# Bridging ESG and Finance

Data-Driven Decision-making
for Sustainable Growth

SG Analytics
Life's Possible

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Executive Summary

Overview of Key Insights from the Survey of Financial Institutions

The **ESG Data Insights Report 2025** presents findings from **SG Analytics' survey of financial institutions,** examining the role of **Environmental, Social, and Governance (ESG) factors** in investment decision-making. The survey includes insights from **financial institutions** across various geographies, assessing their **ESG adoption strategies, challenges, and future outlook.**

Key takeaways from the survey include:

74% of financial institutions cited client demand as the primary driver for ESG integration.

99% of respondents considered ESG data crucial in investment decision-making.

86% used ESG integration and 84% employed negative screening as core investment strategies.

50% observed a strong correlation between ESG performance and financial returns.

Institutions faced data standardization and comparability issues, impacting ESG assessment accuracy.

These findings highlight how financial institutions are embedding ESG into investment frameworks, addressing stakeholder expectations, and navigating regulatory landscapes.

Highlights of Trends, Challenges, and Opportunities in ESG Adoption

The survey reveals several emerging trends in ESG adoption across financial institutions, such as:

Growing ESG Integration

A shift from voluntary ESG adoption to mandatory integration, driven by regulatory pressures and stakeholder expectations.

Enhanced ESG Data Analytics

Increased reliance on AI and technology for ESG data analysis and risk assessment.

Focus on Standardization

A push for consistent global ESG reporting frameworks due to varying regulatory requirements.

Green Investment Growth

Rising capital allocation toward sustainable assets and impact-driven investments.

However, financial institutions still face significant challenges, such as:

Data Quality & Standardization Issues

65% struggled with inconsistent ESG data across providers.

Comparability of ESG Ratings
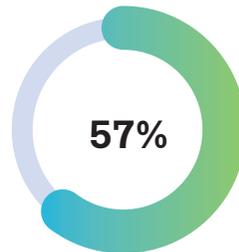
57% cited difficulties in comparing ESG scores from different sources.

Lack of Historical ESG Data
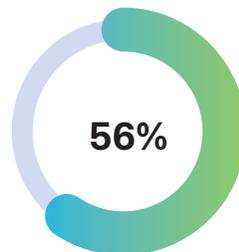
56% found it difficult to assess ESG progress over time.

Despite these obstacles, the industry is moving toward better transparency, improved data integration, and regulatory compliance, creating opportunities for enhanced ESG-driven investment strategies.

Summary of How ESG Data Is Shaping Investment Strategies

Financial institutions are increasingly embedding ESG factors into their investment models to enhance risk mitigation, regulatory compliance, and stakeholder engagement.

Key observations include:

- **Data-driven Decision-making**
  ESG data plays a **critical role in portfolio selection**, risk assessment, and corporate engagement.

- **ESG Integration into Financial Models**
  60% partially integrated, while **40% fully integrated ESG data** into financial models.

- **Active Ownership & Engagement**
  73% of institutions engaged with investee companies to ensure ESG compliance and accountability.

- **Reliance on ESG Rating Agencies**
  80% used external ESG ratings, with **MSCI (64%), Bloomberg (62%), and Sustainalytics (58%)** being the most preferred rating agencies.

With evolving regulatory frameworks, institutions are shifting toward proactive ESG data management and aligning investment portfolios with sustainability goals to enhance long-term financial performance.

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Introduction & Methodology

**Purpose of the Report:
Data-driven ESG Insights
from Survey Responses**

The **ESG Data Insights Report 2025**
provides an in-depth analysis of how
financial institutions are integrating
ESG factors into their decision-
making processes.

The report aims to:

Assess the adoption of ESG principles across financial institutions.

Analyze how ESG data influences investment decisions and risk management.

Identify key drivers, challenges, and opportunities in ESG reporting and integration.

Evaluate industry trends in ESG analytics, regulatory compliance, and sustainable investment strategies.

A note on response totals: As respondents could select multiple answers, some percentages may exceed 100%.

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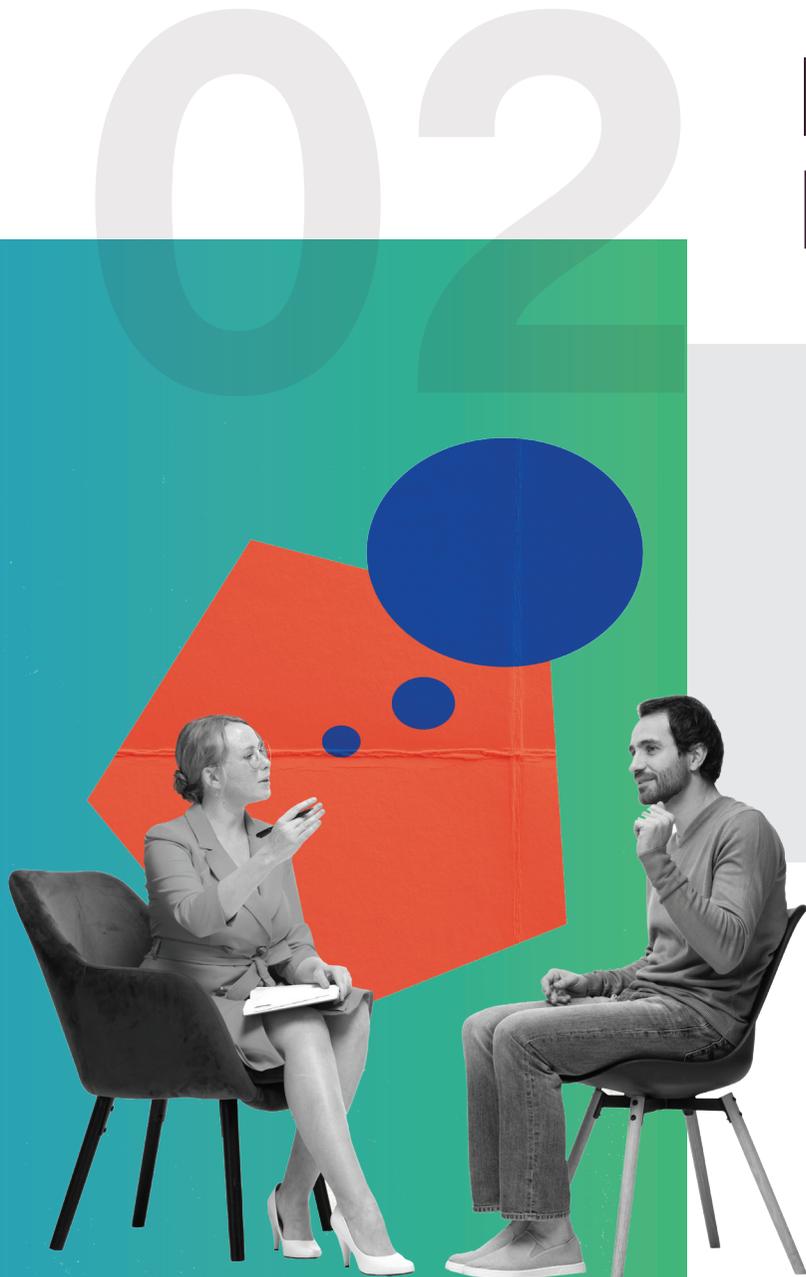
Brief About the Survey: Conducted by SG Analytics, Covering Financial Institutions

SG Analytics conducted this survey to capture real-world ESG practices from a diverse set of financial institutions across multiple regions. The survey includes responses from:

Banks

Commercial and investment banks integrating ESG into lending and asset management.

Asset Managers

Firms managing investment portfolios based on ESG criteria.

Investment Firms

Institutional investors, pension funds, and insurance companies adopting ESG frameworks.

Hedge Funds

Examining their approach to ESG integration, risk-adjusted returns, and engagement strategies while navigating complex investment landscapes.

Explanation of Methodology: Data Collection, Respondent Demographics, and Analysis Approach

⊘ **Data Collection Process:**

The survey targeted key decision-makers in risk management, investment strategy, and sustainability teams across financial institutions globally. Responses were gathered through structured questionnaires, ensuring consistency and comparability. Both quantitative and qualitative data were collected to ensure comprehensive ESG assessment.

⊘ **Respondent Demographics:**

This survey covers responses from a total of 80 participants, representing large global financial institutions as well as regional investment firms. The respondents ranged from C-suite executives to ESG analysts, portfolio managers and compliance officers, categorized based on geographic location, asset size, and investment focus.

⊘ **Analysis Approach:**

ESG adoption was analyzed through comparative benchmarking, trend identification, and correlation assessments to evaluate common challenges, best practices, and the link between ESG performance and financial returns.

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Key Drivers of ESG Adoption

The adoption of **Environmental, Social, and Governance (ESG) principles** among financial institutions is influenced by multiple factors, ranging from **client expectations to regulatory pressures and financial benefits.** The survey findings highlight the primary drivers for ESG integration:

Client Demand as the Leading Driver

74% of financial institutions cited client demand as the most significant factor influencing their ESG adoption.

Institutional investors and retail clients are increasingly preferring **sustainable and responsible investments**, pushing financial institutions to embed ESG considerations into their portfolios.

Growing public awareness and investor activism have contributed to this **demand-driven shift toward ESG integration.**

Regulatory Risks & Compliance

65% of respondents considered **regulatory risks** a major factor driving ESG adoption.

Governments and financial regulators are imposing increasingly stringent **ESG disclosure mandates, sustainable finance regulations, and climate risk assessments.**

Institutions must comply with regulations such as EU Taxonomy and SFDR and align with frameworks such as **TCFD** and **UN PRI** to maintain compliance and avoid legal or reputational consequences.

Reputational & Brand Management

65% of financial institutions acknowledged **reputation management** as a crucial ESG adoption driver.

Firms with strong ESG credentials were able to **attract long-term investors**, while companies with ESG controversies often experienced **share price volatility and investor backlash.**

ESG-conscious firms were able to **enhance brand trust**, improve stakeholder relationships, and mitigate risks linked to **greenwashing allegations.**

Financial Performance & Risk Mitigation

54% of financial institutions believed that ESG integration **positively impacts financial performance.**

ESG-focused firms **exhibited stronger resilience** against market volatility and external shocks.

Investors increasingly **correlated strong ESG performance with long-term profitability** and lower risk exposure.

Competitive Differentiation & Market Leadership

Institutions leading in ESG **gained a competitive edge**, with sustainable finance **becoming a key differentiator** in the industry.

Early adopters of ESG strategies attracted **impact-focused investors, ESG-conscious clients, and sustainability-linked funding opportunities.**

Organizations that deeply embedded ESG into their operations benefited from **enhanced stakeholder trust and long-term value creation.**

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How ESG Data Shapes Investment Strategies

The increasing reliance on **Environmental, Social, and Governance (ESG)** data has significantly influenced investment decision-making across financial institutions. The survey findings highlight how ESG data is **prioritized, integrated, and leveraged** to drive strategic investments.

ESG Data as a Critical Decision-making Tool

99% of respondents considered **ESG data either important or very important** in their investment decision-making process.

The increasing focus on ESG stems from **regulatory pressures, investor demand, and financial risk mitigation strategies.**

Institutions use ESG metrics to evaluate **long-term sustainability risks and corporate governance structures, and for environmental impact assessment** before making investment decisions.

No Respondents Disregard ESG Data

The survey revealed that **0% of the respondents disregarded ESG data**, underscoring its universal recognition in the financial sector.

Unlike past years when ESG was seen as an **optional screening factor**, today, it is **embedded into portfolio strategies, risk management frameworks, and corporate engagement policies.**

Regulatory agencies, asset owners, and institutional investors now **demand ESG transparency**, further solidifying its role in investment strategies.

ESG Data Enhancing Portfolio Performance & Risk Management

60% of institutions partially integrated ESG data into **financial models**,

while

40% **fully integrated** it into decision-making processes.
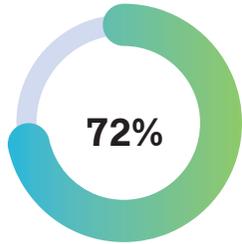
72% of the surveyed financial institutions utilized ESG data to identify long-term investment risks associated with climate change, social responsibility, and corporate governance.
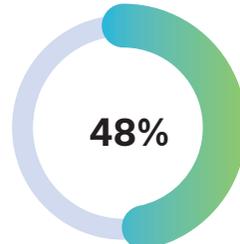
48% of respondents stated that ESG factors directly influenced their asset allocation strategies in the past year.
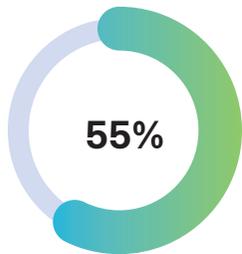
55% of financial institutions ranked climate risk data among the top three factors in investment decision-making.
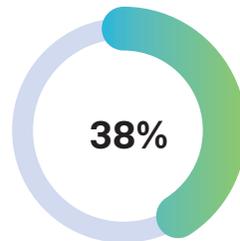
38% of institutions used AI-powered ESG analysis tools to track sustainability performance and risk exposure across portfolios.

Regional & Institutional Variations in ESG Adoption

European institutions (89%) prioritized ESG data integration more than their **North American (76%)** and **Asian (68%)** counterparts.

Larger firms managing assets over $500M were **23% more likely to prioritize ESG metrics** compared to smaller institutions.

In emerging markets, **regulatory uncertainty (54%) and limited ESG data availability (47%)** present challenges to **full-scale ESG adoption**.

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Preferred ESG Investment Strategies

Financial institutions have demonstrated a **strong commitment** to various ESG investment approaches. The most widely adopted strategy is **ESG Integration**, with **86%** of institutions embedding sustainability factors into their investment processes.

84% prioritized **Negative Screening**, reflecting a preference for excluding investments that do not align with ESG principles.

69% adopted **Engagement & Voting** as a key strategy to influence corporate behavior and advocate stronger sustainability policies.

59% practiced **Impact Investing**, emphasizing financial strategies that also generate positive environmental and social outcomes.

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# Measuring ESG Impact and Financial Correlation

Financial institutions are increasingly acknowledging the **financial benefits of ESG integration** and its impact on investment performance. The data reflects a **strong relationship between ESG performance** and financial returns, reinforcing the **strategic importance of sustainability-driven investment decisions.**

Correlation Between ESG Performance and Financial Returns

50% of institutions reported a **strong positive correlation** between ESG performance and financial returns.
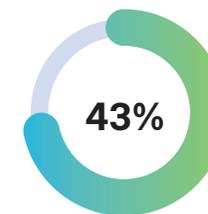
43% noted a moderate positive correlation, reinforcing the perception that ESG integration enhances investment value.

Only **6%** indicated no significant correlation,

and just **1%** reported a negative correlation.

This suggests that most financial institutions recognize **ESG as a driver for financial success**, with sustainable business practices contributing to **enhanced profitability over time.**

Methods for Measuring ESG Impact

Institutions are relying on structured monitoring and evaluation mechanisms to ensure ESG effectiveness:
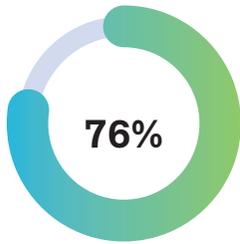
76% tracked ESG performance against specific sustainability targets.

60% conducted impact assessments to evaluate the effectiveness of ESG-aligned investment strategies.
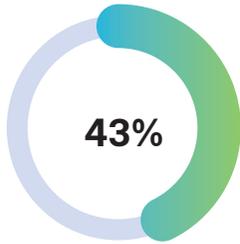
43% reported on ESG outcomes, emphasizing growing transparency requirements.
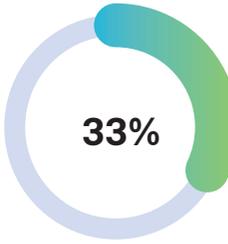
33% engaged external auditors or consultants for verification, ensuring credibility and alignment with global ESG frameworks.

The findings highlight an industry-wide effort to integrate ESG considerations into financial decision-making, leveraging quantifiable metrics and impact assessments to track sustainability progress. These structured approaches ensure accountability, mitigate ESG risks, and help institutions align their investment portfolios with long-term sustainability goals.

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Integration of ESG Data into Investment Processes

Financial institutions are embedding **ESG considerations** into investment strategies, risk assessments, and decision-making, viewing ESG integration as a **strategic advantage** rather than just a compliance requirement.

Role of ESG Teams in Data Integration

74% **of institutions** maintained dedicated ESG teams responsible for **collecting, analyzing, and standardizing ESG data** from **sustainability reports, regulatory disclosures, and third-party ratings.**

56% **provided ESG training** for investment professionals to enhance sustainability expertise.

43% **had formal ESG policies** ensuring standardization across investment portfolios.

Many institutions had **ESG committees** overseeing policies and regulatory alignment.

Integration of ESG Data into Financial Models

60% of institutions partially integrated ESG data, while

40% fully embedded it into financial models.

ESG integration supports **risk assessment, scenario analysis, and portfolio construction.**

Firms are increasingly using **AI-powered ESG analytics** for **real-time monitoring and predictive modeling.**

With the evolution of **ESG disclosure regulations**, institutions are strengthening internal **reporting frameworks** to ensure compliance with **SFDR, TCFD, and ISSB**.

Emerging Trends in ESG Data Integration

Institutions are adopting **alternative ESG data sources** such as **satellite imagery and IoT-based environmental monitoring.**

Active ownership strategies, including **investee engagement and ESG-themed voting**, are gaining momentum.

Regulatory bodies are mandating stricter ESG disclosures, pushing firms to refine **data integration processes.**

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Engagement with Investee Companies

Financial institutions are employing **various strategies** to engage with investee companies on ESG-related issues, reflecting a growing emphasis on **active stewardship and responsible investment practices**. Key approaches include **direct engagement with company management, proxy voting, and collaborative efforts with other investors.**

Direct Engagement with Company Management

73% of financial institutions **actively engaged with investee companies** through direct discussions with **executive leadership, investor relations teams, and sustainability officers.**

These engagements often focused on **climate risk management, governance structures, and social responsibility initiatives.**

54% of institutions prioritized **engagement over divestment**, believing that **long-term corporate dialogue** fosters better sustainability practices.

Proxy Voting and Shareholder Resolutions

54% of institutions utilized **proxy voting and shareholder resolutions** to **influence corporate behavior and advocate stronger ESG commitments.**

Shareholders are increasingly demanding **clear sustainability targets, enhanced climate disclosures, and improved social governance policies.**

Active ownership strategies, such as **filing shareholder resolutions** and **co-filing initiatives with other investors**, are gaining traction in promoting greater accountability in ESG practices.

Collaborative Engagement with Other Investors

50% of respondents participated in **collaborative engagement initiatives**, working alongside **other institutional investors, industry associations, and advocacy groups** to drive systemic ESG improvements.

These collaborations often focused on **climate transition strategies, supply chain due diligence, and corporate diversity commitments.**

Multilateral ESG engagement frameworks, such as the **UN Principles for Responsible Investment (UN PRI) and Climate Action 100+,** provide a structured approach for joint investor action.

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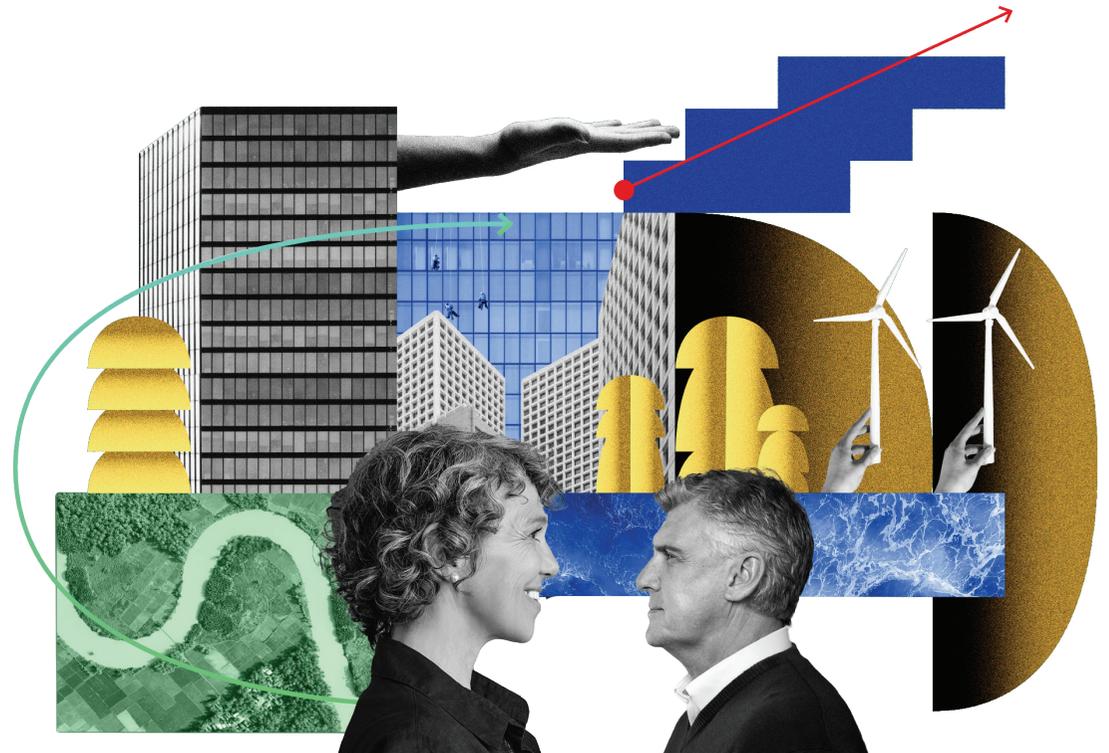
ESG Data Sources and Analysis Methods

Financial institutions utilize multiple sources to gather and assess ESG data, ensuring comprehensive and data-driven investment decision-making. The data collection process typically combines **third-party** **ratings, raw ESG data, and proprietary in-house research** to create a **more holistic view of ESG risks and opportunities.**

Primary Sources of ESG Data

38%
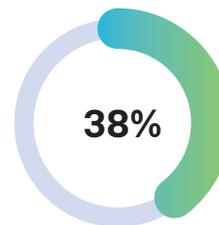
primarily consumed **raw ESG data** from data aggregators, sourced from company reports, regulatory filings, and disclosures, enabling tailored ESG assessments.

37%
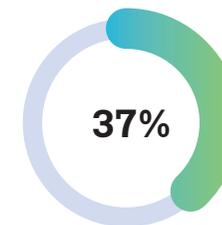
relied on **third-party ESG ratings**, using providers such as MSCI, Bloomberg, and Sustainalytics for sector-wide comparisons.

25%
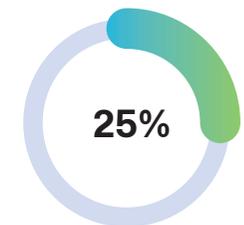
used a **combination of ESG ratings and raw data**, ensuring a more comprehensive and balanced ESG evaluation framework.
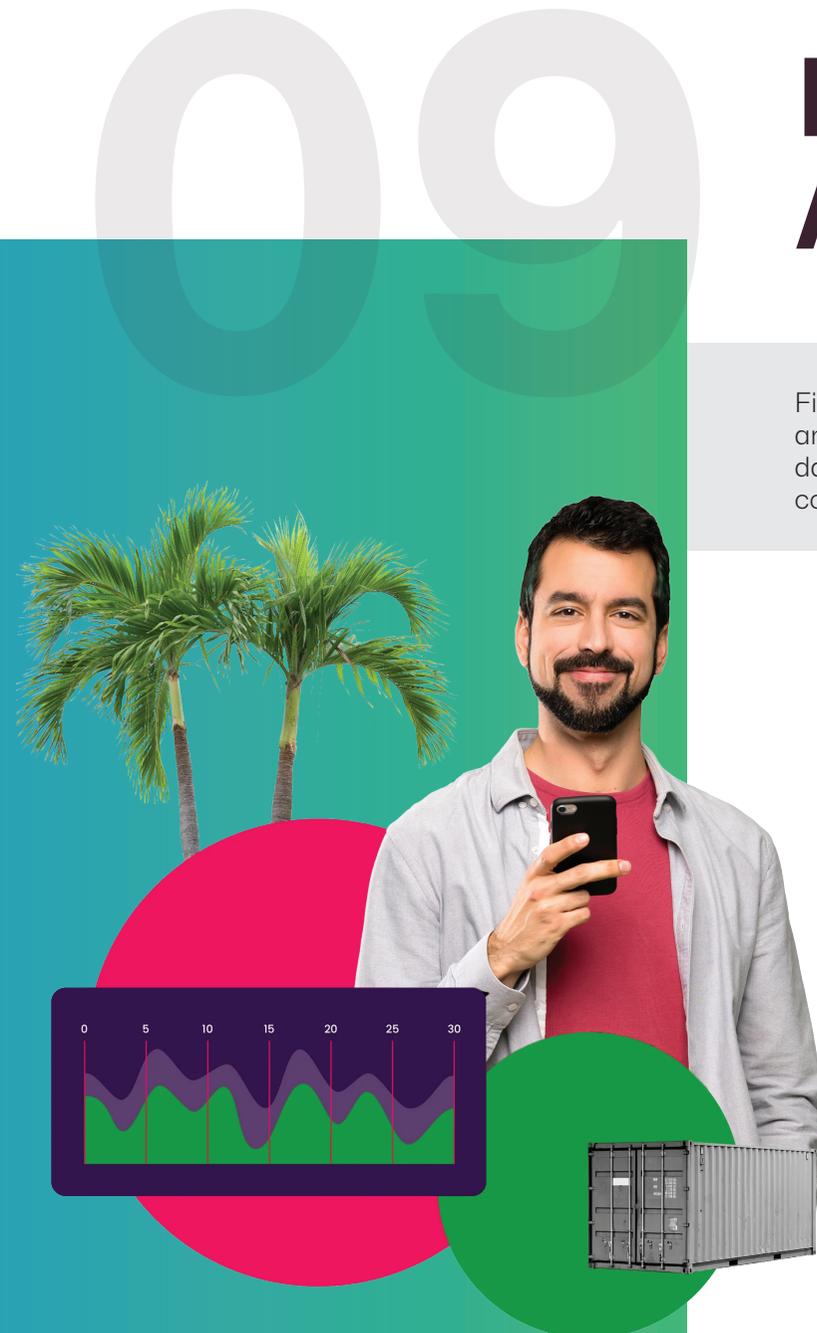
Analysis Methods Used in ESG Data Processing

65% conducted risk assessments, identifying ESG-related financial risks and opportunities.

60% performed company-specific analysis, evaluating sustainability practices at the firm level.

50% engaged in scenario analysis and stress testing, assessing resilience to ESG-related market shifts.

43% focused on impact assessment, ensuring alignment with ESG investment goals.

30% conducted sector-specific ESG benchmarking, comparing industry leaders based on sustainability metrics.

Key ESG Data Challenges

65% Lack of standardized ESG metrics across companies

57% Challenges in comparing data from different providers

56% Insufficient historical ESG data for long-term analysis

The increasing reliance on third-party ESG ratings, raw ESG data, and in-house research highlights the need for accurate, standardized, and transparent ESG metrics. Financial institutions are adopting a multi-source data strategy to strengthen ESG integration, improve risk assessment, and align with evolving regulatory requirements.

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Reliance on ESG Data Providers

Financial institutions are relying on a mix of **external ESG rating agencies and in-house research** to ensure a comprehensive approach to evaluating ESG risks and opportunities. The **combination of external validation and internal expertise** strengthens decision-making, mitigates ESG-related risks, and enhances transparency.

Usage of External ESG Rating Agencies

80% of institutions primarily relied on external ESG rating agencies, while **68% supplemented this with in-house research**.

The majority **(65%) sourced ESG data from 2–3 rating agencies**, while **29% relied on 4–5 providers** for a diverse range of insights. A small proportion **(3%) used only one provider**, and **4% did not use external ESG data at all**.

Most providers include:

MSCI ⊕ **64%**
Recognized for its broad ESG risk assessments.

Bloomberg **62%**
Offers real-time ESG analytics and integration with financial data.

SUSTAINALYTICS **58%**
Focuses on risk-based ESG ratings and compliance screening.

Other providers include Refinitiv (52%) and ISS, which are trusted for their **global ESG coverage**.
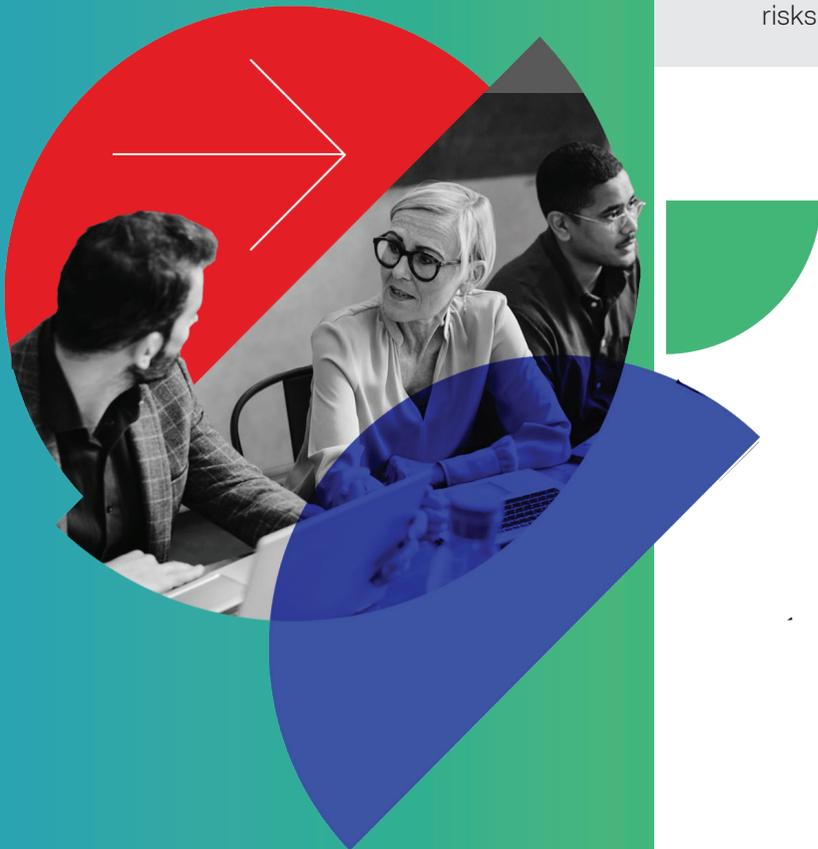
In-house ESG Research and Hybrid Approach

68%

of institutions also conducted **in-house ESG research**, allowing them to customize ESG assessments based on their specific investment criteria, and ensuring a **comprehensive ESG evaluation framework** that reduces reliance on a single data source.

Some financial institutions are **developing internal ESG scoring models**, integrating alternative data sources such as **AI-powered sentiment analysis and climate impact modeling** to refine ESG evaluations.

Trends in ESG Data Utilization

With ESG data regulations becoming stricter, institutions are **increasing investments** in internal ESG research teams and **enhancing AI-driven ESG analytics**.

The **reliability, accuracy, and comparability** of third-party ESG ratings remain key concerns, compelling institutions to conduct their own **quality checks** on external ESG data.

Automated ESG data feeds and APIs are gaining traction, with **79% of institutions** preferring **real-time access to ESG information** via digital platforms.

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Challenges in ESG Data Accessibility and Quality

Despite the growing importance of ESG data in financial decision-making, institutions are facing **significant challenges** in **data standardization, comparability, and historical availability**. These issues impact the **accuracy and reliability** of ESG assessments, making it difficult for investors to draw meaningful conclusions.

Key Challenges in ESG Data Utilization

Lack of Standardization Across Companies

65% of financial institutions reported the **lack of standardized ESG data** being a major obstacle.

Many companies disclose ESG metrics **selectively**, making cross-comparisons challenging.

This inconsistency affects **benchmarking, performance tracking, and investment risk assessments**.

Comparability Issues Between Data Sources

57% of institutions found it difficult to **compare ESG data across different providers**, such as **MSCI, Sustainalytics, and Bloomberg**.

ESG rating agencies use proprietary and often **opaque methodologies** to evaluate companies and sectors, resulting in inconsistencies in company scores.

Investors struggle to determine **which ESG rating provides the most accurate reflection of a company's sustainability performance**.

Insufficient Historical ESG Data

56% of institutions cited **limited historical ESG data** as a key challenge.

Without **long-term ESG performance records**, it is difficult to assess **trends, risks, and sustainability progress over time**.

This is particularly problematic in **climate risk modeling**, where long-term data is required to project **carbon transition risks**.

Limited Availability of Industry-specific ESG Data

49% of institutions reported a **lack of ESG data tailored to specific industries**.

ESG risk factors vary widely across industries (e.g., **GHG emissions in energy vs. data privacy in tech**), yet many reporting frameworks **do not provide sector-specific insights**.

High Costs of ESG Data

27% of financial institutions highlighted the **cost of high-quality ESG data** as a barrier.

Subscription fees for ESG databases, research reports, and real-time data feeds create budget constraints for smaller investment firms.

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Key ESG Factors Under Consideration: Description and Rationale

Financial institutions are prioritizing **specific ESG factors** when making investment decisions, reflecting their commitment to **climate action, governance integrity, and social responsibility**. These key ESG factors play a significant role in **risk assessment, regulatory compliance, and long-term value creation**.

Climate Change & Carbon Emissions

81% of institutions considered **climate change and carbon emissions** a critical factor in investment decisions.

Increasing **regulatory pressure** from initiatives, such as **EU Taxonomy, SFDR, and TCFD**, is driving greater integration of **climate risk assessments** into investment strategies.

Institutions are **factoring in transition risks**, such as **carbon pricing, emissions targets, and renewable energy investments**, to align with global decarbonization goals.

Governance & Ethics

75% of institutions emphasized **strong corporate governance, ethical leadership, and compliance frameworks** as core ESG priorities.

Governance factors include **board independence, executive compensation structures, anti-corruption policies, and shareholder rights**.

ESG controversies and governance failures can lead to significant **financial and reputational risks**, making governance a **top due diligence** criterion.

Labor Practices & Human Rights

68% **of financial institutions** considered **labor practices and human rights policies** as essential for responsible investment.

This includes **workplace safety, fair wages, unionization rights, and supply chain due diligence** to mitigate risks such as **modern slavery, forced labor, and unsafe working conditions.**

Institutions are also aligning their investments with **ILO conventions and UN Global Compact principles** to ensure **responsible labor practices across global supply chains.**

Diversity & Inclusion

53% **of financial institutions** factored in **diversity, equity, and inclusion (DEI) metrics** when assessing investment opportunities.

Companies with diverse leadership exhibited **better financial resilience, innovation, and corporate culture.**

Institutions are assessing **gender diversity in leadership, pay equity, and inclusive workplace policies** as part of their ESG evaluation frameworks.

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Spending on ESG Data and Analytics

Financial institutions are making **substantial financial commitments** toward **ESG data and analytics**, recognizing their role in **investment decision-making, regulatory compliance, and** **sustainability strategy development**. The allocation of resources reflects the increasing need for **accurate, high-quality ESG insights** to navigate evolving market expectations.

Annual ESG Data Investment Trends

61% **of institutions** allocated between **$50,000 and $99,999 annually** for ESG data procurement, primarily from **third-party providers**.

31% **of firms dedicated between $100,000 and $500,000**, underscoring a growing focus on advanced analytics, proprietary ESG research, and AI-driven modeling.

Spending **below $10,000 or above $500,000** is uncommon, suggesting that most institutions operate within a **mid-range investment bracket**.

Strategic Justifications for ESG Data Expenditure

Institutions are scaling up ESG budgets to ensure **comprehensive risk assessment and improved sustainability reporting**.

The increase in spending aligns with **rising regulatory requirements** and investor demand for **more transparent, standardized ESG disclosures**.

Advanced tools, including **AI-powered analytics and real-time ESG monitoring platforms**, are gaining traction with firms seeking **deeper insights and predictive capabilities**.

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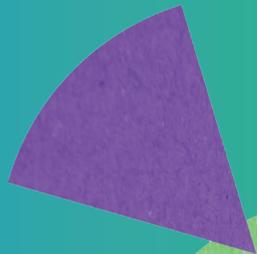
ESG Reporting Practices

Financial institutions are increasingly prioritizing **ESG performance reporting** and the frequency of ESG reporting varies across organizations, influenced by **regulatory requirements, stakeholder expectations, and internal sustainability commitments.**

Frequency of ESG Performance Reporting

55% **of institutions** stated publishing ESG reports **annually**, ensuring a **comprehensive, year-over-year assessment** of sustainability performance.

34% opted for quarterly ESG reporting, allowing for more **frequent updates** on evolving sustainability strategies and progress.

11% stated conducting bi-annual reporting, striking a balance between **comprehensive analysis and periodic updates**.

Commitment to Transparency and ESG Disclosures

Increased regulatory requirements have prompted financial institutions to enhance **the depth and reliability of ESG disclosures**.

Firms are integrating **ESG data into financial reports**, aligning **sustainability metrics** with **business performance indicators**.

Real-time ESG tracking is gaining traction, enabling institutions to provide **continuous updates** based on **investor and regulatory demands**.

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Signatory Commitments and ESG Frameworks

Financial institutions are increasingly aligning with global ESG frameworks to enhance investment transparency, sustainability commitments, and regulatory compliance.

Commitment to ESG Principles:

74% of institutions reported being signatories to the **UN Principles for Responsible Investment (UN PRI)**, demonstrating their commitment to responsible investment strategies.

PRI | Principles for Responsible Investment

Organizations are adopting **climate and disclosure frameworks**, including the **Task Force on Climate-related Financial Disclosures (TCFD) (53%)**, **Carbon Disclosure Project (CDP) (46%)**, and **Science-Based Targets Initiative (SBTi) (38%)**, reinforcing sustainability and reporting commitments.

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

CDP

SCIENCE BASED TARGETS

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Future Trends in ESG Data Utilization

Financial institutions are increasingly leveraging **advanced ESG data tools and analytics** to enhance **investment decision-making, risk management, and compliance strategies**. The evolving landscape is characterized by **technological innovation, regulatory shifts, and a growing focus on standardization and transparency.**

Adoption of ESG Data Management Tools

78% of institutions are incorporating ESG data management **software** to streamline **data processing, reporting, and analytics.**

Evolving Regulatory Landscape and Policy Shifts

New ESG disclosure requirements are being implemented worldwide, increasing compliance expectations for financial institutions. As a result, **68% of firms are adapting to climate risk disclosure mandates**, while **66% are compliant with mandatory ESG reporting standards.**

Many firms are now required to adopt standardized ESG reporting frameworks, reflecting a shift toward greater corporate accountability and transparency. **This includes a stronger focus on diversity and inclusion reporting (48%)** and **government-led incentives or tax benefits for ESG investments (40%).**

Innovations in ESG Reporting and Data Analytics

Financial institutions are adopting **API-driven ESG data platforms to streamline data integration,** while others rely on **traditional data management tools.**

Machine learning and alternative data sources, such as **satellite imagery and real-time emissions tracking,** are **improving ESG risk assessment accuracy.**

Long-term Outlook: The Future of ESG Data Strategies

The next phase of ESG data evolution will focus on **proactive risk assessment,** integrating **climate transition modeling, biodiversity impact analysis, and supply chain due diligence.**

As financial institutions continue refining their **ESG data strategies,** the industry is moving toward a **more structured, technology-driven, and standardized ESG ecosystem.**

The future of ESG data utilization is anticipated to be driven by technology, regulatory alignment, and transparency demands. Financial institutions, positioned between traditional finance and ESG integration, play a pivotal role in shaping sustainable investment practices. By embedding ESG into risk models and capital strategies, they influence market trends and corporate sustainability efforts. Institutions that seamlessly integrate ESG data will be better equipped to navigate risks, seize opportunities, and drive long-term financial resilience.

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About the Author(s)

This report has been developed by the ESG research team at SG Analytics, combining expertise in ESG analysis, investment trends, and data-driven insights. Our team works closely with industry stakeholders to assess emerging ESG practices, regulatory developments, and the evolving role of ESG in financial decision-making.

The findings in this report are based on thorough research and industry engagement, and are aimed at providing a clear perspective on ESG integration and its impact on investment strategies.

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