

## Measurability of Privacy Risks in ESG Scores

### Overview

Rating agencies developed environmental, social, and governmental scores (i.e., ESG scores) to help investors evaluate the risks of investing in a company. Recent regulations to improve privacy (e.g., European GDPR) have put new obligations on companies that process consumer data (e.g., the obligation of using a legal basis). These new obligations constitute a new investment risk because companies may need to pay substantial fees if they get sued because they are incompliant. However, it is unclear how ESG scores could include these privacy risks. Thus, there is a need (i) to develop a method that makes these new risks measurable, (ii) to integrate the measurement into the ESG scores, (iii) to apply this method by measuring these risks for companies, and (iv) to validate the measurement in an empirical study. The aim of the thesis is to complete points (i) to (iii). Completion of point (iv) would be ideal.

### Requirements

- High interest in the technical, economic, and legal perspectives of digital companies
- High interest in the world of finance and investment
- High interest in working conceptually and empirically

### Language

German / English

### Literature

NOYB – European Center for Digital Rights (2021), "GDPRhub," (accessed June 3, 2022), [available at [https://gdprhub.eu/index.php?title=Welcome\\_to\\_GDPRhub](https://gdprhub.eu/index.php?title=Welcome_to_GDPRhub)].

Friede, Gunnar, Timo Busch, and Alexander Bassen. "ESG and financial performance: aggregated evidence from more than 2000 empirical studies." *Journal of Sustainable Finance & Investment* 5.4 (2015): 210-233.

Dorleitner, Gregor, Gerhard Halbritter, and Mai Nguyen. "Measuring the level and risk of corporate responsibility—An empirical comparison of different ESG rating approaches." *Journal of Asset Management* 16.7 (2015): 450-466.

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