



*Understanding ESG Book: A New Open-Source Platform
that Promises to Make Sustainability Data Available and Comparable for All Stakeholders*
March 23, 2022 - Webinar Summary

WHAT:

Growing demand for ESG evaluations as part of well-informed financial decision-making, accelerated by increased government regulations in the EU and the US, has made evident that the current ESG reporting system has to improve. Companies are currently under the burden of an ever-increasing number of surveys, many asking for similar information, while fund managers are often unhappy with the quality of the data available. Thus, a high quality open-source platform that allows users to upload data and enable investors to sort data according to their preferred frameworks & needs has been awaited by the business community. 53 participants, mainly senior company representatives, discussed the opportunities of this new platform.

SPEAKERS & MODERATOR

- **Daniel Klier**, CEO, ESG Book
- **Daniel Hochman**, Head of Sustainability Research, Bridgewater Associates
- **Moderator: Glenn Prickett**, President & CEO, World Environment Center (WEC)

MAJOR POINTS OF DISCUSSION AND KEY INSIGHTS:

1. **A poll** among the participating companies showed that about 2/3 are addressing their ESG reporting towards investors. 1/3 is also addressing it towards regulators, and 1/4 say that informing future and current employees is important to them. For less than 1/5 the NGO and scientific community are among the major addressees. **A second poll** revealed that 1/3 of the companies find it challenging to report ESG data about their direct suppliers, while this number is up to 2/3 when asked to report further up the supply chain. Reporting environmental data within the company boundaries is best established, with only 3% of the companies finding it difficult.
2. To create portfolios and be able to continuously monitor them, investors need data that are reliable, consistent, comparable, and up to date. As ESG data increasingly complements financial data as a major factor of risk evaluation (especially long-term risk) it must be readily accessible. One of the reasons why **international organizations have supported to create ESG Book** as one way to simplify reporting is the World Bank's alarming observation, that risk capital is escaping from emerging markets, simply because they often don't have the capacity to disclose the requested data.
3. **ESG Book is a single open-source platform that carries ESG information** of currently more than 9,000 companies with >50,000 disclosure items, giving the availability to run analytics on it. Companies are able to check their own data already collected and made available by ESG Book, update and disclose new data, and thus enable a realistic evaluation of their company, no matter which framework used. A third element is planned as a next step in the near future, which is an automated integration with core enterprise management systems such as SAP, salesforce, etc.

When verifying and filling out the data required by a certain framework offered on ESG Book (quantitative and qualitative), companies have control over who else will be able to see the data and if other frameworks on platform using that same data shall be filled automatically.

4. **ESG Book is a company directory that gives an ESG profile for the past ten years of the company selected**, broken down into the drivers of E, S, and G informing about its performance and governance. You can also see a "Global Compact" (GC) score, which is a risk management score on the principles of the GC. A

“temperature score” is also readily available, informing if the selected company has measures in place until 2030 and 2050 that put it on track to meet the 1.5°C reduction target. Most importantly ESG Book makes the underlying source documents available, thus providing the opportunity to understand and trust the data and work independently with it.

Anybody can use ESG Book to create their own portfolio, and see how that portfolio performs on E, S, and G compared with any of the major indices (e.g. S&P 500). Furthermore, they can compare one company against one or more peers.

5. **The way companies present sustainability data is changing rapidly, and already moving from sustainability or communications departments into the CFO office.** ESG Book enables companies to share ESG data internally in a structured way with those counterparts who need to see it. It also enables them to manage ESG data in a single place while engaging with investors (and by the way, also with supply chain partners) on that same platform. Being open-source and of high quality, investors can draw data from a single place, ideally making additional requests unnecessary.
6. **From a global investor’s perspective, the current landscape of ESG data is very challenging.** Several of these challenges have been mentioned during the event and categorized as: (a) *breadth challenge*: large amounts of indicators to evaluate each single topic. (b) *depth challenge*: thousands of companies from different countries, (c) *quality challenge*: coverage of the requested data for each company, as well as processes by third parties to get the data and map them with the frameworks, and (d) the challenge to find suitable data providers, cost of data, and compatibility with technology used by the investor.

Investors say that ESG Book brings the right technology to the space to deal with those issues and at the same time provides better data accuracy than what has been available so far.

7. **Data quality on the platform is assured in multiple ways:** Apart from the fact that companies have the ability to verify and update their data any time ESG Book does the following: (a) qualitative data are provided by specific questions, defined as data points, which allow for evaluating qualitative data like quantitative data, (b) automated cross-checking helps to identify data that is unlogic, (c) asking for evidence such as a policy, a website or other original source documents verifies the data, (d) insurance companies, which have audited data available on various specifics, are being involved.
8. **With ESG Book being a rather young platform, companies are just making their first experiences.** Companies are highly interested, however, they are in the process of testing if it means additional work for themselves, how easy it is to use, whether the data quality is good and if they can find value in evaluating themselves against peers on the platform, and to what extent ESG Book is able to generate automated data. With more companies experiencing the platform, we can soon expect answers to these questions.
9. **Given the nature that WEC’s events take place under the Chatham House Rule, a recording of the event can’t be made available.** However, WEC’s President & CEO Glenn Prickett interviewed Daniel Klier, CEO of ESG Book just a few days prior to the event. During the interview Daniel Klier explained ESG Book as well as during the event. [Please watch the interview here.](#)

FURTHER RESOURCES:

<https://www.esgbook.com/>

<https://www.wec.org/daniel-klier-ceo-of-esg-book-talks-with-wec-president-ceo-glenn-prickett-about-the-new-esg-book-platform/>