

Compare the Differences and Consistency of Domestic and Foreign ESG Rating Agencies

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ABSTRACT

There has recently been a rising acknowledgment of the significance of ESG to business sustainability. In empirical investigations, previous research has neglected to evaluate ESG rating availability, variations, and the impact they play in sustainable development. To analyse ESG rating, various institutions often employ different approaches and criteria. Some may concentrate their efforts on certain industry or locations. Domestic institutions may customise their standards to the legislative and commercial context of their own nation, while overseas institutions can consider global norms. ESG rating firms often depend on data from a range of sources, including business filings, public records, and third-party databases. The availability and quality of data may vary, altering the assessment's accuracy. This article will summarise the rating criteria and distinctions between local and overseas ESG rating agencies, as well as seek for parallels and variances between them. This enables businesses to examine the subtleties of various ESG rating organisations and make educated choices. This study's research objective is a world-renowned ESG rating agency. Secondary data and literature gathering approaches are used in this investigation. The research relied on secondary data collected over a five-year period from 2019 to 2023. According to the study findings, each ESG rating agency is unique, and this variation is due to a variety of causes.

Keywords: ESG rating, Sustainability Performance, ESG Performance, Corporate Social Responsibility, ESG Factors.