



D&B ESG Intelligence Environmental, Social, and Governance (ESG)

Frequently Asked Questions

FAQs Data

What data sources are included in our ESG ranking?

We incorporate a wide range of data sources in our ESG ranking, including Dun & Bradstreet data, news media, company websites, corporate archives and reports, government information, certifications, data and lists from non-governmental organisations (NGOs), and self-assessments of ESG practices by companies.

Is there monitoring of conflict minerals?

Yes, we gather information related to human rights issues concerning conflict minerals as part of the topic Human Rights Abuse and the Human Capital theme within the social dimension of ESG. Notably, there is currently no comprehensive dataset available for monitoring conflict minerals. Nevertheless, Dun & Bradstreet collects data from various sources, including reports, news, and business relationships at the company unit level (Level N), especially in areas where child and slave labour is suspected.

How important are the underlying variables for the ESG components?

The underlying variables related to materially important ESG topics are directly responsible for the ESG ranking. D&B's ESG methodology has been built from the outset with materiality, usability, and decision-making in mind, using recognised leading standards, frameworks, and data. The ESG score is derived from the E-, S-, and G-scores, each with materially important themes and underlying variables, also known as 'topics'. To calculate a minimum ESG score, at least four of these themes must have a score. The more data and variables available, the more useful the overall ESG score becomes.

Which ESG components have the greatest impact?

One level of scoring provides a universal assessment regardless of sector. The next level involves normalising the score to compare companies with their peers based on the SASB Materiality Matrix and D&B's materiality analysis. This means that each sector and business profile may have different degrees of impact, regardless of the ESG themes and topics addressed.

Which components would be problematic for the ESG score if they were missing?

More data leads to a better score. If insufficient data is available, we cannot calculate an ESG score for a company. At least four themes must be assessed to generate an ESG score.

Can you provide more information about the methodology used to calculate each score?

You can find comprehensive details on the methodology in the document "[D&B ESG Rankings Overview and Methodology](#)" which discusses the key aspects of the methodology used. Please note that the methodology may be refined and adjusted in the future.

Do you provide reliability indicators for each variable? Or do you have specific sources or criteria demonstrating the strength of the evidence?

In our scores, we include a data depth score, which ranges from A (deepest data depth) to I (shallowest data depth). The data depth score serves as a robust indicator of confidence for the overall ESG score. You can find detailed information about data depth in the methodology document for a thorough description of this data depth score.

How can I access the underlying raw data used to build the ESG scores?

At this time, this is not an option, but we are working on building internal data systems to enable this in the future. Some data fields may be restricted due to legal limitations.

What are Scope 1, 2, and 3 Emissions?

Scope 1 GHG emissions are direct GHG emissions that occur from sources that are controlled or owned by an organization measured in metric tons of co2 equivalent.

Scope 2 GHG emissions are Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling measured in metric tons of co2 equivalent.

Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. Scope 3 emissions include all sources not within an organization's scope 1 and 2 boundary, including from its suppliers.

How are GHG Emissions calculated?

Actual data gathered from thousands of verified sources including Government and SEC reporting, company Corporate Sustainability Reports (CSR), delivered questionnaires, Euro Emission Trading System (ETS), 3rd party NGOs, EPA, State Emissions Registries, and Euro Pollutant Release and Transfer Register (PRTR). Dun & Bradstreet is a global leader in providing commercial business data for strategic decision making, where business purchase of electricity have also been recorded. Based on electricity spend, converted to KWH, and mapped to tCO₂e amount by region, D&B Scope 2 emission captures the actual from electricity consumption.

Modelled data based on real government data at the industry level along with US EPA released data, Europe, OECD official data at a country by industry level, D&B proprietary business and financial information, NGO/3rd party data, and company completed self-assessments, all employed through

machine learning predictive models. For Scope 3, D&B, with its comprehensive business trade data, is at its unique advantage point providing complete tier mapping of corporate supplier networks, with corresponding importance (weight) for each supplier relative to each given business.

FAQs ESG Ranking

What does ESG actually predict? Is there a dependent variable that the underlying models aim to predict?

The D&B ESG framework provides both analytical and predictive capabilities. Extensive back testing of the D&B ESG framework has revealed a significant relationship between companies with high ESG risk and elevated credit risk. For example, there is a strong correlation between high ESG risk and the number of payment defaults. Additionally, correlations have been identified with respect to revenue and stock performance of publicly listed companies. Using this framework to analyse corporate risk exposure can help decision-makers identify and assess potential issues in their business operations and supply chains, enabling proactive risk management.

How should I interpret the 1-5 ranking in the ESG data?

The ranking starts with low risk (1 and 2) and moves up to moderate risk (3), then to high risk (4 and 5). Customers using D&B products to understand ESG risk within their operations and supply chains will be better positioned to assess their ESG exposure and management systems. If their score exceeds their established risk appetite/tolerance or the sector/market average, they may consider proactively managing their current exposure.

What standard should a company aim for?

The optimal goal is to achieve a low-risk rating (1) or lower than the sector average. At present, the majority of companies are in the 3rd ranking. We typically observe a bell curve (also known as a normal distribution), and a company's goal should be to shift this curve closer to the 1st ranking.

Is there a more detailed assessment than the usual 1-5 scale?

Yes. We use a 1 to 5 scale for the overall ESG score and apply the same scale to the individual environmental, social, and governance dimensions.

For the ESG dimensions, we also provide three specific reason codes that offer more insight into the sources influencing the score. Additionally, we present ESG rankings for over 31 specific ESG topics, clustered into 13 different ESG themes. Furthermore, we provide a data depth score to indicate how comprehensive the dataset was that was used to assess the E-, S-, and G- dimensions. In the future, we will be able to provide increasingly detailed information as we broaden and deepen our data collection.

FAQs Self-Assessment

What does the ESG Self-Assessment entail?

The ESG Self-Assessment is a set of questions covering environmental, social responsibility, and governance areas, based on our 13 ESG themes and 31 specific topics. This self-assessment is accessible via a subdomain of dnb.com. Participants log in, link their company's DUNS number, and can save their progress and return at any time. The questions include basic questions about company information, followed by questions specifically focused on ESG aspects. These questions are similar to surveys used by other ESG providers. Companies may need several employees to collaborate in answering all the questions. After submitting the self-assessment, users receive a D&B ESG report, which can also be shared externally with other companies.