

Rate the Raters 2023

Factsheet

This report is based on analysis of survey responses from a broad range of corporate sustainability professionals and investors; survey data are supplemented by in-depth interviews and secondary research. The findings reveal an ongoing evolution in the ESG ratings space, with the landscape becoming more complex at the same time as ratings become more important to investors and corporations. But many of the pain points past Rate the Raters research revealed remain the same. ESG ratings and data are essential to the sustainable finance ecosystem and their use is increasing, but ESG ratings providers still fall short of meeting all stakeholders' needs.

Please click over to the full [Rate the Raters 2023](#) for analysis and context.

First Look: Survey Highlights*

CDP, S&P Global ESG, ISS-ESG, and Sustainalytics are ranked the highest by both investors and corporate respondents.

- Investors and Corporates mostly agree on the **best ESG rating providers**: CDP and S&P Global ESG are both at the top of the list.
- CDP earns the **highest position**, as it did during previous Rate the Raters survey cycles.

Investors are increasingly required to integrate ESG ratings and data into investment strategies.

- In 2018/19, **12 percent** of investor respondents ranked requirements to integrate ESG ratings and data into their investment practices among their top three priority reasons for using ESG rating providers.
- In 2022, **43 percent** of respondents ranked requirements to integrate ESG ratings and data into their investment practices among their top three reasons for using ESG rating providers.

*104 corporate and 33 investors were surveyed between September and November of 2022. For full methodology and survey questions see Appendix I.

Both Investors and Corporates Have Only Moderate Trust in ESG Ratings Providers.

- When asked to rate their level of overall trust in ESG ratings providers to accurately judge corporate sustainability performance on a scale of 1 to 5*, **52 percent** of corporates and **59 percent** of investors responded with a “3,” indicating moderate trust.
- Investor respondents rated their level of overall trust in ESG ratings providers as **3.31 out of 5** on average.
- Corporate respondents rated their level of overall trust in ESG ratings providers as **2.9 out of 5** on average.

ESG raters that require active participation from corporations are ranked higher than others.

- Corporate respondents ranked active rating providers CDP and S&P Global ESG **first and second**, respectively, in average quality and usefulness.
- Active providers’ average score was approximately **0.5 points higher in quality and usefulness** (3.71 and 3.56, respectively) compared to passive ratings (3.14 and 3.06, respectively).

Corporations recognize both benefit and cost of engagement with ESG raters.

- **Over 50 percent** of surveyed companies engage to some degree with at least six ratings providers, but interviewees indicated that they are prioritizing engagement and responding to fewer providers overall.

Investor demand drives corporate engagement with ESG raters.

- **57 percent** of corporate respondents listed investor demand as their top motivation.
- **82 percent** of corporate respondents listed investor demand among their top three reasons for engaging with ESG raters.

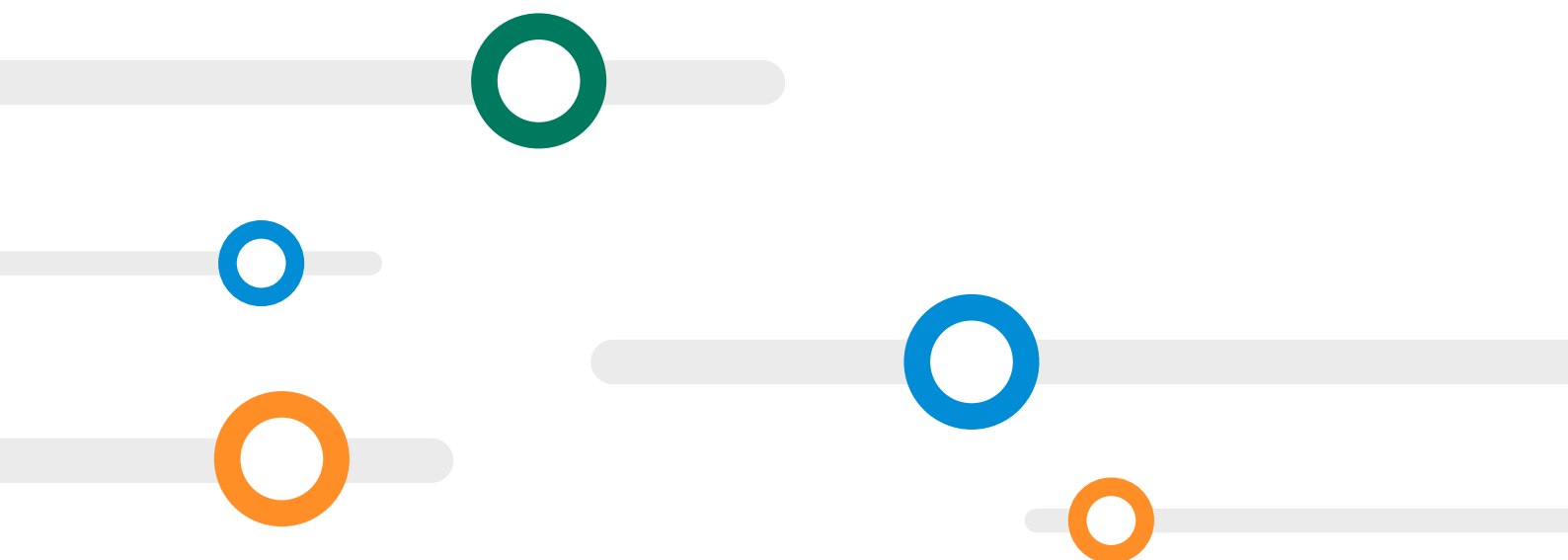
*The survey asked all respondents to indicate their overall trust in ESG ratings providers on a scale of 1 to 5, where 1 is “very low,” 3 is “moderate,” and 5 is “very high.” For full methodology and analytical approach, see Appendix 1.

Investors use ESG rating products more frequently than when we last surveyed them.

- **Nearly half (47 percent)** of all investors surveyed use ESG ratings products and services multiple times per week, compared to 35 percent in 2018/19.
- **Over two-thirds (69 percent)** of investors use ESG ratings products and services more than once a week, compared to 65 percent in 2018/19.
- **Almost all (94 percent)** surveyed investors use ESG ratings products and services at least once a month, a 16-percentage point increase from 2018/19.

Survey Responses on Quality and Usefulness of ESG Raters*

- CDP was ranked the most useful ESG rating provider by both corporate and investor respondents. On quality, it ranked #1 with corporate respondents and #2 with investor respondents.
- Sustainable Fitch, Refinitiv, and FTSE4Good were rated lowest for both quality and usefulness by corporate respondents and did only slightly better with investor respondents.



*Note that Rate the Raters surveys asked respondents to rate the named ESG rating firms as entire entities. The survey did not provide options for respondents to differentiate between different rating products offered by the same firm.

Key Table: Rating the Raters*

The heart of the Rate the Raters research project is asking corporate and investor participants to tell us which ESG rating providers they believe are currently providing the most quality and usefulness within the sustainable investing ecosystem.

Survey Responses on Quality and Usefulness of ESG Raters

Investor Survey: Quality Rankings			Investor Survey: Usefulness Rankings		
Rank	ESG Ratings Provider	% Respondents Rating High Quality (4&5)	Rank	ESG Ratings Provider	% Respondents Rating High Usefulness (4&5)
1	ISS-ESG	65	1	CDP	56
2	CDP	64	2	ISS-ESG	52
3	Sustainalytics	59	3	Sustainalytics	42
4	EcoVadis	50	4	S&P Global ESG	30
5	S&P Global ESG	36	5	Bloomberg	29
6	RepRisk	35	6	Moody's ESG	25
7	MSCI	35	7	MSCI	23
8	Bloomberg	24	8	RepRisk	23
9	Moody's ESG	19	9	Refinitiv	20
10	FTSE4Good	17	10	EcoVadis	16
11	Refinitiv	14	11	FTSE4Good	12
12	Sustainable Fitch	11	12	JUST Capital	6
13	JUST Capital	6	13	Sustainable Fitch	6

Corporate Survey: Quality Rankings			Corporate Survey: Usefulness Rankings		
Rank	ESG Ratings Provider	% Respondents Rating High Quality (4&5)	Rank	ESG Ratings Provider	% Respondents Rating High Usefulness (4&5)
1	CDP	80	1	CDP	71
2	S&P Global ESG	53	2	Sustainalytics	51
3	Sustainalytics	46	3	MSCI	49
4	MSCI	43	4	S&P Global ESG	42
5	ISS-ESG	34	5	ISS-ESG	40
6	EcoVadis	32	6	EcoVadis	34
7	Bloomberg	19	7	RepRisk	24
8	RepRisk	19	8	Bloomberg	19
9	Moody's ESG	18	9	Moody's ESG	15
10	JUST Capital	18	10	JUST Capital	14
11	FTSE4Good	16	11	FTSE4Good	10
12	Refinitiv	9	12	Sustainable Fitch	7
13	Sustainable Fitch	5	13	Refinitiv	3

*This demonstrates the percent of respondents who scored the ratings provider with a 4 or 5. See methodology appendix for scoring descriptions.