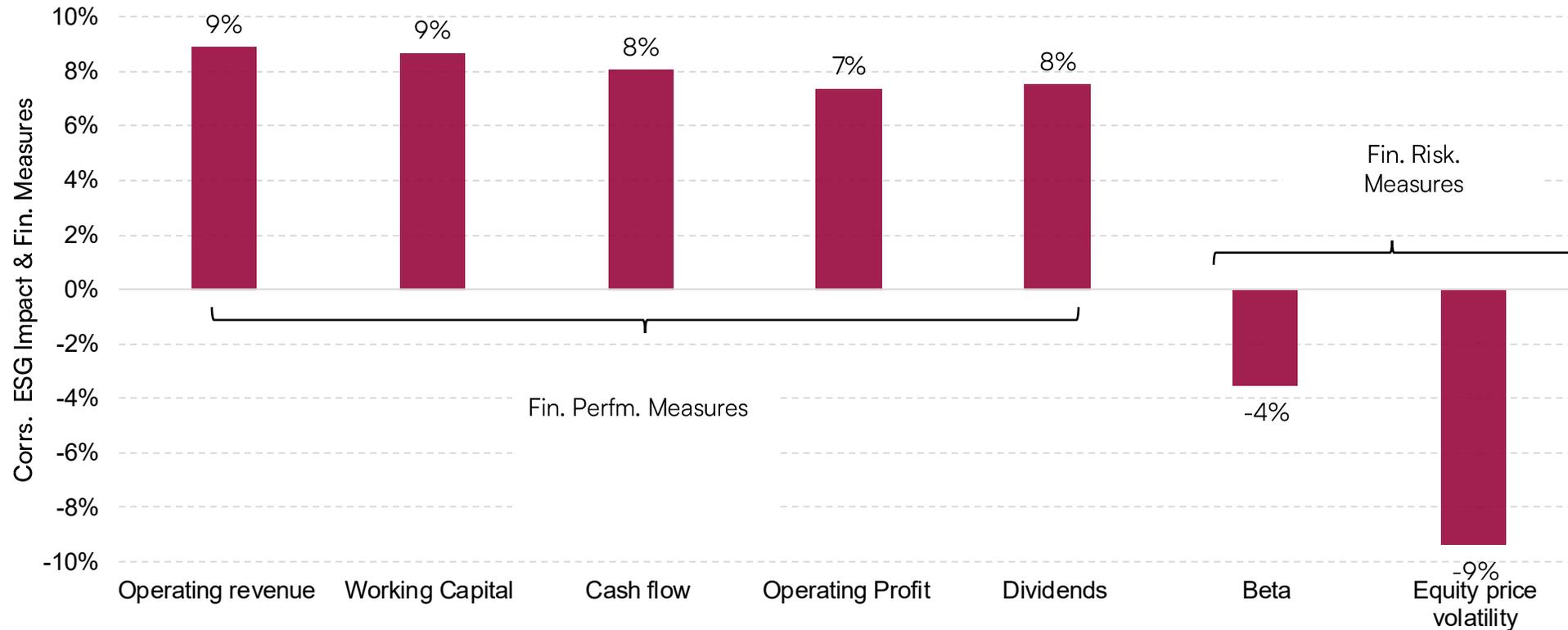
ESG Impact Scores across Sectors

Comm. Services has the highest ESG Impact Score, Materials and Energy are at the bottom



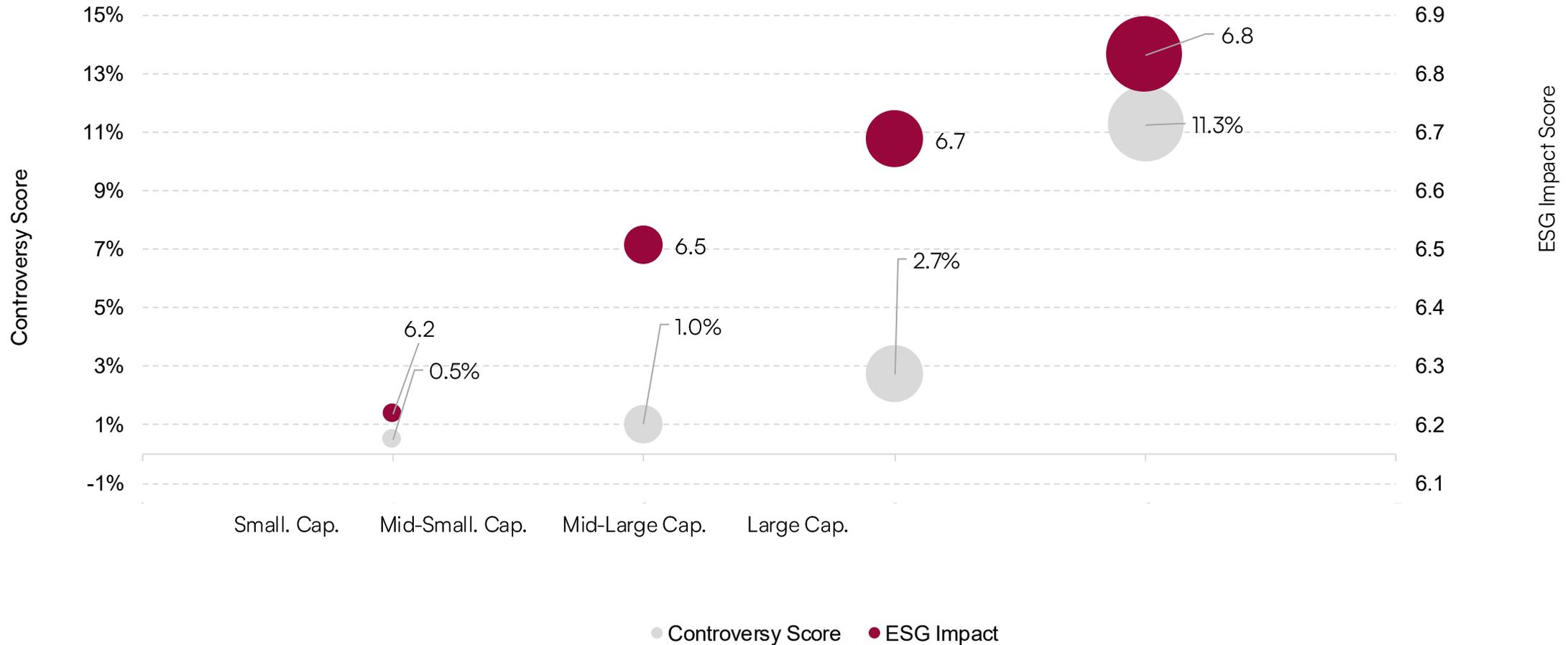
Correlations between ESG Impact, Financial Performance and Risk

Some evidence that ESG Impact correlates positively with financial performance and negatively with risk



ESG Impact, Controversies Scores, and Market Capitalization

Some evidence that large companies have better ESG Impact Score, but worse Controversy Scores





ESG to the Core: Since 1991

Inrate, a Sustainability Data and ESG Impact rating company, helps financial institutions view sustainable finance from an 'impact' lens. The contemporary responsible investor needs data that supports a variety of use cases and stands up to scrutiny. Inrate scales the highest quality and standards and deep granularity to a universe of 10,000 issuers, allowing portfolio/fund managers, research, and structured product teams to make confident decisions.

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