ISS STOXX

Sustainability

Governance QualityScore

Identify corporate governance risk within your portfolio

Corporate governance risk can expose a company and its stakeholders to legal, regulatory, and reputational risks, yet many investors lack the information needed to conduct a holistic risk assessment.

Our Governance QualityScore can help investors review a company's quality factors and assess risk. Governance QualityScore is a data-driven scoring and screening solution designed to enable quality reviews of corporate governance across four key categories: **Audit & Risk Oversight, Board Structure, Compensation, and Shareholder Rights**. Scores provide an indication of relative risk and are supported by factor-level data, while historical data provide greater context and trending analysis to understand a company's approach to corporate governance over time.

Audit & Risk Oversight

- External Auditor
- Audit and Accounting Controversies
- Audit - Other Issues
- Environmental and Social Risk Oversight
- Environmental and Social Risk Management
- Information Security Risk Oversight
- Information Security Risk Management
- Risk Oversight - Other Issues

Board Structure

- Board Commitments
- Board Composition
- Board Policies
- Board Practices
- Key Committee Composition
- Related Party Transactions
- Diversity, Equity, and Inclusion
- Board Structure Controversies

Compensation

- Pay-for-Performance
- Non-Performance-based Pay
- Use of Equity
- Equity Risk Mitigation
- Non-Executive Pay
- Communications and Disclosure
- Termination
- Compensation Controversies

Shareholder Rights

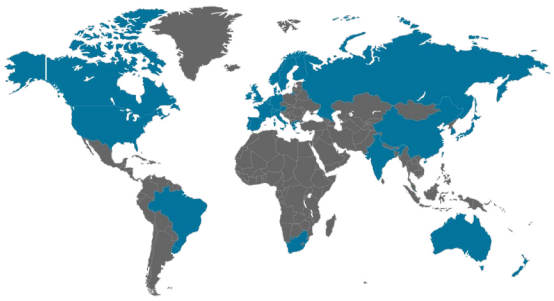
- One Share, One Vote
- Takeover Defenses
- Litigation Rights
- Meeting and Voting-related Issues
- Shareholder Rights – Other Issues

Use Governance QualityScore to Help

- Enhance your stock selection process
- Analyze portfolio risk
- Screen for engagements
- Incorporate raw factor data and scores into quant models
- Support policy development
- Inform proxy voting decisions

Global Coverage

Governance QualityScore provides global coverage of thousands of issuers in multiple markets and daily score history is available from 2013. We conduct conducts an annual review to determine opportunities to expand our global coverage to meet the needs of investors globally.



Access Actionable Insights on DataDesk

Reduce time spent combing through filings by taking advantage of our expertise in capturing critical governance data and translating results into snapshots.

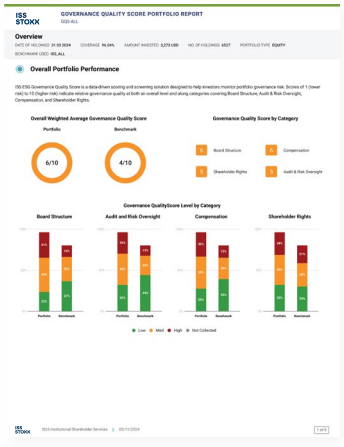
Delivered through a broad range of delivery channels, investors can easily ingest Governance QualityScore into their own internal processes to leverage scores within internal workflow platforms. This enables investors to integrate non-financial data into fundamental processes so that all risks and all opportunities are considered as part of the research process.

Product Features

- **Decile scores** provide a snapshot view of risk.
- **Red flags** identify the companies or behaviors in need of further analysis.
- **Supporting factor-level data** and summary of key risks provide critical insight.
- **User-friendly tools** are available to screen and monitor potential governance risk in your portfolios.
- **Profile reports** highlight key facts to facilitate issuer engagement.
- **Ability to benchmark** peers for deeper perspective.
- **Flexible delivery methods**, including online screening platform, data feeds, profiles, and access to underlying data.
- **Global comparability** on core governance factors (to benchmark companies across markets and regions).



Issuer-Level Report



Portfolio-Level Report

Source: ISS STOXX

Distinct Methodology for Assessing Companies' Corporate Governance Risk

Governance QualityScore uses a decile-based score that indicates a company's governance risk relative to their index or region. A score in the 1st decile (QS=1) indicates relatively higher quality governance practices and relatively lower governance risk. Conversely, a score in the 10th decile (QS=10) indicates relatively lower quality governance practices and relatively higher governance risk. Companies receive an overall Governance QualityScore and are also assessed across four categories: Audit & Risk Oversight, Board Structure, Compensation, and Shareholder Rights.
The Governance QualityScore methodology focuses on the qualitative aspects of governance, including global governance standards and alignment with our voting policy in each region. Our annual methodology review ensures that the methodology remains aligned with our benchmark policies as they adapt to reflect developments in regulatory and market practice.

Methodology

- Hundreds of factors are analyzed with specific factors varying by region.
- Core governance factors are applied globally, enabling investors to benchmark core governance practices and risks for companies across markets and regions.
- Each factor is assigned a weight, based on an understanding of the impact of governance practices, our voting policy, and prevailing governance standards within each region.
- Scores are refreshed daily and are relative to an index or region.
- Issuers are invited to review and verify their data through ongoing data verification tools.
- Year-round focus, with event-driven data updates for capturing changes to a company's governance structure on an ongoing basis.

Experience Secure and Reliable Data Delivery

Clients can access Governance QualityScore data via the following delivery methods:

- **Online Platform**
  Use our proprietary DataDesk platform to gain insight into a company's corporate governance structures, quick drill-downs into particular areas of concern, and deep dives into underlying governance data.
- **Data Feeds**
  Easily ingest decile rankings, individual factors, and company identifiers through your own internal processes and highlight scores within internal workflow platforms.
- **API to Profiles**
  Link your internal platform to the Governance QualityScore API to directly access Governance QualityScore Profiles and drill into the key risks, to easily bring governance insight into investment decisions and proxy voting processes.
- **Cloud (Snowflake)**
  Access Governance QualityScore data through cloud delivery via Snowflake to all Amazon Web Services and Azure regions.
- **Partners & Platforms**
  Explore Governance QualityScore data through a broad range of third-party channels including Aladdin, Axioma, and FactSet Workstation.

Timely and Accurate Data for Intelligent Decision-Making

Our data and research are informed by publicly disclosed filings and annual reports to ensure consistency and eliminate potential analyst bias. In addition to internal reviews for quality, companies may receive an opportunity to verify their data using one of our data verification and/or draft review processes. We also provide event-driven data updates for companies covered under the Governance QualityScore methodology.

As governance factors play a heightened role in investment decision-making, Governance QualityScore provides investors with invaluable data and insight to support their analyses.

Elevate Your Diversity, Equity and Inclusion Strategy with our Equal Employment Opportunity (EEo-1) Data

Our EEO-1 Data provides investors with granular workforce demographic data disclosed by private sector companies in the U.S. with 100 or more employees and federal contractors with 50 or more employees meeting certain criteria.

The data can be used to:

- Dive deeper into a company's workforce diversity disclosure practices by combining the Governance QualityScore factors on diversity, equity, and inclusion (DEI) with detailed information and time series provided by our EEO-1 Data.
- Meet the demand for disclosure on workforce diversity data.
- Enable engagement or construction of voting policies related to DEI, such as Racial Equity Audit Shareholder Proposals.
- Benchmark investee companies against their peers and meet due diligence requirements.

ISS STOXX

sales@iss-stoxx.com
iss-stoxx.com

ISS STOXX delivers world-class research, data, and technology solutions that empower capital market participants to pursue their visions with confidence. Our expertise spans indices, corporate governance, sustainability, cyber risk, and fund intelligence, giving clients the tools they need to uncover opportunities, manage risks, and navigate evolving regulations. We are made up of 4,000 professionals operating across 20 countries and serving approximately 5,000 clients, including many of the world's leading institutional investors. Our scale and reach give us deep market knowledge, while our innovative methodologies allow us to offer our clients tailored insights that drive impact and success.

ISS STOXX Sustainability enables investors to develop and integrate responsible investing policies and practices, engage on responsible investment issues, and monitor portfolio company practices through screening solutions. It also provides climate data, analytics, and advisory services to help financial market participants understand, measure, and act on climate-related risks across all asset classes. In addition, our Sustainability solutions cover corporate and country research and ratings enabling its clients to identify material social and environmental risks and opportunities. Sustainability solutions are provided by Institutional Shareholder Services Inc., an investment adviser registered under the U.S. Investment Advisers Act of 1940.

This document and all of the information contained in it is the property of ISS STOXX GmbH ("ISS STOXX") and/or its subsidiaries and is provided for informational purposes only. The information may not be reproduced or redisseminated in whole or in part without prior written permission of ISS STOXX. ISS STOXX MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION. All statistics referenced to in this document are approximate and updated on an annual basis and, unless otherwise noted, relate to the year ending December 31, 2025.

©2026 ISS STOXX and/or its subsidiaries. All rights reserved.