

ISS ESG SCORECARDS

Informed by the ISS ESG Corporate Rating, as well as the SDG Solutions Assessment and Carbon Risk Rating methodologies, the ISS ESG Scorecard is an intuitive assessment tool which facilitates an industry-specific scoring of a company's ESG risk situation and sustainability opportunities measured across all ESG dimensions. It is specifically designed to assess private companies.

The primary use cases include ESG analysis during credit risk assessments, consideration of ESG aspects during due diligence processes for private equity portfolio companies, and facilitation of investor engagement and entering into dialogues with portfolio companies regarding material ESG issues.

Each ISS ESG Scorecard is comprised of standardized elements, which provide for detailed assessments and allow users to put into context analyzed companies. The assessment part of the ISS ESG Scorecard encompasses generic risk elements including climate, social and governance risks, an industry key issues element, as well as an element assessing the Sustainable Development Goals (SDG) impact of products and services. The two remaining elements, the Industry Profile and the EU Taxonomy, are informational and facilitate the localization of assessed companies in the industry.

Outputs

The ISS ESG Scorecard includes an automatic scoring engine which calculates scores on a scale from 0-100 for each element as well as an overall score. A company's ESG performance is also displayed on a heat bar to better visualize results. Furthermore, a risk level is determined, which indicates a company's risk exposure regarding each dimension. Risk is classified in five levels: Very high (0 - <20), High (20 - <40), Medium (40 - <60), Low (60 - <80), and Very low (80-100).

Research Process

The ISS ESG Scorecard is designed as a "Do-It-Yourself" tool for clients to perform ESG risk analyses of private companies. ISS ESG provides a user manual and introductory training to clients to ensure consistent application.

Annual reviews and updates of the industry-specific scorecard models ensure that all assessment elements are kept up to date in line with salient ESG developments.

**We empower investors and companies to build
for long-term and sustainable growth by providing
high-quality data, analytics, and insight.**

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