THE good LOBBY TRACKER

Scorecard

S&P Global Corporate Sustainability Assessment

About S&P

COVERAGE OF COMPANIES **10,000+**	FOCUS **Corporate ESG scores**
LAUNCH DATE **1999**	LINK: https://www.marketplace.spglobal.com/en/solutions/corporate-sustainability-assessment

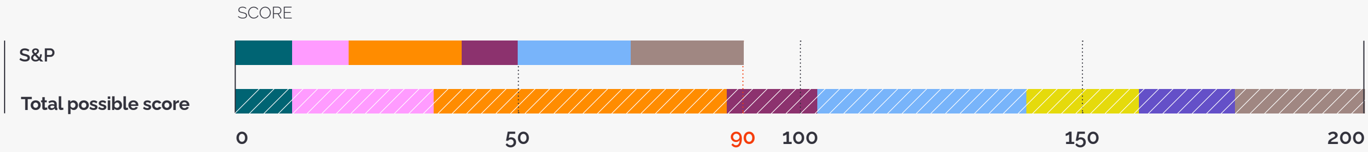
S&P Global Corporate Sustainability Assessment Score

Rank 9 /27

Tracker Rank and Score for S&P

The score is out of a total of 200 and the rank describes the standards position in the 27 standards assessed by the Tracker.

Category scores of S&P



A General disclosure on Corporate Political Activities

B Political contributions

C Lobbying and advocacy activities

D Influence via third-parties

E Disclosure of 'lobbying/advocacy' policies and positions

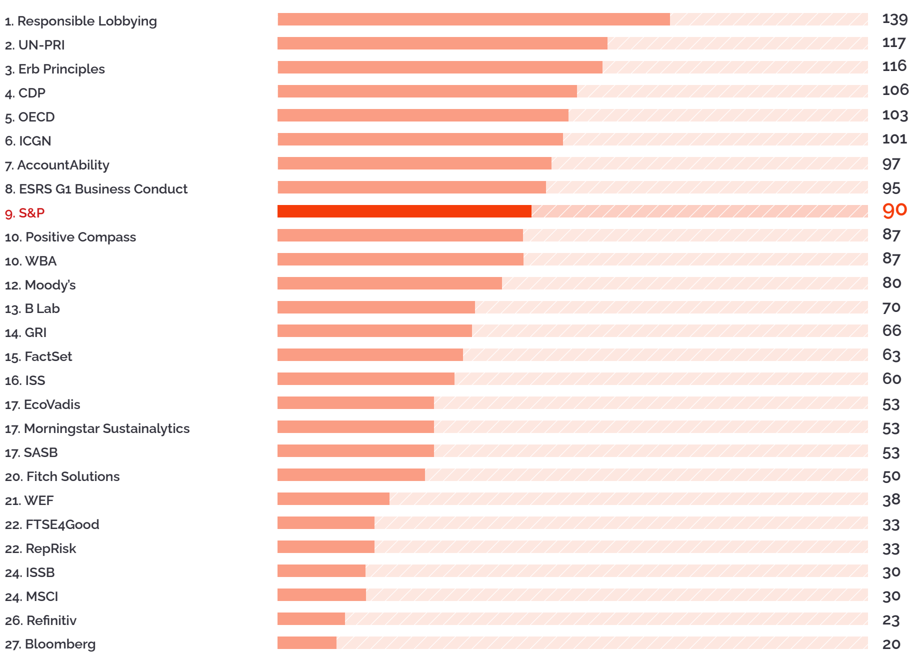
F Commitment to sustainable lobbying practices

G Employees and internal policy

H Governance of the standards

*Categories where the standard received no points do not appear in the colour-coded graph

Rank and scores for all standards



Description

The S&P Global Corporate Sustainability Assessment (CSA) provides an annual evaluation of companies' sustainability practices. It covers over 10,000 companies from around the world. According to S&P, the CSA focuses on sustainability criteria that are both industry-specific and financially material and has been an ongoing research and analytical process since its inception in 1999.[1] This makes S&P one of the more well established ESG company ratings providers. The CSA process is designed to generate company ESG Scores that are then made available via the public S&P Global ESG Scores website[2] alongside Percentile Ranks based on those scores which are shared on the Bloomberg data platform.[3]

Score summary

The S&P methodology receives a Tracker score of 90 out of a possible total of 200, increasing from 80 in the original Tracker scorecard. The assessment methodology touches on corporate political activities and associated risks and opportunities in an indirect manner. As with the other ESG rating agency methodologies, the review of materiality issues, materiality assessments, and emerging risks provides an opportunity for companies to consider risks associated with their political activities but this information is never requested directly. The S&P methodology earns points in Tracker Category A, 'general disclosure on corporate political activities,' and in category B, 'political contributions.' Sections in the S&P methodology on ethics and codes of business conduct miss the opportunity to fully consider a firm's corporate political activities.

The S&P assessment category on 'policy influence' outlines the importance of lobbying policy and practices: companies legitimately represent themselves in legislative, political and public discourse, excessive contributions to political campaigns, lobbying expenditures and contributions to trade associations as well as the lack of transparency about those contributions may damage Perc to combat climate change and its lobbying activities can also damage its reputation, and significantly undermine global efforts to transition to more sustainable economies.[4]

The third party lobbying focus, assessed in Tracker Category D, is on climate lobbying; The e S&P Methodology explains its approach to lobbying as follows: "this criterion we evaluate the disclosures on the amounts they contribute to political campaigns, trade associations and other tax-exempt groups, and on lobbying expenditures. Additionally, we assess the management systems companies have in place to ensure lobbying activities and memberships of trade associations are aligned with the Paris Agreement to limit global warming to well below 2 degrees Celsius."[5]

The S&P questions on policy influence ask for disclosures on the amount of money companies are allocating to organisations whose primary role is to create or influence public policy, legislation and regulations. Yet companies completing the assessment are also given the option of selecting the answer "We do not track our largest contributions or expenditures for political and related purposes." These inconsistencies and a number of significant gaps in the approach, including on employee conduct, suggest that the S&P methodology can be significantly improved in order to better capture reputational and legal risks associated with corporate political activities and other forms of lobbying.

Opportunities for improvement

The S&P assessment does not currently consider a firm's commitment to sustainable lobbying practices in the assessment questionnaire. The S&P Global Corporate Sustainability Assessment[6] methodology scores zero in two Tracker categories: Category F, 'Commitment to sustainable lobbying practices,' and Category G, 'Employees and internal policy.' Where a standard scores zero on the Tracker assessment methodology, The Good Lobby engages with the standard provider to enable a more consistent and effective assessment of lobbying conduct in those categories. In the case of large, sophisticated global data and index providers such as S&P, The Good Lobby expects improvement over time in capturing important data on corporate political activities to inform ESG ratings and also, even more importantly, index construction.

Endnotes

1 https://www.spglobal.com/esg/csa/

2 https://www.spglobal.com/esg/solutions/data-intelligence-esg-scores?

3 'ESG Data:' https://www.bloomberg.com/professional/product/esg-data/

4 S&P Sustainable1 CSA Handbook at p.77

5 S&P CSA Handbook 2024 Corporate Sustainability Assessment, at p.77: https://www.spglobal.com/esg/csa/methodology/?

6 'Corporate Sustainability Assessment 2023:' https://www.spglobal.com/esg/csa/

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