

A DEFINING BENCHMARK FOR ESG RISKS

Summary Methodology

R1ESGo™ ratings are a risk-focused evaluation of the relevance and impact of an array of environmental, social and governance (ESG) factors in economic activities. This evaluation is based on global ESG standards and calibrated by RAM’s insights on the domestic market.

Expressed through a scale of 15 risk bands, R1ESGo™ ratings reflect the extent of sustainability issues that may affect the industry sector or company, leading to material reputational, business and/or financial impact.

R1ESGo™ Framework

The framework for R1ESGo™ ratings draws from RAM Sustainability’s established ESG evaluation criteria and considers the relevance, impact and materiality of sector-specific sustainability issues and risks. To evaluate risk exposures to ESG issues, we assess up to 33 factors of various sustainability dimensions. These factors are grouped into themes, as illustrated.



R1ESGo™ Industry Ratings are based on a sector’s ESG risk exposure to 16 factors. Dynamic weights that vary by sector are applied to these factors to derive the final rating.

R1ESGo™ Entity Ratings overlays an entity’s management, mitigation, and control of inherent industry ESG risks. The ratings also consider any adverse ESG findings or controversies that may impact an entity’s reputation, financial or business profile.

Rating Scale

R1ESGo™ ratings are expressed on a numerical scale of 1 to 15, with lower ratings indicating fewer vulnerabilities to ESG issues that may lead to adverse reputational, business and/or financial impact.

- 1 2 3 **Very Low Risk**
- 4 5 6 **Low Risk**
- 7 8 9 **Moderate Risk**
- 10 11 12 **Elevated Risk**
- 13 14 15 **High Risk**

Entity ESG Rating Reports

Reports for Bursa-listed companies and/or fixed-income issuers are available as a single report or bundled as a portfolio of companies. For reports on other entities not readily available, please contact us.

Industry Classification

Sectors are classified by widely used standardised industry codes. At its most granular, R1ESGo™ ratings are currently available for 94 sub-sectors. To customise sector groupings or map risk scores for your internal use, please contact us.