

2024 Synesgy Global Observatory

1st Edition – An Extensive representation of Worldwide Corporate ESG Data

The definitive resource for comprehensive insights, data,
and trends in ESG.



Visit synesgy.com

About Synesgy

It comes from the words **synergy** / s'ɪnədʒi/: a collaboration of several **individuals** to achieve the same **goal**, and ESG.

What we do

Synesgy is the **ESG Global Digital Platform** developed by CRIF for helping companies worldwide to run ESG assessment. Currently we serve **41.000** users on the platform, of which **2.000** are using Synesgy to screen their suppliers and customers base.

Our Purpose

Synesgy is the global sustainability network that aims to make **ESG Assessment and self-disclosure easy and available to any company worldwide**, spreading ESG practices.



We combine Synesgy's **ESG Knowledge** with CRIF's decades of data management, analytics, and technological platform expertise

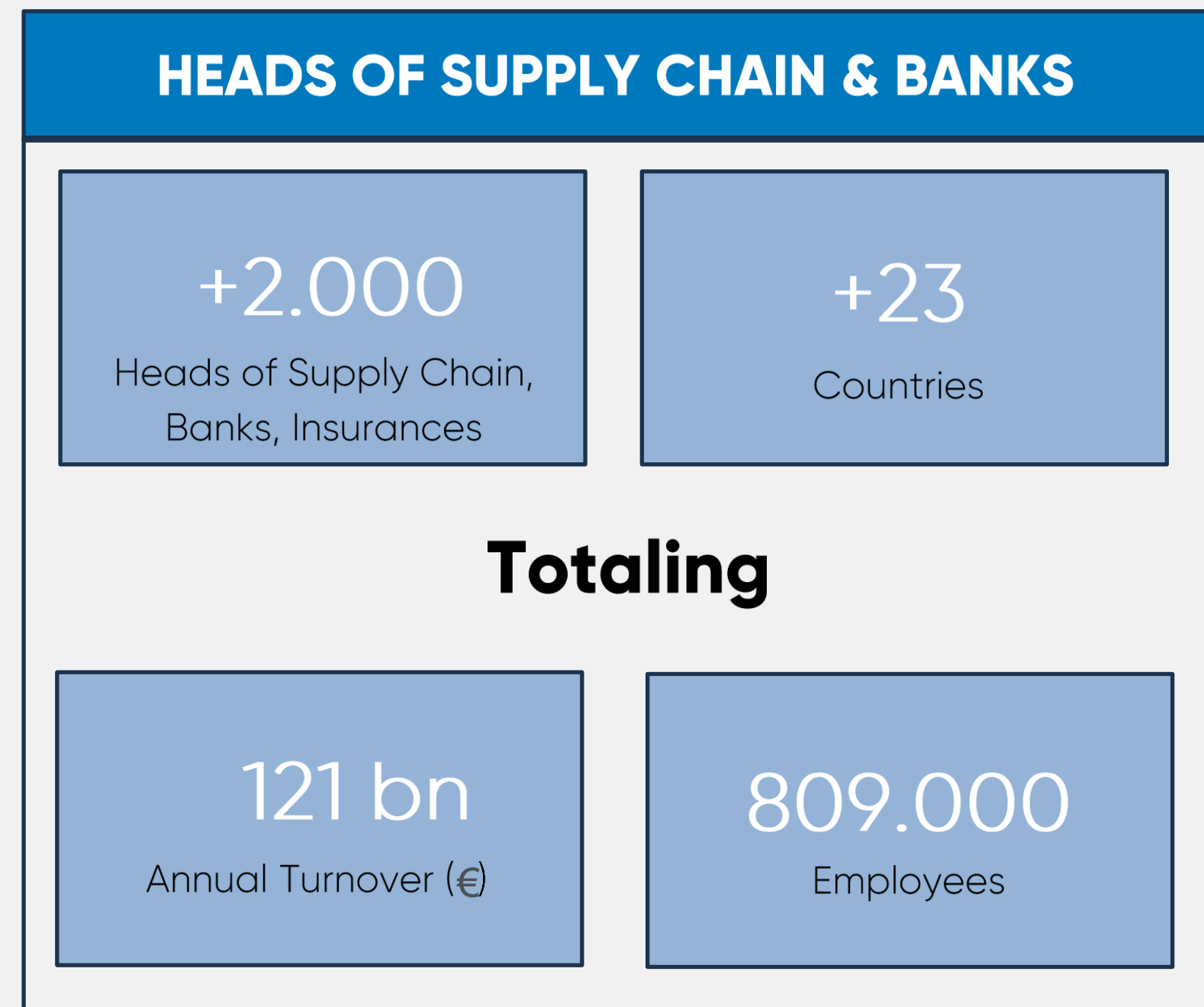
Our Methodology

This analysis has been carried out by analyzing 500.000 companies tracked in Synesgy, from 144 countries. We combined:

- Companies' ESG performance, sourced from Synesgy's database and collected via our GRI-Licensed questionnaire. The performance are represented using an ESG Score from A to E (A is the highest),
- CRIF's extensive business information database



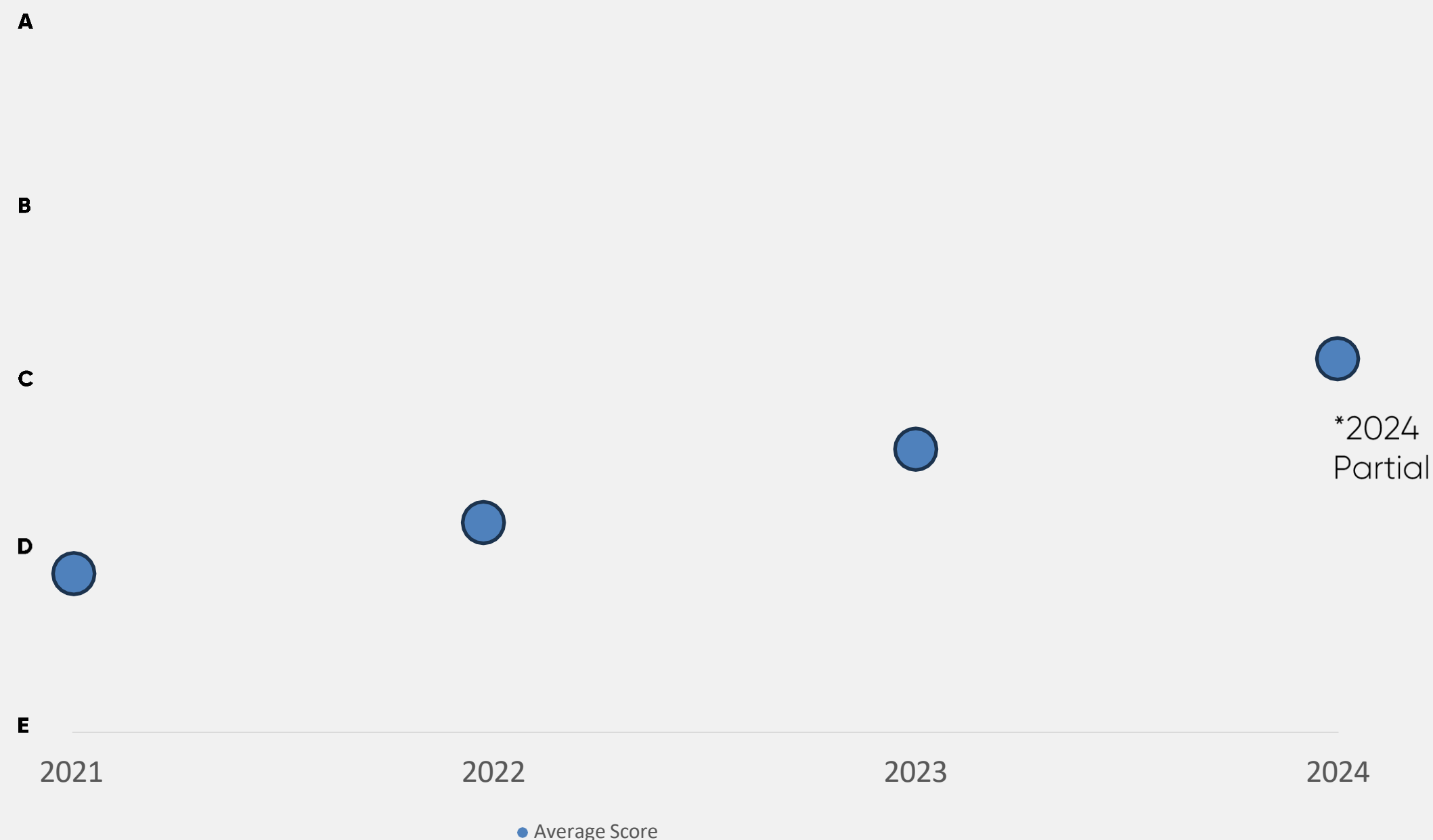
Key Figures of Synesgy Global Observatory



Tips to better understand the above two clusters

The 500.000 companies are either self-registered companies or suppliers and clients of the above-mentioned 2.000 Heads of supply chain, insurances & banks.

Worldwide Companies average ESG score evolution



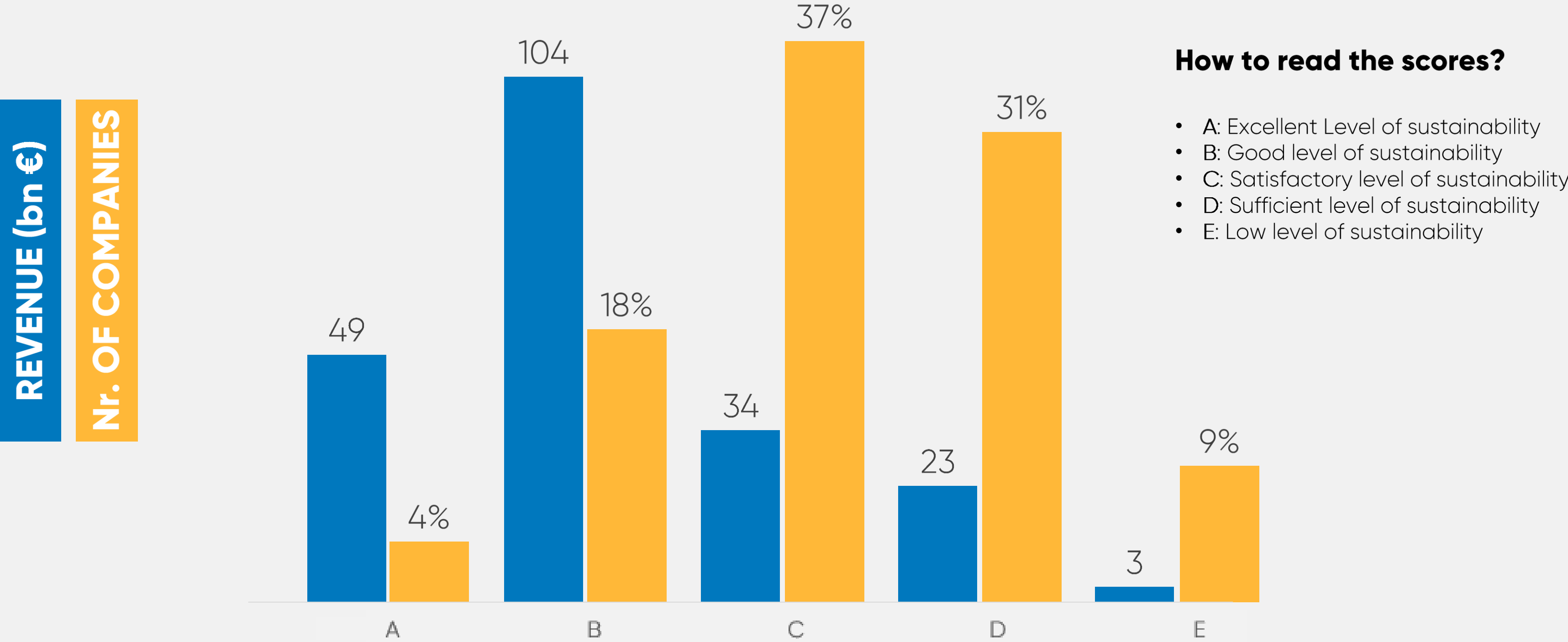
How to read the scores?

- A: Excellent Level of sustainability
- B: Good level of sustainability
- C: Satisfactory level of sustainability
- D: Sufficient level of sustainability
- E: Low level of sustainability

ESG Average Score: from lower than D to a solid C

The average ESG score for companies on the Synesgy platform in 2021 was lower than D. However, the increased adoption of the ESG practices and the broader use of Synesgy is now showing a better average score of the population.

Synesgy ESG Certified Companies Annual Turnover by ESG Score



Companies with A or B score represent 72% of the total annual turnover

Although companies with an A or B score are fewer in number, they account for 72% of the total annual turnover of all certified companies. The total annual turnover of the certified companies is €215 bn.



Can ESG bring commercial value on top of improved sustainability performances?

ESG and the concept of sustainability have often been mistakenly associated solely with the environment, CO2 emissions, and green practices.

Instead **ESG is now rapidly becoming a business framework** to guarantee and ensure financial sustainability by identifying and prioritising the sustainability impacts most relevant to a company's operations.

ESG Frameworks and Practices can identify inefficiencies and highlight opportunities to optimize a company's operations and supply chain. This is even more critical in times of economic uncertainty, where political, social and environmental instability can quickly jeopardize business activities.

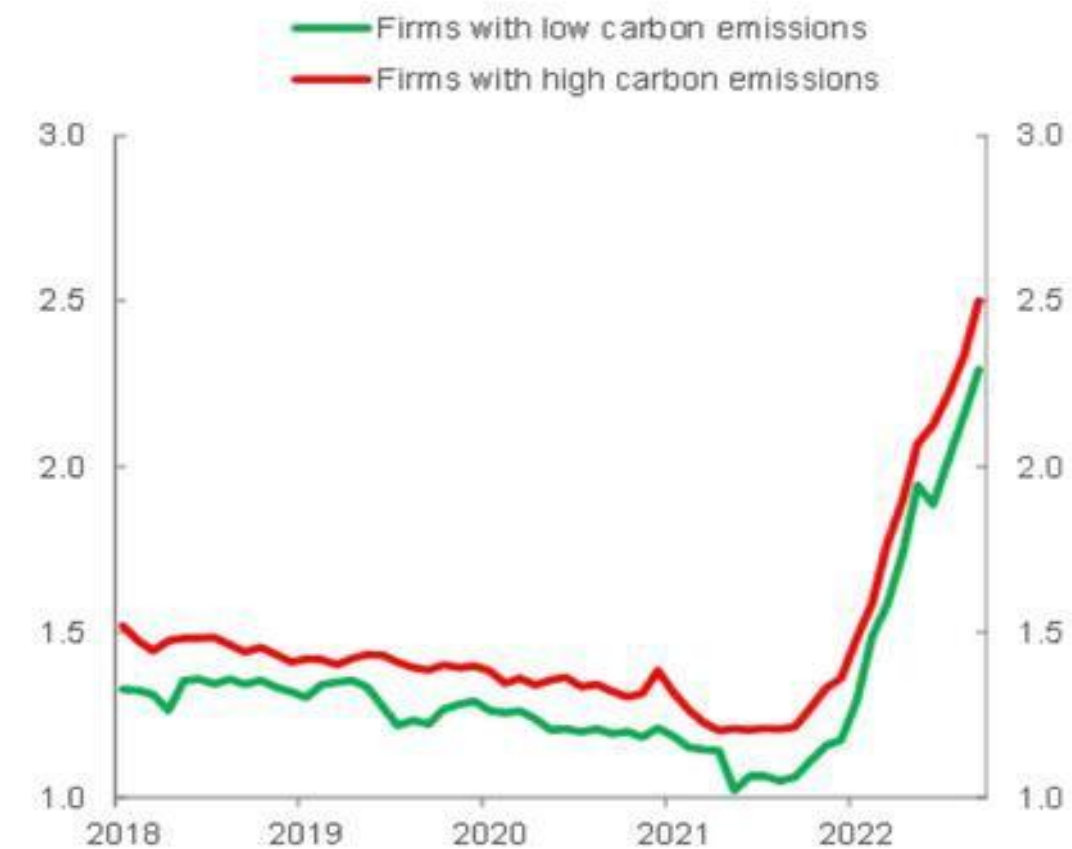
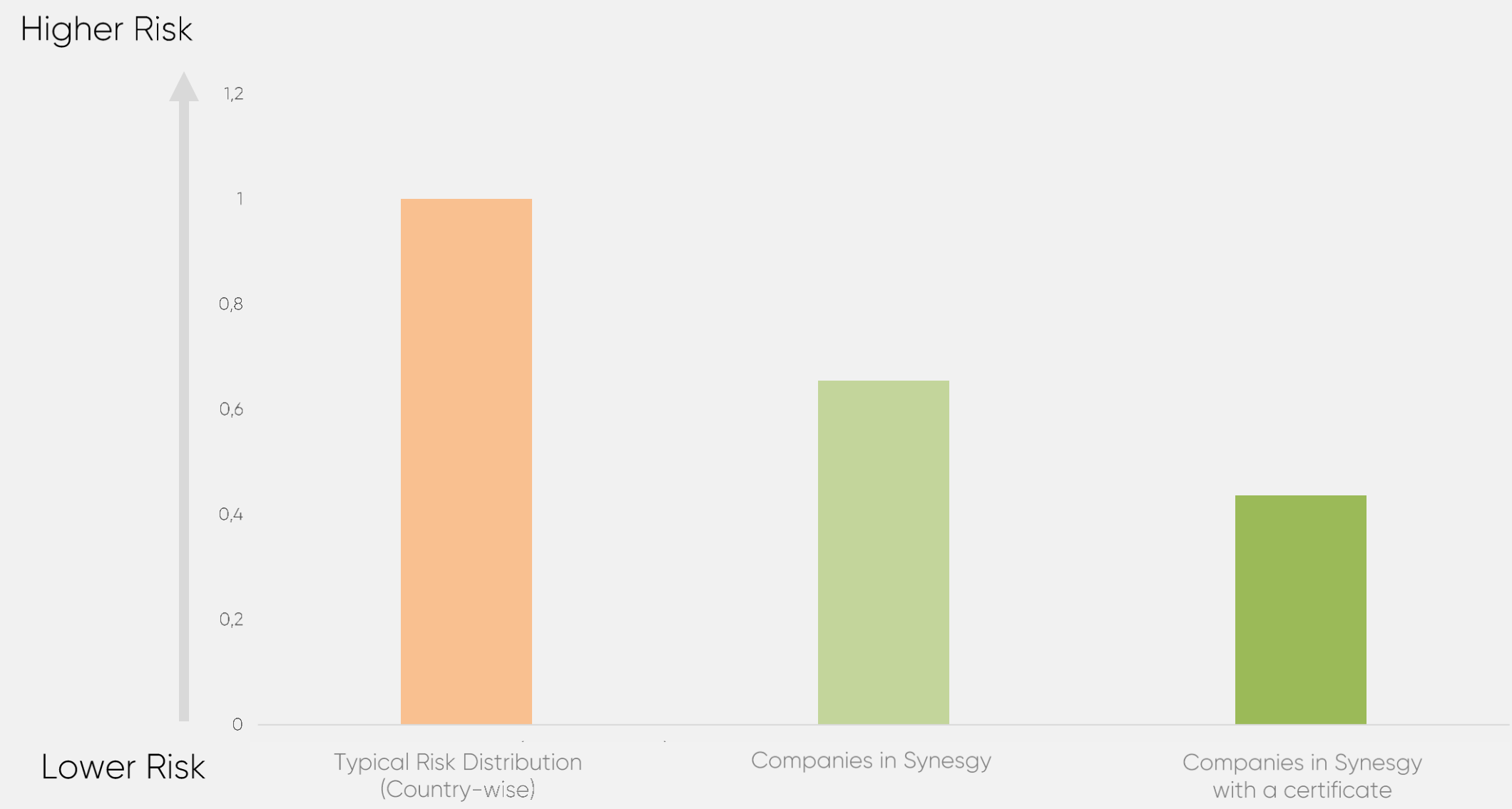


Figure 1: Average interest rates charged to high-emission and low-emission firms

Source: Climate risk, bank lending and monetary policy, European Central Bank Working Paper n°2969 (2024)

ESG Performances vs. Commercial Risk

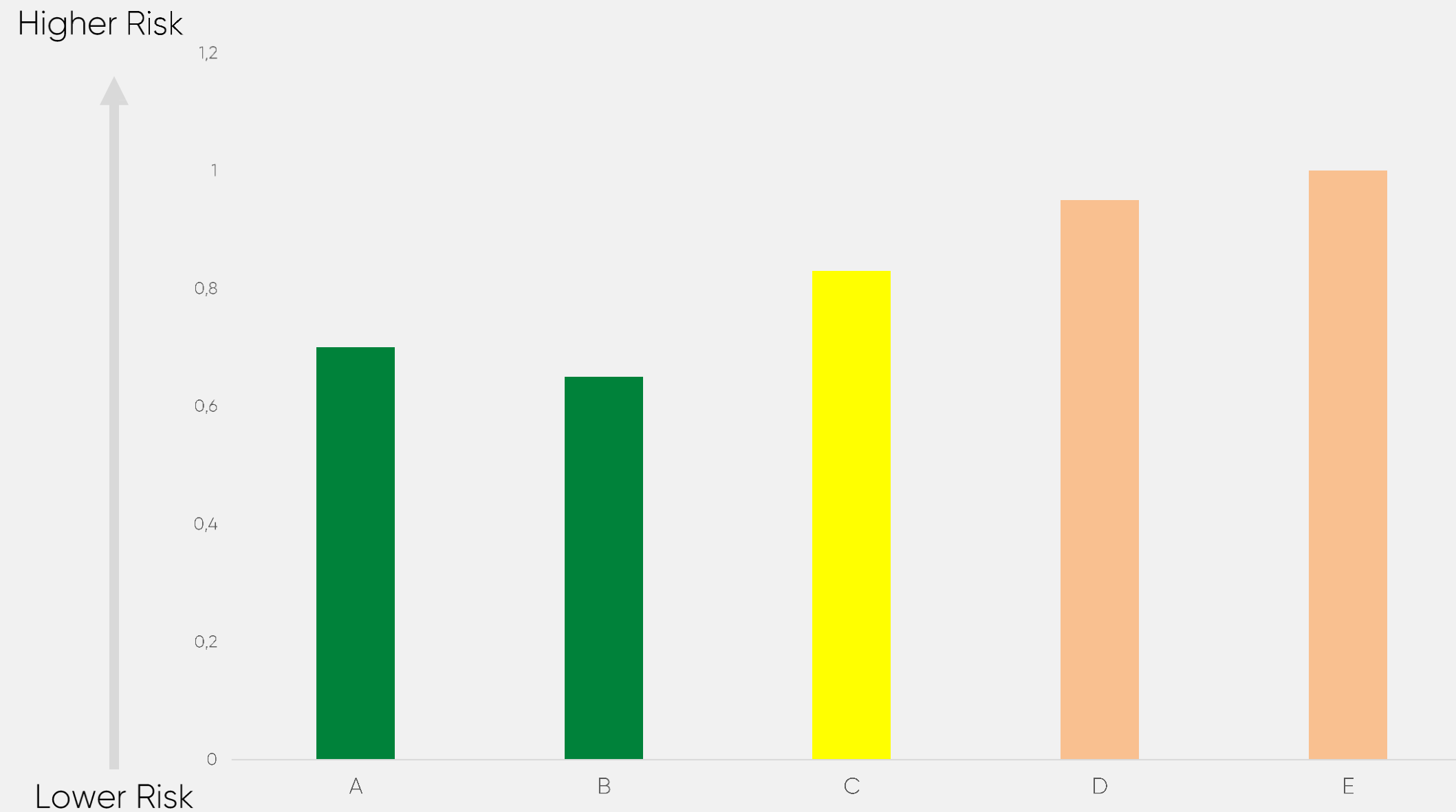


High-ESG-Performing companies show Low Commercial Risk

Using the value 1 as the benchmark for typical risk distribution, companies that have obtained the Synesgy Certificate or are part of the Synesgy network, demonstrate a lower commercial risk level compared to the average distribution. The commercial risk is measured using CRIF's proprietary analytics for commercial businesses.

Source: Synesgy @June 2024

ESG Performances vs. Failure/bankruptcy Risk



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High-ESG-Performing companies show lower Failure Risk

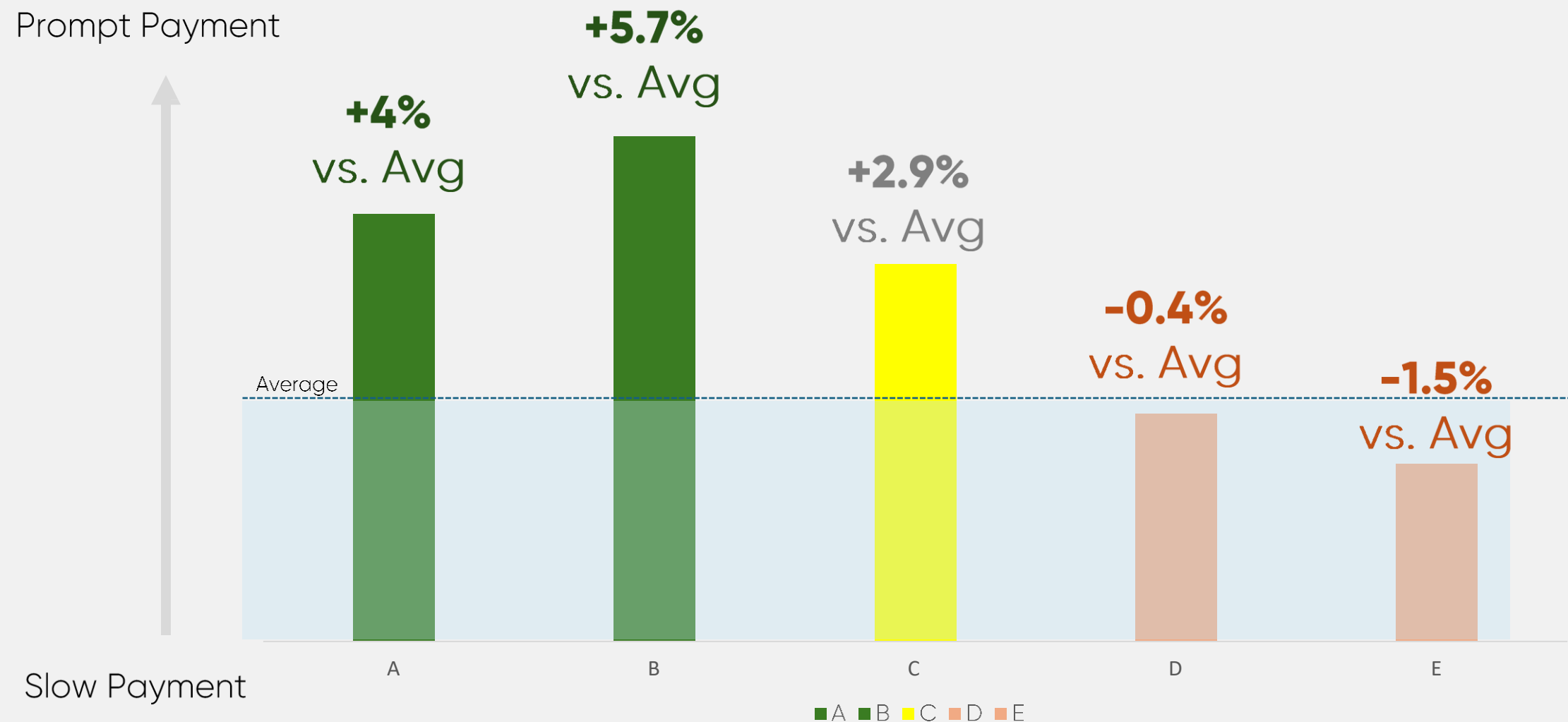
Using the average failure/bankruptcy risk of companies with an E score in the Synesgy Assessment as a benchmark, the chart displays that companies with better ESG scores (A, B, C, and D) show progressively lower failure/bankruptcy risk. This may suggest that better ESG performance correlates with a more favorable commercial risk profile.

Source: Synesgy @June 2024

Governance Score and payment behaviour

How to read the scores?

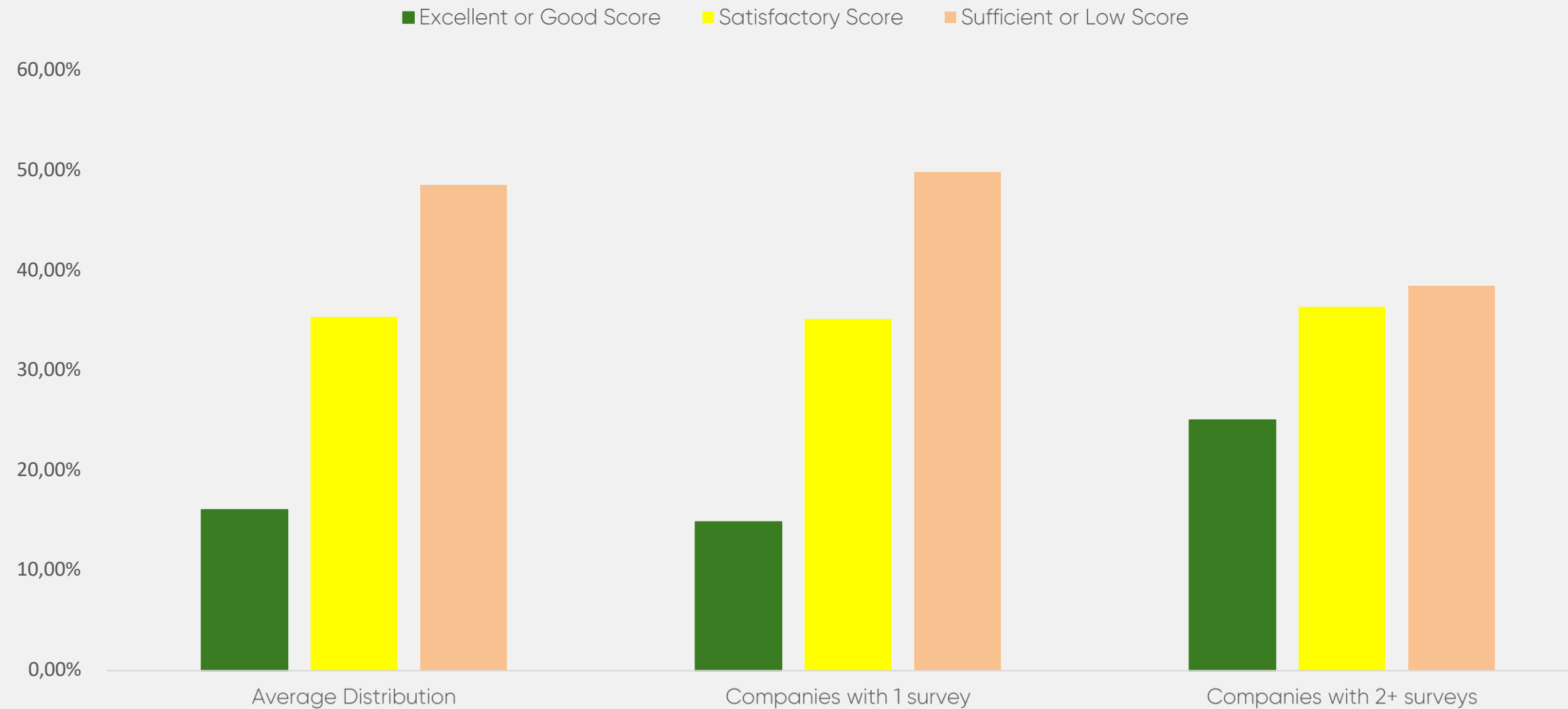
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Companies with a higher G Score show more timely payment behaviour

Governance is one of the three key components of ESG and indicates how companies interact with the full range of external and internal stakeholders, including their suppliers. We examined the relationship between the G score in the Synesgy Certificate and the payment habits (on time or delayed) of the same companies towards their suppliers. The results show that companies with a A or B score have a 4-5.7% higher likelihood of paying on time compared to the average. Payment behavior is measured through CRIF's iTrade Program.

ESG Score distribution



Companies constantly using ESG tools improve their ESG performances over time

Sustainability cannot be considered a one-off initiative but rather a long-term commitment. We noticed that the companies that have completed 2 or more surveys in **Synesgy** have a better score compared to those that did the assessment only once. Self-ESG-Awareness and a clear action plan are key to improvement.

Source: Synesgy @June 2024



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