

A Hybrid Approach to Improve Environmental, Social, and Governance Reporting

Lack of standardization in environmental, social, and governance (ESG) reporting impairs comparability among ESG reports



Researchers propose a hybrid methodology to enhance the comparability of ESG disclosures



Hybrid approach



Text mining

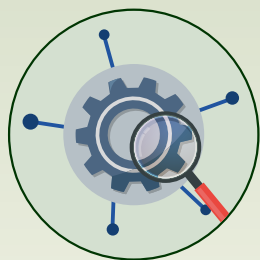


Manual processing



Simplified ESG taxonomies

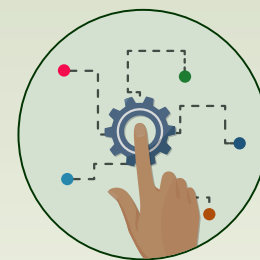
Advantages of the hybrid methodology



Extracts dynamic taxonomies from existing ESG reports for timely updates



Adjusts taxonomies to fit stakeholder needs



Integrates automation with human judgment



Aids regulators in industry metric analysis and greenwashing detection

Dynamic hybrid methodology simplifies ESG taxonomy for adaptable comparison, with limitations in synonym identification and topic selection