



# sub stan tive

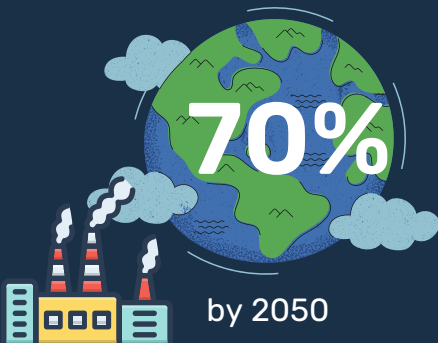
RESEARCH

## THE GREEN REVOLUTION

Is ESG Data The Answer To  
Managing The Energy Crisis?



Deploying renewable energy in G20 countries and globally can effectively reduce CO2 emissions by



Source: The International Renewable Energy Agency (IRENA)

## THE GLOBAL ECONOMY

is currently being struck by an energy crisis. An increase in global energy demand following the Covid-induced economic decline and a reduced supply as a consequence of the war in Ukraine have resulted in higher energy prices which run through global supply chains. With energy security and affordability on the line, countries and companies are looking into more cost-effective alternatives for their energy supply. The struggle however, comes two-fold. Firstly, how should nations and firms structure their energy strategies to minimise long term energy costs and supply risks? Secondly, how should this strategy reduce their carbon emissions to meet their net zero targets?

ESG data may provide answers to these energy transition issues. ESG Data Providers can track, monitor and analyse an organisation's progress against their sustainability goals, monitor stakeholder and public sentiment, benchmark "green" portfolios and assist companies with their sustainability reporting. Substantive Research has built a directory of these providers to help clients navigate through this massive space. In this edition of the ESG newsletter, we have selected three providers that focus on the energy market to help companies and investors alike in their transitions.

**OUR ESG DASHBOARD WON WATERS TECHNOLOGY'S BEST ESG DATA INITIATIVE THE IMD & IRD AWARDS 2022**



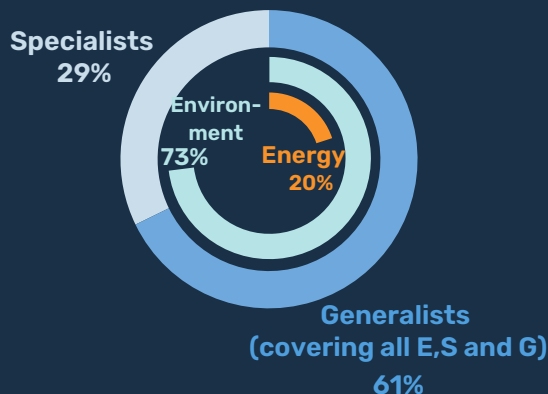
[Contact the team to have the list of providers we are highlighting this month.](#)



## WHAT IS THE CURRENT MARKET LIKE?

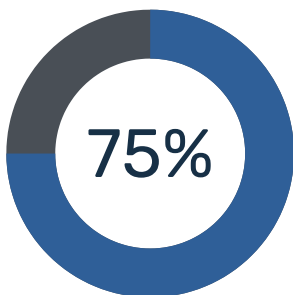
When Substantive Research began mapping out the ESG data space in 2021, we found that of the 160+ data providers we filtered as high quality providers, 61% of these were generalists - providing some type of data on all E, S, and G - and only 29% focused on a specific topic/theme. Within these specialists, 73% is focusing on E, but only 20% of them are concentrating on Energy.

### ESG SPECIALISTS BREAKDOWN



## WHAT DOES THE FUTURE LOOK LIKE FOR RENEWABLE ENERGY AND HOW HAS DATA FOR THIS EVOLVED?

The Energy Sector Generates



of the Global GHG emissions.

Source: Alliance Bernstein's Global Transition to Renewable Energy is a Complex ESG Journey, 2021

The energy sector currently generates around three-quarters of the global GHG emissions. Scope 2 emissions, by definition, are emissions directly related to the generation of purchased electricity consumed, while Scope 3 emissions are the rest of supply chains' energy consumption emissions. Clearly, an overhaul of the sector will have a large impact on climate change. Moreover, analysts have predicted that demand for gas will flatten in the coming decades. As consumers shift to electrical solutions for space heating and transport vehicles, the role of electricity in the final consumption mix is projected to grow to 40% in 30 years. Moreover, renewable energy is predicted to be the main source of energy in 2050 as a result of nations' net zero commitments.

In our database, apart from the traditional companies that produce energy-focused research, several startups have started revolutionising data collection through advanced technologies. We have companies analysing satellite data imagery to transform spatial data into a series of information about oil and gas supply chains. We also have companies that monetise climate change impacts from energy markets and emissions to derive an estimated Social Cost of Carbon.

These types of datasets will be helpful to firms shifting their energy structures to a more sustainable option. Similarly, these data points can help asset managers screen and analyse their portfolios to comply with existing ESG regulations. Contact our ESG specialists to find out more!

# WHO ARE WE?

**Substantive Research** was launched in 2015 and has grown rapidly to become a trusted partner to asset managers globally where we are best known for offering an independent and impartial discovery and comparison service across the entire external investment research and market data universe.

In the past year, we have expanded our coverage into the ESG space as a response to our clients' desire for us to map the ESG data / research marketplace, carry out due diligence and help in market discovery of this rapidly evolving space. We have developed an industry-first ESG Provider dashboard that provides a searchable database of 150+ ESG research and data providers with thematic and coverage filters to match client preferences. We have also incorporated ESG research into our research discovery product to help asset managers navigate through the oversaturated market.



**PLEASE EMAIL THE  
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