Capgemini

ESG LENS
A COMPREHENSIVE VIEW
OF ESG DATA REDUCES RISK

Contextualized insights using Gen AI drive informed business decisions

The global investment landscape is shifting away from a focus solely on returns and towards integrating responsible investing and sustainable financing. While the need for transparent and consistent Environmental, Social, and Governance (ESG) metrics has increased with the rise of climate change and social justice movements, current resources lack standardization and comparable data. In addition, concerns over greenwashing plus scrutiny from both regulators and the public has intensified the risks of regulatory penalties, legal actions, and reputational damages. Responsible investing affects investor behavior, stock performance, and even access to capital. As a result, the need for robust, reliable, and transparent ESG data to

assess the long-term viability and ethical implications of investment and financing portfolios is not just about staying ahead in the market—it's about survival.
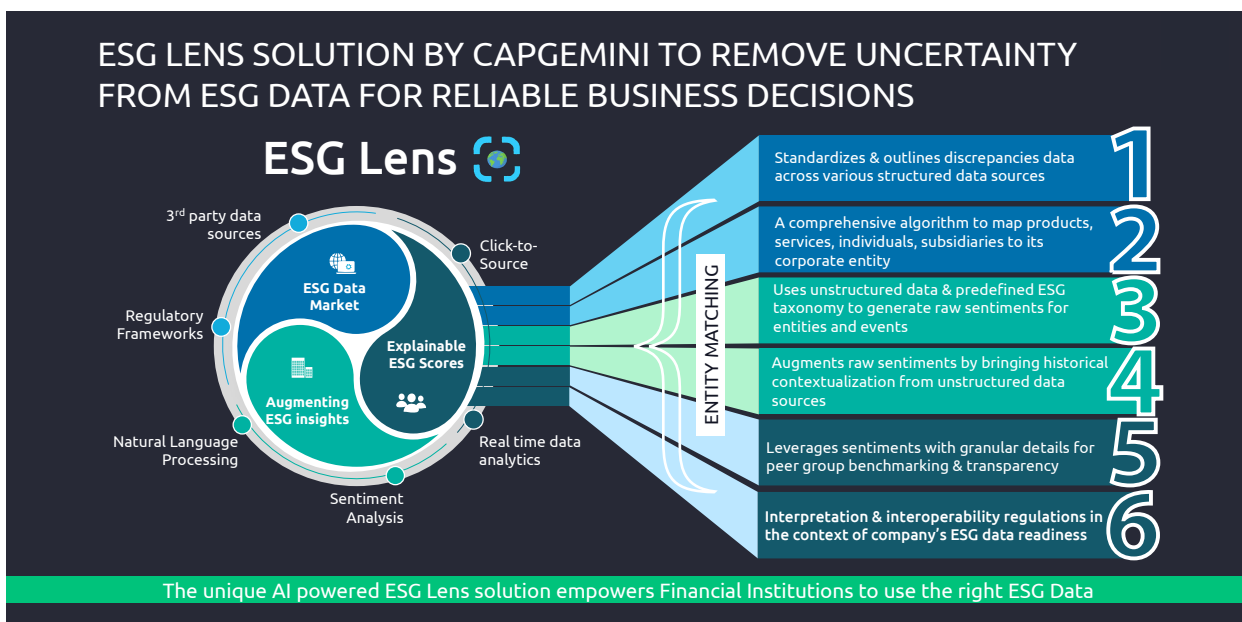
However, navigating a terrain of inconsistency in topics, ratings, and business outcomes evident across various ESG data providers is a challenge. Gaps in data for certain markets and regions and lack of contextual information makes it difficult to detect ESG shortcomings or trust the information presented. This range and complexity of uncertainties can impact any financial institution's ability to compare risks and opportunities.

Data-driven and Contextualized ESG Insights

How do you tackle greenwashing, data inconsistencies, and biases? Look at ESG Lens to review comprehensive insights to counteract greenwashing, prevent losses, and support informed business decisions. An NLP-powered solution, ESG Lens delivers reliable, transparent, and contextual ESG data for the Financial Services industry. To present uniform

insights, ESG Lens provisions and standardizes ESG data from multiple third-party sources. Structured ESG data is correlated, validated, and augmented with sentiments derived from a variety of unstructured data sources including ESG reports, public filings, 10K/10Q, news, litigations, and fund prospectuses to reduce inconsistencies.

ESG LENS SOLUTION BY CAPGEMINI TO REMOVE UNCERTAINTY FROM ESG DATA FOR RELIABLE BUSINESS DECISIONS

ESG Lens

3rd party data sources
Regulatory Frameworks
Natural Language Processing
Sentiment Analysis

ESG Data Market
Explainable ESG Scores
Augmenting ESG insights

Click-to-Source
Real time data analytics

ENTITY MATCHING

1 Standardizes & outlines discrepancies data across various structured data sources

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

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

4 Augments raw sentiments by bringing historical contextualization from unstructured data sources

5 Leverages sentiments with granular details for peer group benchmarking & transparency

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

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

The resulting ESG Lens score is linked back to raw data to provide transparency and the solution can integrate ESG risks with loss prevention prediction. ESG Lens offers cross-platform capability as a ready-to-deploy solution or solution-as-a-service with accelerated pilot delivery in just 8 to 12 weeks.

ESG Lens Key Features

- Consistency Lens: Standardized taxonomy by establishing common data domains to compare and identify anomalies in 3rd party ESG data
- Sentiment Lens: Generates raw sentiments by deriving and classifying good vs bad signals from news, media, and unstructured data for entities and events
- Reg Lens: Interpret regulations and support structured data readiness analysis against changes in regulations and frameworks
- Historical Lens: Using Gen AI to reduce noise and build a historical context around ESG based news to enable ambition to action tracking
- Benchmarking Lens: Peer group benchmarking to bring transparency with integration of alt-data sources
- Entity Mapping: Comprehensive algorithm to map products, services, individuals, and subsidiaries to its corporate entity
- Data ingestion: Readily available optimized data sourcing through leading 3rd party ESG data providers, extensible ingestion framework for internal structured and unstructured data while managing data quality and controls

Reduce Risk, Cut Costs, and Increase Efficiencies

ESG Lens curates the ESG data marketplace, augments raw sentiments, and provides explainability of the ESG data enabling its use enterprise wide to reduce exposures and costs. Efficiency gains from ESG Lens include relevant ESG KPIs and key insights from structured plus unstructured data sources and Gen AI and NLP models enable financial institutions to spot and mitigate biases in ESG sentiments while bringing historical context. In addition, accurate regulatory data readiness assessment and remediation with structure data gap analysis and findings will increase speed time to market.

CONTACT

Are you ready to meet the rising expectations of today's ESG market, prevent losses, and support informed ESG business decisions? Explore the possibilities of responsible investing and sustainable financing with ESG Lens. Explore how our ESG specialists can help your organization advance with descriptive and diagnostic ESG sentiments.

Tej Vakta
Global head of Sustainability Solutions
Financial Services Insights & Data
tej.vakta@capgemini.com

Vishal Jayanty
ESG Lens Banking Solution Lead
Financial Services Insights & Data
vishal.jayanty@capgemini.com

Hesaam Aslani
ESG Lens Insurance Solution Lead
Financial Services Insights & Data
hesaam.aslani@capgemini.com

ABOUT CAPGEMINI

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

Get the Future You Want | www.capgemini.com