

ESG Data: Strategy & Collection Process

In today's business environment, Environmental, Social, and Governance (ESG) factors are crucial for sustainable growth, risk management, and regulatory compliance. Veridion utilizes advanced AI technologies to deliver precise, real-time ESG data, empowering businesses to make informed decisions and promote sustainable practices.

[Explore Veridion's data](#)

ESG data on over

123
million companies

across

250
countries and territories.



Comprehensive Coverage:

We provide detailed ESG data on over 123 million companies across 250 countries and territories.* This extensive coverage includes regions where data from other vendors may be limited, offering precise and up-to-date information on private equity firms, suppliers, and SMEs.



Granular & Real-Time Data:

Utilizing proprietary machine learning models, we extract data from both global and local news sources as well as companies' digital footprints. Our data is updated weekly, ensuring you receive the most current and relevant insights.

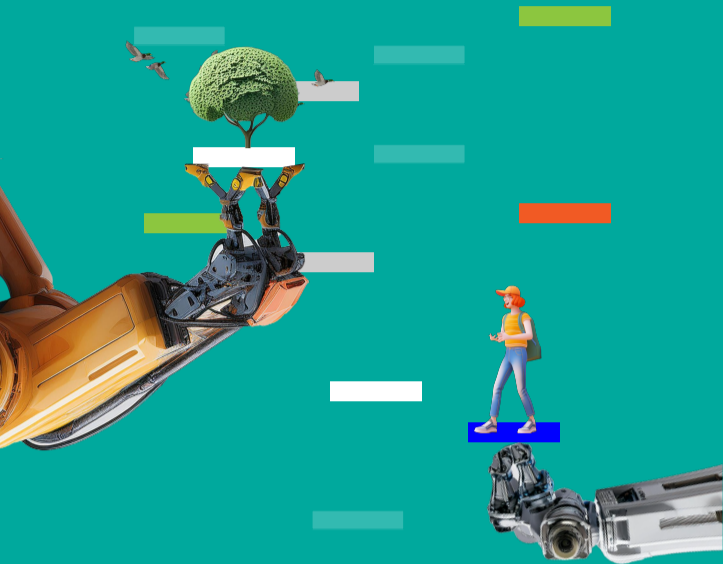


Accurate & Reliable Data:

We track changes in company information on a weekly basis, ensuring that our data remains current and dependable. Our rigorous validation process enhances accuracy, providing more reliable insights compared to other providers.

*Data as of August 2024

1. Data Extraction and Analysis



Veridion extracts and analyzes data from various sources to create comprehensive ESG profiles. Our approach includes:



Company Websites: We use proprietary machine learning models to crawl and analyze content, identifying public ESG commitments.



News Sources: We monitor global and local news to capture ESG-related activities, targets, certifications and controversies. This ensures our profiles reflect both company statements and public perception.



A [PwC survey](#), reveals that investors are demanding more transparency regarding ESG commitments. Specifically, 83% of investors believe it is crucial for ESG reporting to include detailed information on progress toward ESG goals.

2. Data Classification



Data is classified using a rigorous ESG taxonomy organized into Pillars, Themes, and Risks:



Environmental: Climate change, pollution, resource usage, and unsustainable practices.



Social: Human rights, labor standards, and community impact.

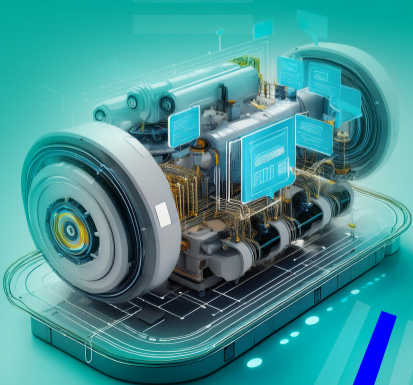


Governance: Corporate ethics, diversity, and governance practices.

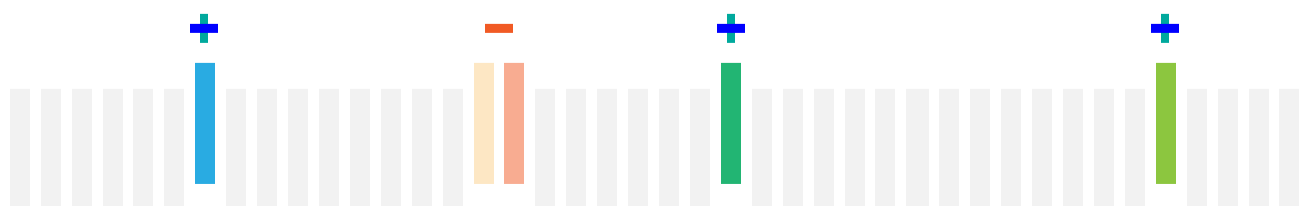
Our taxonomy includes:



3. Sentiment Analysis



We integrate sentiment analysis to evaluate the tone and intent behind ESG actions. This helps compare public commitments with actual performance, providing a fuller picture of ESG effectiveness.



4. Profile Enrichment

ESG profiles are enriched with firmographic attributes such as company locations, products, services, and other metrics like NAICS classification, employee count, and revenue. This contextualizes ESG efforts within broader business operations.

Use Cases:

How Veridion's ESG Data Supports Your Business

1. Enhancing Risk Management

Assess Supplier Risks: Evaluate the ESG performance and risks of potential suppliers to ensure they align with your company's sustainability standards.

Investment Risk Analysis: Analyze the ESG metrics of potential investments to identify risks and opportunities related to environmental and social factors.

Insurance Risk Assessment: Incorporate ESG data into risk models for underwriting, allowing insurers to better understand and price risks associated with environmental and social factors.

2. Supporting Compliance with Regulations

Our ESG data helps companies comply with a range of regulations, including corporate ESG regulations (such as CSRD, the EU Taxonomy, and CBAM), supply chain specific regulations (such as the CSDDD), and bank-specific regulations (such as calculating Green Asset Ratio).

CSRD (Corporate Sustainability Reporting Directive): Ensure comprehensive and accurate ESG reporting as required by the EU directive.

EU Taxonomy: Align with the classification system for environmentally sustainable economic activities.

CBAM (Carbon Border Adjustment Mechanism): Comply with regulations on carbon emissions associated with imported goods.

CSDDD (Corporate Sustainability Due Diligence Directive): Provide information on the proportion of a bank's assets that are environmentally sustainable as mandated by the European Banking Authority.

3. Enriching Market Intelligence

Expanding Coverage: Market intelligence providers can enhance their databases with Veridion's ESG data for better risk assessments and investment analyses. Our solutions enable deeper insights into private companies' ESG performance and regulatory alignment.

Through our meticulous four-step approach—**Extract, Analyze, Interpret, and Enrich**—we aim to address the limitations of traditional ESG ratings. By classifying data through a rigorous taxonomy and incorporating sentiment analysis, we provide a transparent and nuanced view of a company's ESG performance, allowing organizations to **see beyond aggregated scores**. Our detailed approach offers **clear insights into a company's ESG profile**, addressing the opacity of conventional ratings and empowering decision-makers across industries with the **latest, in-depth data** needed for well-informed decisions.

Get in touch with us

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