

Scientific Climate Ratings
An EDHEC Venture

SWIPE FOR MORE

ESG Ratings: What's missing?

Not forward-looking

ESGs don't model different climate scenarios or estimate interconnected future exposures.

They describe the past and today — not tomorrow.

No actionable climate metrics

ESGs don't quantify losses, damages, or risks from physical or transition climate shocks.

They are mostly compliance-driven and purely defensive.

They aren't built on scientific forecasts or robust financial modelling.

Lack of scientific precision

ESG ratings are subjective, and often inconsistent across different rating providers.

A company can be an “ESG Leader” and “ESG Laggard” simultaneously, depending on the ESG rating agency and what they are assessing.

Too broad, lacks focus

They rate too many different risk dimensions (e.g. Environmental, Social, and Governance) – which leads to lack of focus.

We want to focus on one single thing: the financial materiality of climate risks.

Ideology overrides science and rigour

They often reflect reputational or ethical alignment — not scientific risk assessment. This can result in greenwashing — big claims, small impact.

Most “climate-aligned” portfolios fail to deliver real-world emission reductions. There is a difference between “doing good” and “feeling good”.

We need to move beyond ESG checklists.

Investors and issuers need evidence-led tools, built on transparent and rigorous research.

To help them better assess the **financial materiality of climate risks**, EDHEC is launching **Scientific Climate Ratings** — a new venture combining climate science with advanced financial analytics to support **informed decision-making**.

What we offer

- ✦ Independent, evidence-based risk ratings
- ✦ Both physical and transition risks assessed
- ✦ Robust and transparent financial risk metrics expressed in concrete monetary terms
- ✦ Simulations under multiple climate scenarios and timeframes
- ✦ ClimaTech: The most extensive database of adaptation and resilience strategies

