

ESG Measurement

ESG scores: Publicly listed firms

- [MSCI ESG Research](#)

- Mostly used;
- Grading system - Rule based



LAGGARD

A company lagging its industry based on its high exposure and failure to manage significant ESG risks

Twitter icon
LinkedIn icon

AVERAGE

A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers

LEADER

A company leading its industry in managing the most significant ESG risks and opportunities

- **how well companies manage risk compared with their peers, not across industries.** It gives only overview on each industry,
- Rating Framework

MSCI ESG Score									
ENVIRONMENT PILLAR				SOCIAL PILLAR				GOVERNANCE PILLAR	
Climate Change	Natural Capital	Pollution & Waste	Env. Opportunities	Human Capital	Product Liability	Stakeholder Opposition	Social Opportunities	Corporate Governance	Corporate Behavior
Carbon Emissions	Water Stress	Toxic Emissions & Waste	Clean Tech	Labor Management	Product Safety & Quality	Controversial Sourcing	Access to Finance	Board	Business Ethics
Product Carbon Footprint	Biodiversity & Land Use	Packaging Material & Waste	Green Building	Health & Safety	Consumer Financial Protection	Community Relations	Access to Health Care	Pay	Tax Transparency
Financing Environmental Impact	Raw Material Sourcing	Electronic Waste	Renewable Energy	Human Capital Development	Privacy & Data Security		Opportunities in Nutrition & Health	Ownership	
Climate Change Vulnerability				Supply Chain Labor Standards	Responsible Investment			Accounting	
					Chemical Safety				

Universal key issues applicable to all industries

- Research Tools: Check the individual firm - providing the research info in firm base
- [Sustainalytics](#)

- Score System

Tesla, Inc.

Industry Group: **Automobiles**

Country/Region: **United States of America**

Identifier: **NAS:TSLA**

Founded in 2003 and based in Palo Alto, California, Tesla is a vertically integrated sustainable energy company that also aims to transition the world to electric mobility by making electric vehicles. The company sells solar panels and solar roofs for energy generation plus batteries for...
[+ Show More](#)

Full time employees: **140,473**

ESG Risk Rating

COMPREHENSIVE



25.3 Medium Risk



Ranking

Industry Group (1st = lowest risk)

Automobiles

49 out of 89

Universe

Global Universe

8133 out of 15974













Last Full Update: **Jul 14, 2023**



Last Update: **Jan 10, 2024**



- Compare 4 firms at the same time but only basic info

You	1	2
Tesla, Inc.	Advance Auto Parts, Inc.	Porsche AG
ESG RISK RATING 25.3 Medium Negl Low Med High Seve	ESG RISK RATING 11.2 Low Negl Low Med High Seve	ESG RISK RATING 17.1 Low Negl Low Med High Seve
EXPOSURE Medium Low Med High	EXPOSURE Low Low Med High	EXPOSURE Medium Low Med High
MANAGEMENT Average Weak Avg. Strong	MANAGEMENT Average Weak Avg. Strong	MANAGEMENT Strong Weak Avg. Strong
TOP MATERIAL ESG ISSUES ?  Corporate Governance  Product Governance  Human Capital  Business Ethics	TOP MATERIAL ESG ISSUES ?  Corporate Governance  Product Governance  Human Capital  Data Privacy and Security	TOP MATERIAL ESG ISSUES ?  Corporate Governance  Carbon - Products and Services  Business Ethics  Product Governance

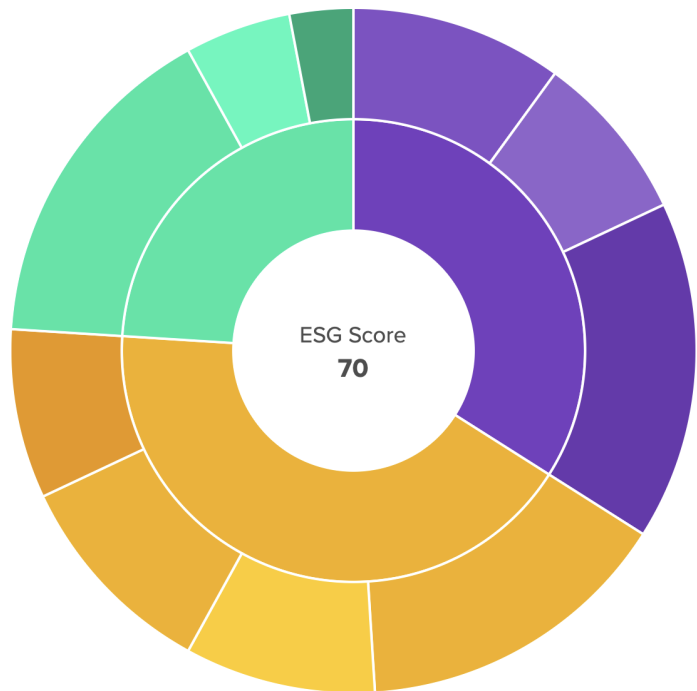
- Ad: Total transparency on development (more detailed sectors and variables considered) and information
- Disad: You need to submit your personal info every time you want to check info further
- [LSEG ESG Scores](#)

- Score System

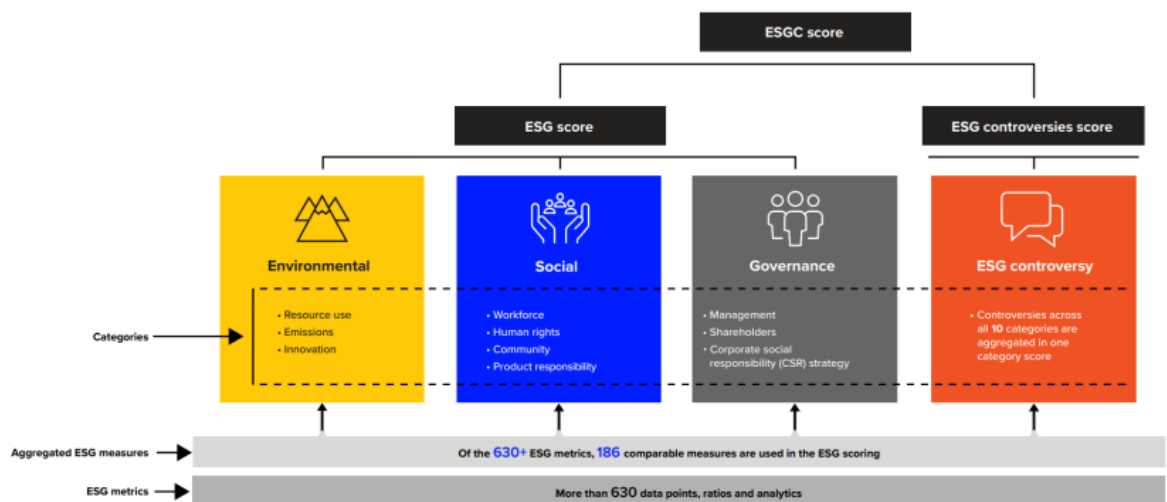
Tesla Inc ESG score: **70/100**

Based on Tesla Inc's self-reported FY 2022 data

Environment ⓘ	73
Emissions	64
Resource Use	58
Innovation	85
Social ⓘ	75
Human Rights	78
Product Responsibility	56
Workforce	70
Community	93
Governance ⓘ	56
Management	58
Shareholders	38
CSR Strategy	76



- Only showing the results - raw data and data processing not released
- The disclosure of the data consideration is quite general



- [ISS](#)

- for-profit enterprise - paid access only, not public

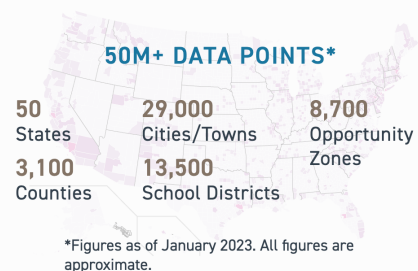


ESG MUNI QUALITYSCORE

Assessing ESG performance at the municipal issuer level has gained momentum, as investors increasingly seek to manage ESG risks in fixed income investments. In addition, municipal bonds can play a large role in shifting capital flows to investments that address societal issues and have a tangible impact on local communities. The ISS ESG Muni QualityScore provides ESG scoring for the U.S. municipal market at the GEO.id level¹, as well as at the CUSIP² level for issuers.

LARGEST COVERAGE IN THE MARKET

The ESG Muni QualityScore offers fixed income investors an unmatched level of transparency by providing ESG rankings, scores, and underlying data for municipal bonds in all 50 states.



Municipal bonds are assessed on their performance across a wide range of ESG issues, including:



ENVIRONMENTAL

CLIMATE CHANGE RISK

- Water
- Air
- Heat index
- Sea level

ENVIRONMENTAL RISKS

- Superfund sites
- Coal ash impoundments
- Air quality



SOCIAL

HEALTH RISK

- Cancer incidents
- Diabetes prevalence
- Obesity rates
- Opioid prescriptions

CENSUS

- Population
- Unemployment
- Poverty
- Racial employment parity
- Gender employment parity



GOVERNANCE

PERSONAL INFRASTRUCTURE

- Police per resident
- Firefighters per resident
- Dentists per resident
- Doctors per resident

FINANCIAL

- Debt per resident
- Debt per student

¹ Census provided identifier for every city, county, school district, and state
² Committee on Uniform Security Identification Procedures

- [Bloomberg](#)
 - School Access 🧑🎓
 - Dataset & Firm Score & Carbon Emission

Common Tools and Framework (more specific)

- [SASB](#)
 - Company's ESG disclosure

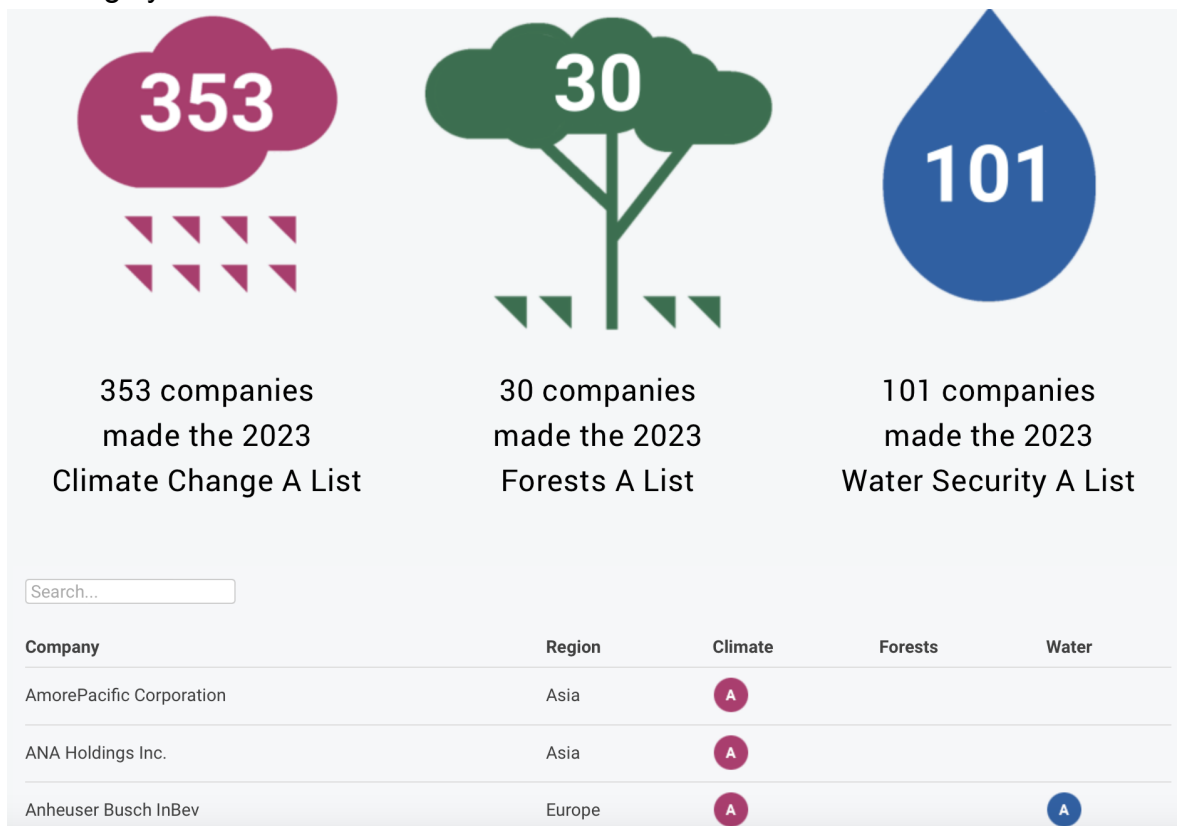
- Industry ESG standard
- Free Access
- [GRI](#)
 - Industry standard

Other measurement

- More detailed, each measurement only gives one specific assessment, but not taking ESG as a whole

Carbon Emission

- Bloomberg Carbon Emission
- [CDP \(Carbon Disclosure Project\)](#)
 - Grading system



- Data from firm's own disclosure
- Raw data accessible but need their approval

Social and Human Rights

- [KnowTheChain](#): address forced labor risks within their global supply chains
 - Limited Number of firms
 - Score system
 - Transparency on score development
- [**Corporate Human Rights Benchmark \(CHRB\)**](#): Measures companies' human rights performance

- Limited Number of firms: focusing on high-risk industries
- Score system
- Transparency on score development
- Much much more detailed
 - publishing the report
 - Scores in different sectors

Corporate Governance

- **ISS Governance QualityScore:** governance issues, including board structure, shareholder rights, audit practices, and executive compensation (**but no public access**)

Gender Equality

- **Bloomberg Gender-Equality Index (GEI):** across internal company statistics (self-disclosure), employee policies, external community support and engagement, and gender-conscious product offerings.

General Overview to the Market

- [FTSE4Good Index Series by LSEG](#)
- [DJSI Index Family](#)
- [S&P ESG Index Family](#)