

Latest ESG Pulse Ratings Report Says Texas Storm Highlights Need For Preparedness Beyond The Pandemic

PARIS, March 25, 2021 /PRNewswire/ -- S&P Global Ratings said today that the pandemic has laid bare companies' ability to adapt in the face of a crisis, while laying the groundwork for future assessment of their readiness for another systemic challenge: climate change. In particular, February's U.S. storm, which left millions of homes in Texas without power, has highlighted companies' need to be prepared for the unexpected.

In "The ESG Pulse: Texas Storm Highlights Need For Preparedness," we show that environmental, social, and governance (ESG)-related rating actions over the first two months of 2021 totaled 118, of which 75 were rating downgrades.

With the effects of the pandemic gradually lessening, health-and-safety-related rating impacts have reduced, although they still accounted for 60% of total ESG-related rating actions in January and February 2021.

Amid renewed waves of COVID-19 infections and the emergence of new variants, social-distancing restrictions triggered further downgrades to commercial mortgage-backed securities (CMBS). Selective rating activity also continued for some corporate entities in aerospace, hotels, and entertainment sectors.

The share of environmental considerations increased to about 30% over January-February, with February's storm triggering a series of rating actions among U.S. utilities and our ESG-driven downward revision of the oil and gas industry risk, leading to one-notch-downward rating adjustments for most oil and gas majors.

This report does not constitute a rating action.

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