RS Metrics

Environmental, Climate, and Physical Risk Data for Portfolio Management

RS Metrics – Company and Product Overview

RS Metrics® provides analysis-ready data for environmental, climate, and physical risk themes using direct measurements of companies' asset level activities.

ESGSignals®, RS Metrics' SaaS platform, is the industry-leading geospatial AI-driven analytics platform that allows stakeholders to easily access objective and comparable asset-level environmental and climate physical risk data for companies. ESGSignals® provides data about company physical assets mapped to ownership, asset type, sector, country etc. making it possible to conduct: (i) asset-level risk assessments, (ii) company, industry, sector level risk evaluation, (iii) baselining and benchmarking, (iv) portfolio screening, monitoring and engagement and more.

Context

To meet the assessment needs of portfolio managers, RS Metrics has made its independent environmental, climate, and physical risk data available on Google Cloud Marketplace and provided its customers with the option to integrate the metrics in their current decision processes or use available GCP applications to build more sophisticated analysis tools.

Value

Currently, RS Metrics' AssetTracker and ESGSignals® can be used to obtain insights about specific company assets to inform decisions related to:

- Pre-Investment Processes - such as due diligence tasks related to industrial site monitoring for acquisitions, commodity stockpile analysis, infrastructure development analysis
- Post-Investment Processes - such as ongoing asset performance monitoring, risk management in renewable energy investments, ESG compliance & reporting, competitor benchmarking in retail or consumer goods, supply chain resilience analysis
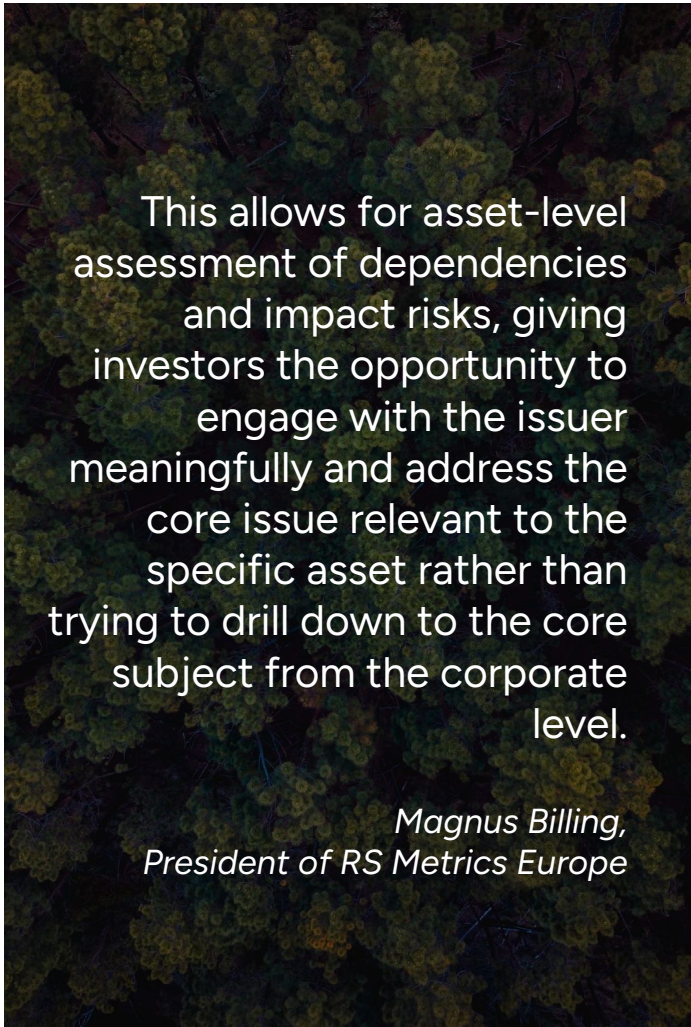- Sustainability-Focused Banking Processes - creation of green bonds

Given the data sourcing process implemented by RS Metrics for all of its products,, the frequency of updates for key environmental, climate, and physical risk metrics, and the high accuracy of the insights (due to a hybrid process of both automated asset assessment and expert quality verification), portfolio managers can be sure that they have up-to-date information to make strategic decisions.

RS Metrics supplies coverage of company assets in sectors like energy, utilities, industrials, materials, communication services, real estate, consumer discretionary, consumer staples, health care, information technology, and financials.

Problem

Lack of accessibility to comprehensive objective ESG / ECP (Environmental, Climate and Physical Risk) data is the most acute problem in Capital Markets, driven by the high levels of complexity, scale and expertise needed to measure the data, and compounded by lack of visibility into suppliers, customers and other stakeholders.

BYOA - Bring Your Own Assets is a feature of ESGSignals® that allows customers to bring additional locations and generate environmental, climate, and physical risk metrics at the asset level.

This allows for asset-level assessment of dependencies and impact risks, giving investors the opportunity to engage with the issuer meaningfully and address the core issue relevant to the specific asset rather than trying to drill down to the core subject from the corporate level.

Magnus Billing,
*President of RS Metrics Europe*

RS Metrics – Investment Processes Data Products

ESGSignals® Insights for Pre-Investment Processes

Industrial Site Monitoring for Acquisitions: Geospatial insights for monitoring activity levels (e.g., factory output, warehouse usage, port congestion) at industrial sites before investing in logistics or manufacturing companies. This provides real-time insight into operational efficiency and capacity utilization.

Commodity Stockpile Analysis: Evaluate mining or energy-related assets by analyzing stockpile levels of critical commodities such as coal, oil, or metals. For example, you can confirm whether a mining site's output aligns with reported capacity and market demand.

Infrastructure Development Analysis: Assess real estate or infrastructure projects by monitoring construction progress, timeline adherence, and surrounding activity levels to ensure the feasibility of planned investments.
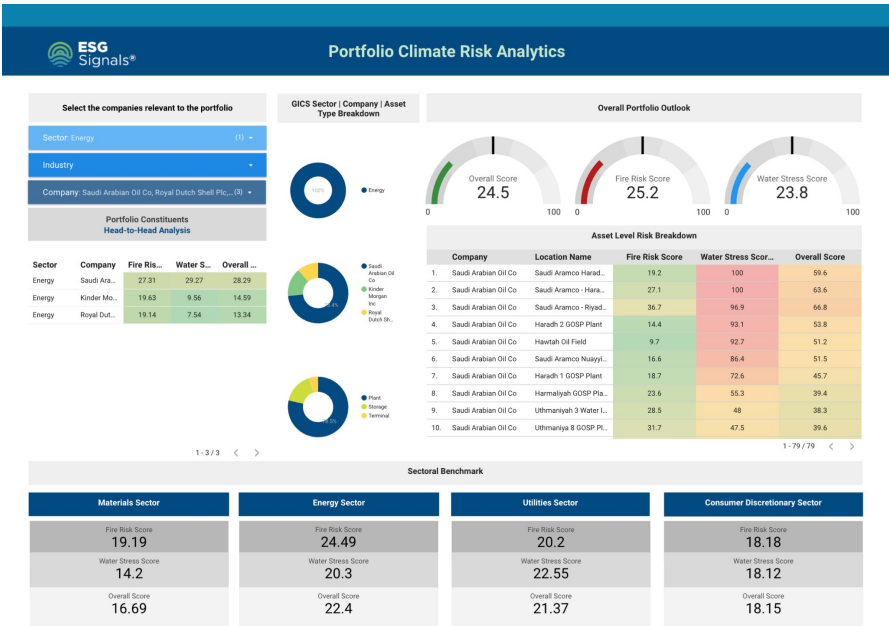
An example of how RS Metrics' ESGSignals® portfolio climate risk analytics tool can be used to assess the risks associated with the following companies from the energy sector: Saudi Arabian Oil Co, Royal Dutch Shell Plc, and Kinder Morgan Inc. To explore this sample dashboard and the information it can provide for your current portfolio management processes, click here.

ESGSignals® Insights for Post-Investment Processes

Ongoing Asset Performance Monitoring: A logistics company in your portfolio can be tracked for warehouse utilization rates and transportation bottlenecks. Geospatial data reveals inefficiencies in real-time, enabling operational improvements.

Risk Management in Renewable Energy Investments: Monitor solar farms, wind farms, or hydroelectric dams to assess production trends, environmental risks, and potential disruptions (e.g., weather events, underperformance).

ESG Compliance & Reporting: Track the environmental footprint of industrial facilities in the portfolio to ensure it meets the requirements of frameworks such as CSRD, EUDR, TNFD. For example, validate that a company's assets are not situated in proximity to a Protected Area, Key Biodiversity Area, or a location of IUCN Red List Species and that it meets the recommendations provided by the new TNFD framework.

Competitor Benchmarking in Retail or Consumer Goods: Use foot traffic analysis at retail locations to gauge consumer trends. For instance, compare a portfolio company's traffic to competitors' trends in similar regions to inform operational strategies.

Supply Chain Resilience Analysis: Monitor global ports, warehouses, and transportation hubs to assess supply chain health and identify delays or bottlenecks that could affect portfolio companies' operations.

RS Metrics – Green Bonds Process Overview

This process overview demonstrates the product's methodology and holistic approach to green bonds verification by using a case study of the United States Steel Corporation (X) which closed in on $63.4 million worth of Environmental Improvement Revenue in 2020 (Yahoo, 2020).

1 Green Bond Objectives

- Climate change mitigation
- Climate change adaptation
- Renewable energy and energy efficiency
- Natural resources conservation
- Terrestrial and aquatic biodiversity conservation
- Pollution prevention and control

2 Green Bond Verification Process

- The green bonds verification may focus on alignment with internal or external standards or claims made by the issuer.
- Evaluation of the environmentally or socially sustainable features of underlying assets are also considered verification and may reference external criteria

3 Green Transparency Benefits for Issuer

- Enhance the credibility of debt issuance's environmental or climate benefit claim with asset-level environmental impact verification.
- Achieve green transparency through objective, real-time, and verified metrics.
- After issuing a verified green bond, the company can broaden its sustainability offerings portfolio while expanding its network of ESG-conscious investors and partners.

4 Green Bond Verification Use Case (US Steel)

- The United States Steel Corporation (X) announced the closing on green bonds to finance a low-emission, low-carbon electric arc furnace project at a Fairfield Works location
- The green bond that is funding the project is helping advance US Steel's commitment to reducing GHG emissions intensity by 20 percent by 2030.

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