## ESG Incidents: 2023 in Review

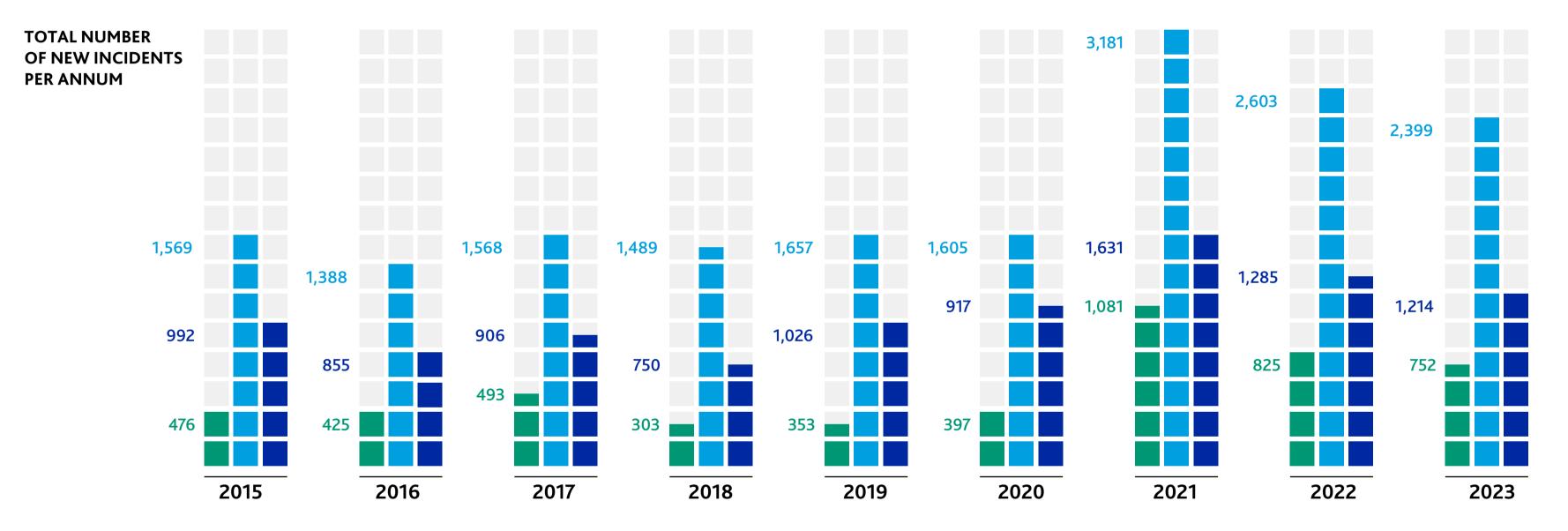
Long term trends around inflation, societal polarization and digitalization continue to drive the prevalence of social incidents. As in 2022, Banks, Financial Services and Software sectors appear as the most exposed to ESG Incidents

#### **ENVIRONMENT**

Environmental Incidents account for 22% of all incidents identified in 2023 with cases related to climate change and biodiversity rising.

#### SOCIAL

Historically, Social Incidents are the most common type of incident accounting for 70% of new cases identified in 2023



Trends to watch

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#### **ARTIFICIAL INTELLIGENCE**

As A.I tools come to the fore, stakeholders are raising concerns over their safety and governance. We identified 22 cases in 2023 related to A.I.

**DATA BREACHES** 

As more or our working and social lives take place online - breaches of corporate and personal information are rising. We identified 78 cases related to data breaches in 2023.

### Moody's **ANALYTICS**

#### **GOVERNANCE**

Governance Incidents related to Corruption, Anti-Competition and Privacy appear common in Finance and Technology sectors.

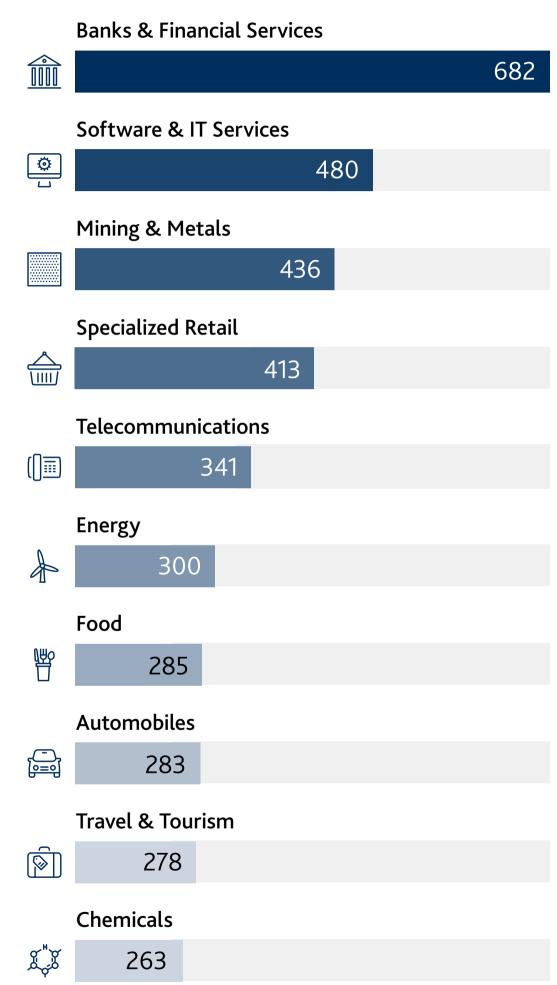


#### **CUSTOMER PRESSURE**

Product and service disputes (528), customer relation concerns over prices and contract terms (720) were amongst the most prevalent incidents identified in 2023.

#### **ESG Incidents Sector Exposure**

#### NUMBER OF ACTIVE CASES IN 2023



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