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PRESS RELEASE: Scientific Climate Ratings: A New Standard in Climate Risk Assessment

As part of its Research for Impact strategy, EDHEC is announcing the launch of Scientific Climate Ratings as the first rating agency fully dedicated to quantifying the financial impact of climate risk.

Born out of research from the EDHEC Climate Institute, the agency offers forward-looking ratings that quantify how transition risks (linked to the shift toward a low-carbon economy) and physical risks (arising from climate hazards such as floods, storms, heatwaves, and wildfires) affect the financial value of assets.

In 2025, Climate ratings for more than 6,000 infrastructure assets are freely accessible. In 2026, the agency will extend its coverage to over 5,000 leading listed companies worldwide.

Leveraging high-resolution geospatial data, proprietary climate risk models, and established financial valuation frameworks, Scientific Climate Ratings distinguishes itself by offering a dual-perspective rating framework with two complementary outputs:

- The Potential Climate Exposure Ratings (PCER) assess exposure to future climate risks under a “continuity” scenario – reflecting the most likely pathway based on today’s global policies and trends. They provide consistent, transparent, comparable ratings from A (least exposed) to G (most exposed).
- The Effective Climate Risk Ratings (ECRR) estimate the financial impact of climate risks through 2035 and 2050 by applying probabilities to multiple climate scenarios. These ratings also range from A to G and include a quantified dollar impact, expressed in Net Asset Value (NAV) terms – giving all stakeholders a shared, actionable financial metric.

Climate ratings are further adjusted to reflect company-specific adaptation strategies, based on the ClimaTech database developed by the EDHEC Climate Institute. For each asset type, the database lists relevant decarbonisation and resilience strategies, along with their demonstrated effectiveness, quantified in terms of avoided emissions and reduced physical damages.

Commenting on the launch, Rémy Estran-Fraioli, PhD, Founder & CEO said “At Scientific Climate Ratings, we turn climate science into financial insight – so that climate risk is not only recognised, but measured, priced, and integrated into decision-making. With this initiative, no stakeholder in the investment industry will be able to ignore the importance and the financial materiality of climate risk.”

To explore our full rating coverage, data and methodology, visit: www.scientificratings.com.

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