

Capgemini 

# ESG LENS

Reliable. Transparent. Contextual.



# THE NEED FOR ROBUST, RELIABLE, AND TRANSPARENT ESG DATA IS NOT JUST ABOUT STAYING AHEAD IN THE MARKET—IT'S ABOUT SURVIVAL

While the stakes are high, the rewards for navigating this landscape effectively are equally compelling – Use cases and benefits include Scope 1,2 and 3 reporting by Financial Services institutions



## **Competitive Advantage:**

Providing accurate and reliable ESG data not only meets a growing demand but also sets us apart from competitors who are slower to adapt. This can be a unique selling point that attracts investors looking for responsible investment options, thus giving us a competitive edge in the marketplace.



## **Regulatory Goodwill:**

Proactively complying with ESG reporting standards and even going beyond the minimum requirements can build goodwill with regulatory bodies. This can potentially make for a smoother process in regulatory reviews and put us in a favorable position should any regulatory changes occur, as we would be seen as a responsible and forward-thinking institution.



## **Customer Loyalty and Trust:**

Transparency in ESG metrics can significantly boost customer loyalty and trust. When investors know that we provide reliable, comprehensive ESG data, they are more likely to stay engaged with our services and products, reducing churn and increasing customer lifetime value.

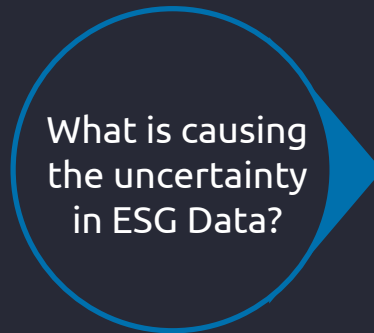
By providing a Custom ESG-Index and a 3<sup>rd</sup> Party ESG Data Benchmark, not only do we protect ourselves from potential threats, but we also position our institution for Competitive Advantage Customer Loyalty and Goodwill



# IN THE QUEST FOR ROBUST, RELIABLE, TRANSPARENT ESG DATA, FINANCIAL SERVICES FIRMS CURRENTLY FIND THEMSELVES NAVIGATING UNCERTAINTY

Pain Point of Banks and Insurers in ESG data

COMPLEXITY OF SOURCING ACCURATE ESG DATA



## DISCREPANCY IN RATINGS

Inconsistency in ratings showed across various ESG data providers



## GAPS IN DATA

Missing data for certain markets & regions; inability to contextualize events causing biased opinions



## LACK OF TRANSPARENCY

Black box approach of data providers with lack of granularity or timely updates

These issues not only compromise the integrity of our ESG offerings but also expose us to Regulatory Penalties, Legal Actions, and Reputational Damages

# THE DESIRED FUTURE WOULD HOLD A COMPREHENSIVE VIEW OF ESG DATA IS REQUIRED TO MANAGE RISK AND REDUCE LOSSES



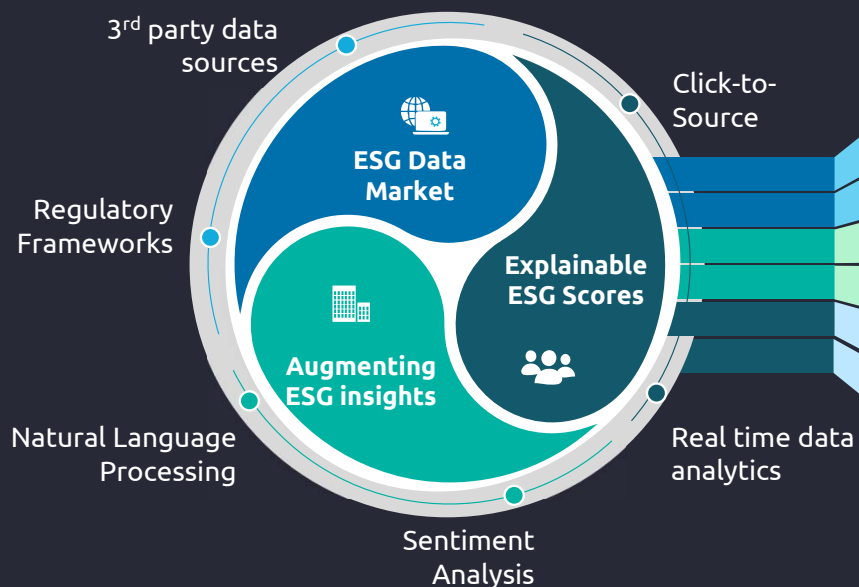
- Provisioning and standardizing ESG data from multiple 3<sup>rd</sup> party sources, thus creating a data market would help us remove the Discrepancy In Ratings
- Augmenting 3<sup>rd</sup> party data with news, media, and other unstructured data sources can help solve the Inconsistencies in Data
- Open up the black box to remove the Lack of Transparency by linking ESG score back to raw data, thus making the source more accessible

The unique AI powered ESG Lens solution that empowers Financial Institutions to minimize the un-certainties on ESG data

# CAPGEMINI'S ESG LENS SOLUTION TO REMOVE UNCERTAINTY FROM ESG DATA FOR RELIABLE BUSINESS DECISIONS



## ESG Lens



Standardizes & outlines discrepancies data across various structured data sources

1

A comprehensive algorithm to map products, services, individuals, subsidiaries to its corporate entity

2

Uses unstructured data & predefined ESG taxonomy to generate raw sentiments for entities and events

3

Augments raw sentiments by bringing historical contextualization from unstructured data sources

4

Leverages sentiments with granular details for peer group benchmarking & transparency

5

Interpretation & interoperability regulations in the context of company's ESG data readiness

6

The unique AI powered ESG Lens solution empowers Financial Institutions to use the right ESG Data



# USE CASES - THE PAIN POINTS THAT THE SOLUTION ADDRESSES



“I need to remove bias from real time news sources related to ESG”

“I need ESG insights to prevent D&O Claim Losses”

“I need proxy ESG scores for private markets”

“I need to provide quick green discounts and tax benefits to my corporate clients”

“I need Structured data analysis for ESG reg response & remediation”

“I need to predict enterprise ESG data demand and ensure readiness”

Investment Banker/  
Research Analyst

Underwriter

Portfolio/asset  
manager

Sustainable  
Finance Advisor

Compliance  
Officer

Data Procurement  
Specialist



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