From COP 27 to Scope 3

Israel | US | EU | Nov 2022

Yariv Nir
COO
ESGgo

The Background – Sustainability is Top Priority

Consumers

90% of millennials and Gen Z consumers are likely to switch brands favoring ESG compliant companies (*McKinsey & Company*)

Public market Investors

Institutional investors now require firms to comply with and publish their ESG practices and sell off companies in their portfolio with low ESG score

Stock Prices

Studies show that stock prices are correlated to ESG (*George Serafim, Harvard business school "reimagining capitalism: business and big problems")*

Executive Compensation

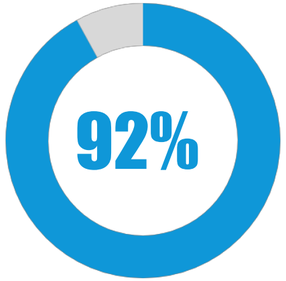
52% of S&P500 companies are using at least one ESG measure in their exec compensation structure

Employees

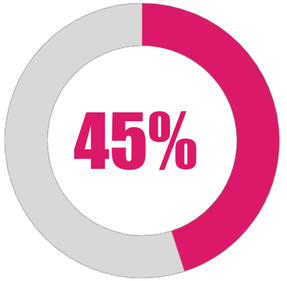
Positive impact correlates with higher job satisfaction, when companies 'give back,' employees react with enthusiasm (*McKinsey & Company*)

Regulation

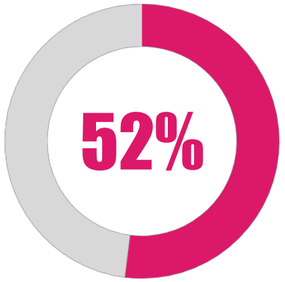
In Europe the SFDR and CSRD call for asset managers and companies with more than 500 employees to report ESG. In the US the SEC is expected to follow suit



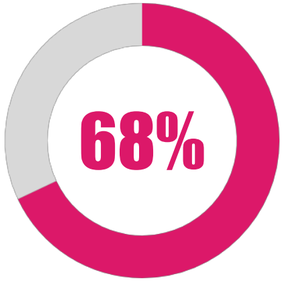
of S&P 500® Index Companies Published Sustainability/ Responsibility in 2020



of FTSE 100 Index Companies tie exec compensation to ESG goals



of S&P 500 Index Companies tie exec compensation to ESG goals



of Canadian traded Companies tie exec compensation to ESG goals

ESG and sustainability is a stakeholder driven conversation

PROPRIETARY AND CONFIDENTIAL

COP27 and Reuters Sustainability conference

COP27

- Panel with CSO of IDB, S&P, Climate bonds CEO, Japan deputy minister of finance, CIO at AIA
- Accountability
- Measurement
- Data driven sources for investors
- ESG is being politicized in the US but no matter what the name is it's here to stay and sustainability + DE&I is critical. This is not only doing good it is a consumer-led conversation / demand

Reuters sustainability conference NYC technology keynote speech

- Measurement is key
- Data is complex
- Companies are in the beginning of the journey
- This resembles the digital transformation journey 15 years ago
- No one sustainability comprehensive solution yet

Sustainability reporting should be data-driven. This is a deep-tech problem.

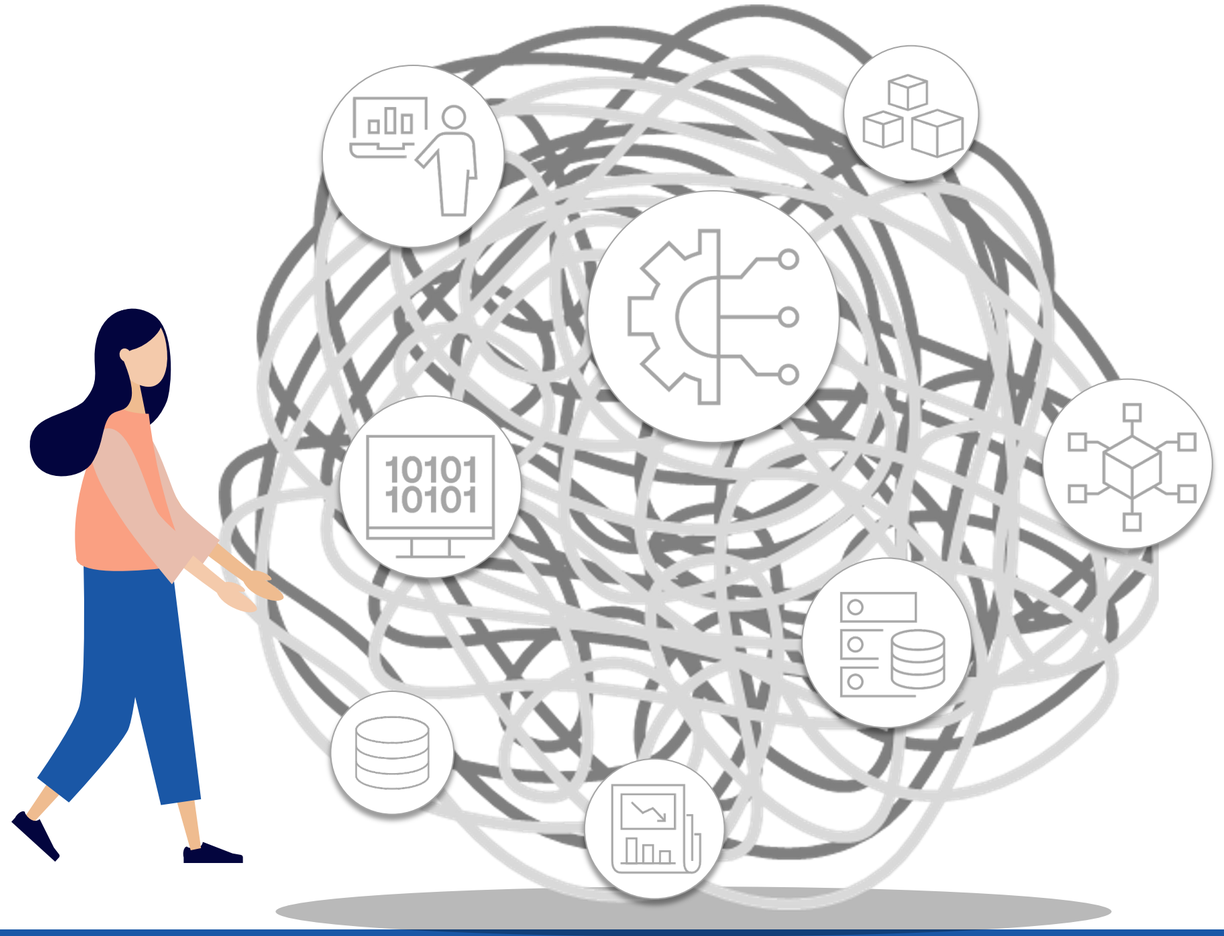
PROPRIETARY AND CONFIDENTIAL

Data Spagetti

The story of **ESG / sustainability** should be told through measurements

> If you can't measure it you can't improve it.”

- Different reporting frameworks
- Different rating agency reporting frameworks
- Different teams in the organizations to provide data
- Different systems to pull data from
- Multiple sources of data, external in addition to internal
- Different formula’s
- Different data periods



Sustainability reporting should be data-driven. This is a deep-tech problem.

ESGgo

PROPRIETARY AND CONFIDENTIAL

The Management Team

IDO GREEN
CTO

Facebook
Senior Engineering Lead

Netflix
Director Engineering

JFrog
VP Engineering

Google
Developer Advocate

ORLY GLICK
CEO

Vintage Investment Partners
Partner

McKinsey US, Europe
Research and consulting

Merrill Lynch
Advisory and Portfolio Management

Indigo and HP
Engineer

YARIV NIR
COO

IDF

Chief communications and computers officer & Deputy of the J6 - Brigadier General. Lead the Digital Transformation at the IDF.

Highly experienced management team, female CEO, 50% women with other faith, gender, sexual orientation and age diversity

PROPRIETARY AND CONFIDENTIAL

ESGgo’s data engine

Data collection

Access, automate and report ESG data with efficiency and simplicity

ESGgo’s platform is a deep-tech data engine that helps companies collect, analyze, standardize and normalize ESG data according to any reporting framework

The platform supports your ESG reporting efforts by saving time spent on data retrieval

Leveraging machine learning to generate gap analysis, the platform provides enterprise companies with a decision support tool to optimize their ESG and sustainability posture

Competition benchmarking

Compare your ESG practices and KPIs to those of your competitors and peers

ESGgo’s benchmarking tool is an independent, robust platform that presents industry peers’ and competitors’ ESG broken down by the different ESG parameters and KPIs

Users can choose from a catalog of companies and view detailed ESG quantitative and qualitative parameters

ESGgo tool scans and extracts ESG data points from public, primary, and verified sources and allows you to compare companies based on similar metrics and scales

Supplier’s ESG

Analyze your supplier’s ESG and how they impact your ESG score

Supply chains are responsible for up to 90 percent of consumer and manufacturing companies’ social and environmental impact

ESGgo offers a supplier tool to publish ESG surveys to your suppliers according to globally accepted material frameworks

The tool allows you to easily onboard your suppliers and presents an individual supplier view or an aggregate analysis of your suppliers’ ESG effect on the company

Gap analysis

Optimize your ESG and identify gaps and opportunities for growth

ESGgo’s gap analysis tool identifies gaps in your ESG and highlights potential areas of improvement for your ESG posture and score

Each part of your sustainability journey requires a deep-tech, sophisticated data engine powered by machine learning

ESGgo

PROPRIETARY AND CONFIDENTIAL

ESGgo Features

The ESGgo Software Features

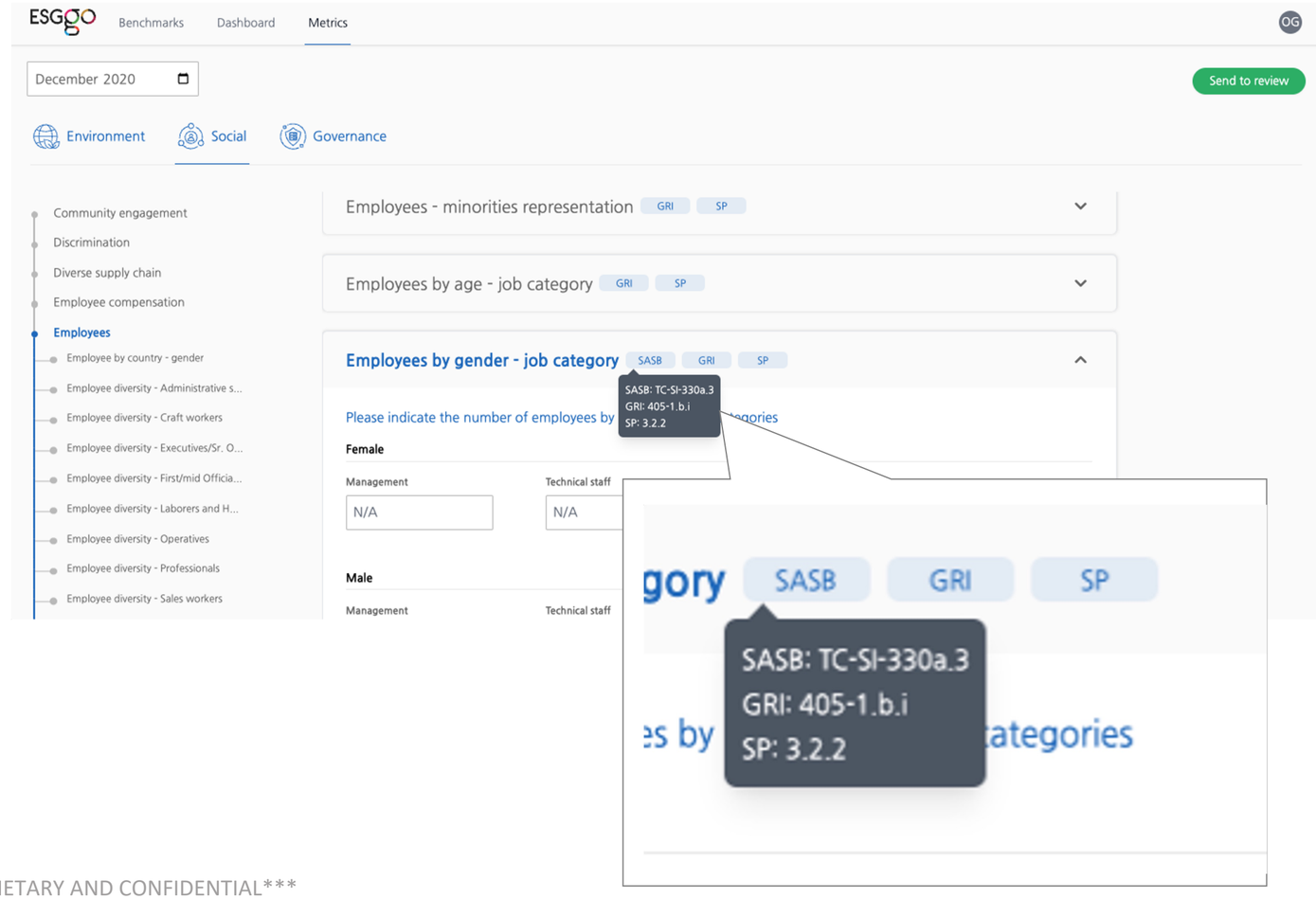
01 Internal ESG data collection tool

ESG Data points collection - Collect all ESG data points according to a defined materiality template relevant to your industry and size. Leverage ESGgo's flexible data structure and add or subtract ESG data points from a repository of the globally accepted ESG frameworks. (GRI, SASB etc)

ESG frameworks simplification – Easily manage the different ESG frameworks. Each data point will be collected only once (even if it matches more than one framework) and will be visualized and marked with the exact framework reference numbers (for example GRI: 203-1.a / SASB 3.6.3)

Collaboration and workflow - Assign roles to different users/data owners and work in a collaborative manner where each can input the data including a streamlined approval process

One place for your ESG data points - Consolidate all data points into one place



PROPRIETARY AND CONFIDENTIAL

ESGgo Features

The ESGgo Software Features

01 Internal ESG data collection tool

Different options for data collection - Collect data points manually or automatically by using ERP connectors for easy streamlining of the data flow and continuous monitoring of the ESG data.

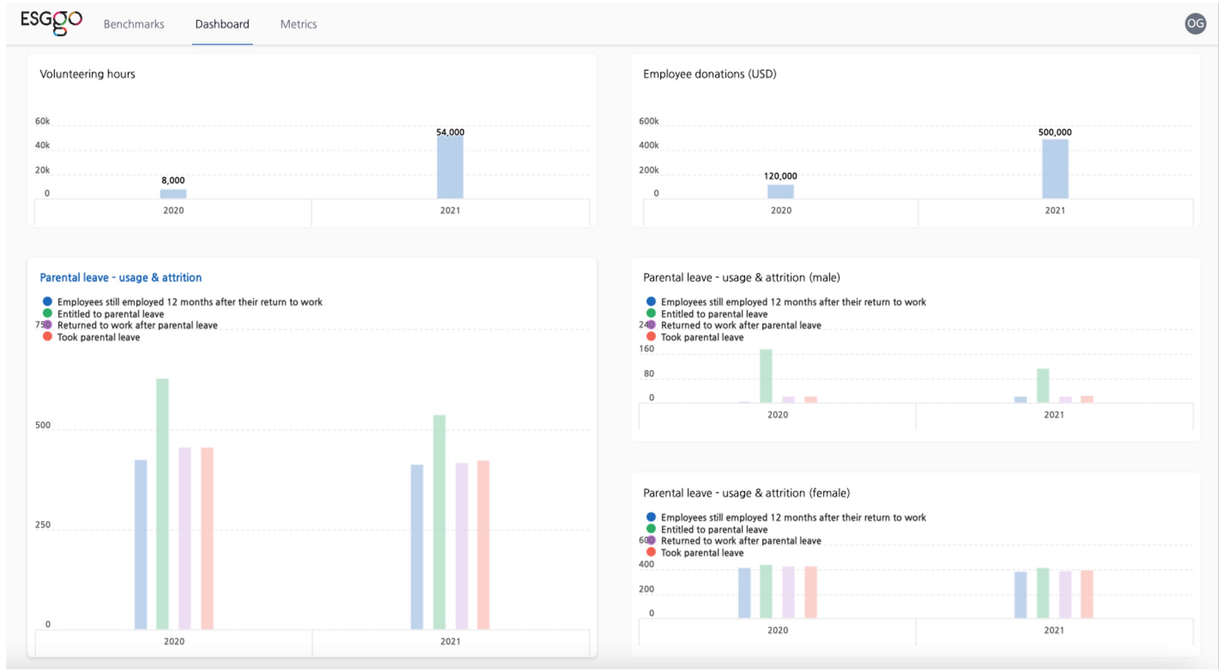
Dashboards - Visualize your data in real time using ESG dashboards. View your progress over time in different intervals.

KPI's – define goals and set KPI's for ESG topic/sub-topic or underlying individual data point and view your progress over time.

Export and clip - Export all ESG data into conventional formats and clip graphs to use in your reports, presentations or updates.

Flexible frameworks data structure – Adapt to new frameworks (e.g IFRS) when they come out.

Audit – collect evidence for ESG data points as a preparation for internal or external audit



PROPRIETARY AND CONFIDENTIAL

ESGgo Features

The ESGgo Software Features

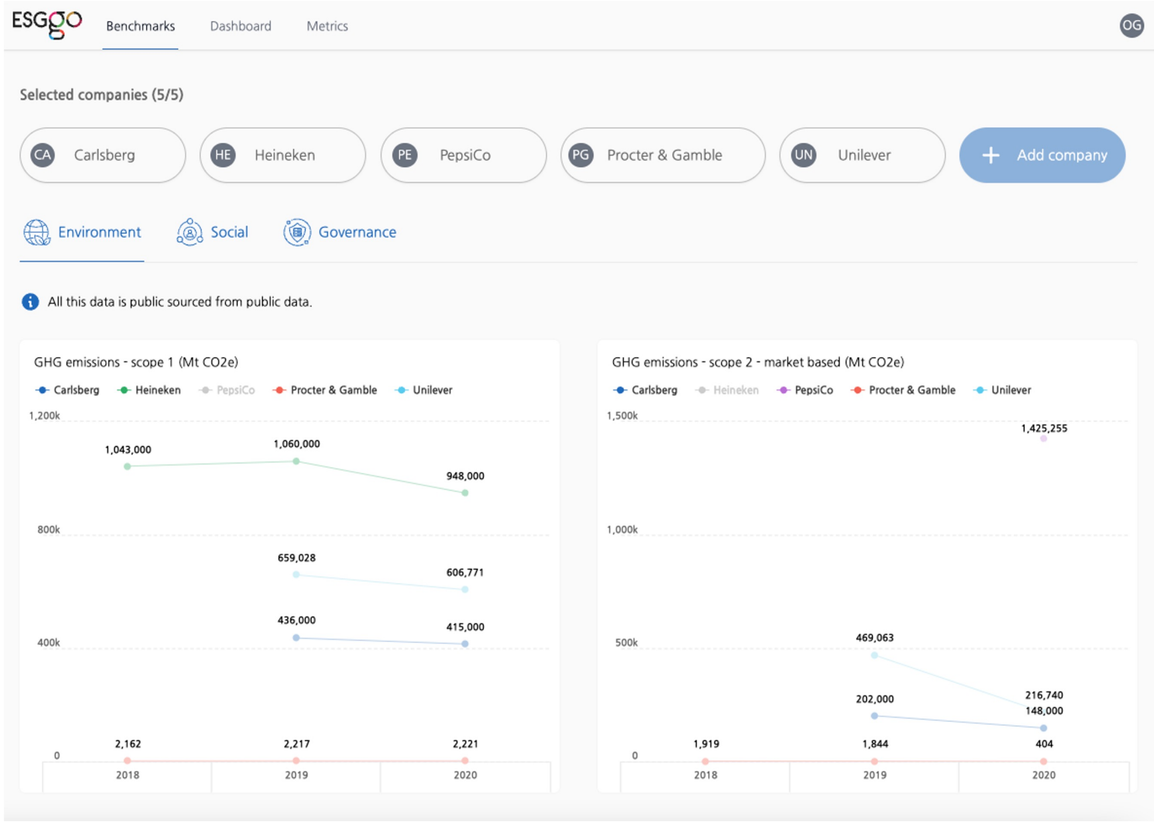
02 External competition benchmarking tool

ESG Data comparison – Choose competitors and peers from ESGgo public company database and compare them on ESG performance.

ESG data points breakdown – compare the companies of your choice based on comparable, granular ESG data points each under E, S and G.

External, verified data sources - Data is harvested from external, primary and verified sources such as companies' sustainability reports and combined into one ESG picture.

Export and clip - Export ESG data into conventional formats and clip graphs to use in your reports, presentations or updates.



03 Optimize your ESG

Increase your ESG score – Receive suggestions for action items that could potentially increase your ESG score

Rating agency reporting – Report to the different rating agencies using the same data [coming soon]

PROPRIETARY AND CONFIDENTIAL

ESGgo – Suppliers or Supplies' Data

Scope 3 is one of the most challenging issues in ESG

A white labeled system to coordinate and collect ESG data points from suppliers

Questionnaires for suppliers based on their industry

One dashboard to view supplier status

Network effect - existing data for suppliers in the system

ESGgo augments supplier's data with external data -

- Publicly listed suppliers – with public information
- Private - via questionnaires + external data for every ESG indicator

PROPRIETARY AND CONFIDENTIAL

Summery

- It’s all about DATA!!!
- Change in decision-making processes
- Leveraging different technologies including machine learning
- Full-fledged enterprise software
- Paying customers (Aggregator model and enterprise model)