What issue has been addressed?
In today’s business, there is an increasing tendency and demand for the concept of Socially Responsible Investments (SRI); the new standard for success is People, Planet and Profit. To be able to see how successful a company is in this respect, its Environmental, Social and Governance (ESG) practices need to be rated. According to Bloomberg, an ESG score is a measure of how well a company addresses risks related to ESG. ESG practices show, for example, how a company deals with human rights, responsible working procedures and sustainability. These ratings can be based on information from external companies who provide this kind of analysis and from different mathematical and Machine Learning (ML) models. This is where auto-adaptive systems will make the difference as they allow automated information processing from news and blogs about companies.

What has been developed to solve this?
In the IVVES project, Spanish industry partner SII Concatel developed an ESG Investment Tool - a web tool capable of testing and validating ML models, evaluating the quality of the data and providing insights about financial assets. Using NLP techniques, SII Concatel can extract information (subjects and the positive, negative or neutral biases of a text, called sentiment) from news and blogs, as well as the entities that appear in the text (such as people, places, companies, events and dates), and finally classify the information qualitatively and quantitatively to automatically calculate an ESG score.

How can you benefit from this?
Thanks to the ESG Investment Tool, a company can save a lot of time on data collection and analysis. In addition, the model provides ‘opinions’ about the news analysed, including source reputation, level of veracity, sentiment and the news topic. It also explains the process it has followed to come to such conclusions.

The results also need to be justified from an analyst point of view, and this is where explainability comes into play. For Concatel’s customer zero, an agency specialised in sustainable portfolios, the implementation of this tool in their daily business activity (which has been estimated for Q3 2023) will be the main gamechanger for their business; it will completely transform their business activities compared to what they have been doing for the last five years.

So, if you want to check how your organisation scores in terms of SRI, Concatel’s solution will enable you to do so in an efficient and responsible way!

More information
https://itea4.org/project/ivves.html