

2025Q3 Report

Tracking ESG Reputation Risks: One Year of Controversy Assessments



sentometrics

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5th September 2025

Abstract

September 2025 marks the one-year anniversary of the large-scale ESG controversy assessment. Over this period, the Sentometrics ESG Risk Monitor Database has documented **1,381 controversies across 993 unique companies**. The most prominent themes include:

- Governance and regulatory non-compliance
- Labour rights and social dumping
- Customer and consumer protection

Additional clusters are tied to geopolitical issues (Israel/Gaza, Russia/Ukraine, arms exports, sanctions), while persistent opposition to energy transition projects (particularly onshore wind, NIMBY effects) also emerges. Throughout the report, we highlight short company case examples to illustrate these dynamics.

The Sentometrics ESG Reputation Risk Monitor equips stakeholders with early warning signals across key ESG themes, connecting controversies to both financial and reputational risks—supporting more resilient and sustainable decision-making.

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Introduction

Welcome to our first quarterly report on the controversy assessments performed by the ESG analyst team of Sentometrics!

Reputation is one of the most valuable — and most vulnerable — assets a company holds. In today's environment, ESG-related news spreads instantly and can shape stakeholder perceptions long before official reports or disclosures. Companies that fail to track these signals risk adverse selection, moral hazard, reputational harm, and negative societal consequences.

The **Sentometrics ESG Reputation Risk Monitor** was created to help companies and stakeholders navigate this challenge. By continuously analyzing large-scale media coverage, the monitor identifies and classifies controversies based on adverse news reports in which a company is accused of being involved in corporate behaviour, with a high likelihood of causing a negative impact, and this behavior is related to Environmental, Social, or Governance issues. Since its inception, the database has recorded nearly **1,400 controversies across close to 1,000 companies**, providing an unparalleled view of how ESG risks evolve over time.

This report reflects on the insights gained from the first year of structured controversy assessments and situates them within the broader dataset. It highlights recurring themes — from governance and labour rights to consumer protection, environmental responsibility, energy transition, and geopolitics — and illustrates how these issues translate into material risks.

For executives and decision-makers, the message is clear: ESG reputation risks are not peripheral. They are strategic risks that demand active monitoring, timely response, and integration into corporate and investment decision-making. The findings in this report are designed to equip stakeholders with early warning signals, actionable intelligence, and a stronger foundation for resilient, sustainable choices.

Thematic clusters

The controversies recorded can be grouped into eight main thematic clusters. These clusters are presented **in decreasing order of the number of identified cases**, which highlights where issues occur most frequently. For each cluster, we provide a short explanation of the theme and a selection of **illustrative case examples** to show the diversity of companies and issues involved.

Across all thematic clusters, roughly **40% of controversies are classified as Resolved**, while **60% remain Unresolved**. The case tables in this report mainly feature **Unresolved or Ongoing examples**, as these represent the most illustrative and recent cases. It is important to note that an **Unresolved status does not imply severity**, but often reflects the fact that cases are still being litigated, investigated, or scrutinized by stakeholders. In some instances — especially where **persistent community opposition or activist pressure** is present — controversies can remain active for years, underscoring the long-term relevance of systematic monitoring.

(1) Governance, Business Ethics & Regulatory Compliance

This cluster covers cases where companies fell short on governance and compliance, from corruption and bribery to antitrust breaches, weak controls, and misleading disclosures. The pattern underlines that strong oversight and ethical conduct remain core to corporate accountability.

TITLE OF CASE	E / S / G	ESG SUBTOPIC	STATUS
Deutsche Bank agrees to pay €590 million to UK banking regulators	G	Money laundering	Resolved
ACC Dienstencheques fined €40,000 for large-scale social fraud.	G	Social fraud	Unresolved
Ekopak faces backlash over miscommunication regarding Waterkracht project	G	Financial disclosure	Unresolved
Belfius Bank fined by FSMA for selling savings bonds without providing the required legal prospectus	G	Regulatory compliance	Resolved
EU Court of Justice upholds €2.4 billion fine imposed on Google for abusing its dominant position	G	Anti-competition	Resolved

(2) Labour Rights & Social Dialogue

Labour rights cases highlight recurring disputes over fair treatment. They involve social dumping, contested employment models, and frequent strikes, showing how fragile social dialogue can disrupt both workers and companies.

TITLE OF CASE	E / S / G	ESG SUBTOPIC	STATUS
Uber Eats and Deliveroo face ongoing legal disputes over employment status of their couriers	S	Social dumping	Unresolved
Jost & Cie involved in social fraud and human trafficking	S	Human trafficking	Resolved
Brussels Airlines reports financial loss partly due to strikes over pay and working conditions	S	Social dialogue	Unresolved
Mondelez accused of child labour in its chocolate supply chain	S	Child labour	Unresolved
Pressure on NMBS CEO Sophie Dutordoir to respond to ongoing train strikes	S	Social dialogue	Unresolved

(3) Customer Complaints & Consumer Protection

This theme reflects rising scrutiny of how companies treat their customers. Misleading offers, poor service delivery, unfair terms, or failure to meet legal obligations often trigger disputes, highlighting the reputational and financial risks of neglecting consumer rights.

TITLE OF CASE	E / S / G	ESG SUBTOPIC	STATUS
Cowboy has launched a voluntary recall, causing frustration among customers	G	Customer rights	Unresolved
Bankruptcy of German travel organizer FTI impacts Neckermann customers	G	Customer rights	Unresolved
Booking.com accused of misleading customers	G	Information to customers	Unresolved
KBC accused of charging too high fees for high-risk business accounts	G	Customer rights	Unresolved
Orange saw 6% increase in customer complaints in 2024	G	Customer rights	Unresolved

(4) Environment & Climate

These cases underline how environmental responsibility is increasingly non-negotiable. From pollution scandals and illegal waste disposal to lawsuits over climate inaction, companies face mounting legal, regulatory, and social pressure to reduce their environmental footprint.

TITLE OF CASE	E / S / G	ESG SUBTOPIC	STATUS
3M facing legal challenges related to PFAS and PFOS pollution in Belgium	E	Pollution	Unresolved
SVK from Sint-Niklaas permanently closing down amidst asbestos allegations	E	Pollution	Unresolved
BNP Paribas facing first climate lawsuit	E	Climate change	Unresolved
Utexbel facing trial in Ghent for decades of illegal wastewater dumping	E	Pollution	Unresolved
Climate activists suing TotalEnergies for continuing gas and oil projects despite climate change	E	Climate change	Unresolved

(5) Energy Transition

This cluster shows that even sustainability projects spark opposition. Wind farms, pipelines, and large industrial sites frequently face protests and legal battles, exposing the tension between decarbonisation goals and local environmental or community concerns.

TITLE OF CASE	E / S / G	ESG SUBTOPIC	STATUS
Ongoing protests against Elia's GRUP Ventilus plan	E	Energy transition	Unresolved
Environmental groups lodge renewed objection to Ineos' Project One	E	Energy transition	Unresolved
Residents oppose Luminus' plan to build a 200-meter wind turbine in Rekkem	E	Energy transition	Unresolved
Protests against De Watergroep's plan to install 10,000 floating solar panels	E	Energy transition	Unresolved
Environmental organizations appeal against Fluxys' proposed gas pipeline.	E	Energy transition	Unresolved

(6) Geopolitics & Sanctions

This cluster captures the impact of geopolitical tensions on corporate activity. Cases include sanction breaches, arms exports, and university or corporate ties to conflict regions. They illustrate how global conflicts and international law increasingly shape corporate risk exposure.

TITLE OF CASE	E / S / G	ESG SUBTOPIC	STATUS
Frozen Russian assets: Justice reprimands the Treasury and Euroclear	G	Sanctions	Unresolved
Concerns about CMB.Tech's role in facilitating evasion of sanctions against Russia	G	Sanctions	Unresolved
KU Leuven students protest against partnerships with Israeli companies & universities	S	Human Rights	Unresolved
OIP accused of contributing to Israel's siege of Gaza	S	Human Rights	Unresolved
New Lachaussee supposedly involved in exporting arms to Egypt	S	Human Rights	Resolved

(7) Privacy & Data

With the digital economy expanding, companies are under pressure to protect personal data. Cases here include data breaches, GDPR violations, and misuse of customer information, showing how privacy failures quickly escalate into reputational and regulatory crises.

TITLE OF CASE	E / S / G	ESG SUBTOPIC	STATUS
Proximus faces a potential multimillion-euro fine for alleged violation of privacy laws	S	Privacy	Unresolved
Meta fined €91 million for violating EU privacy laws (GDPR)	S	Privacy	Resolved
Police watchdog finds illegal and inaccurate retention of personal data in federal police databases	S	Privacy / Data protection	Unresolved
Belgium's Data Protection Authority (GBA) fines Google Belgium €600,000	S	Data protection	Resolved
Clinical Diagnostics data breach exposes records of 850,000 women	S	Data protection	Unresolved

(8) Workplace Safety & Employee Wellbeing

These controversies highlight the duty of care companies owe to employees, from workplace accidents and unsafe conditions to toxic cultures that undermine wellbeing

TITLE OF CASE	E / S / G	ESG SUBTOPIC	STATUS
Technicians installing digital meters for Fluvius via subcontractor Unit-T report high pressure and safety risks	S	Workplace safety	Unresolved
Democo Group's safety policies challenged after fatal accident	S	Workplace safety	Unresolved
Unions demand the dismissal of SMAK director following accusations of toxic leadership	S	Employee Wellbeing	Unresolved
CEO Plopsa dismissed for "toxic work culture"	S	Employee Wellbeing	Resolved
Staff wellbeing survey at NMBS reveals alarming results	S	Employee Wellbeing	Unresolved

Stakeholders driving controversies

The controversies identified over the past year were raised by a wide range of stakeholders, reflecting the diverse ways in which companies are held accountable. Courts and prosecutors were the most prominent actors, followed by employees and whistleblowers, then national and regional authorities. Local communities and residents also played a significant role, with unions not far behind, while regulators and local governments featured regularly as well. NGOs contributed to a smaller but visible share of cases, and shareholders or investors were less frequent but still relevant voices.

Institutions such as the FSMA, the European Commission, public prosecutors, the Belgian Competition Authority, and the Data Protection Authority appeared frequently, while civil society organizations like Greenpeace, FairFin, Testaankoop, Extinction Rebellion, and Natuurpunt helped amplify controversies.

Overall, enforcement remains strongly legal-driven, but employees, communities, and NGOs are increasingly influential in surfacing and escalating cases, ensuring that companies face scrutiny not only from regulators and courts but also from society at large.

Impact and severity of controversies

Firms that disregard ESG-related reputation risks in the media expose themselves to four critical pitfalls:

- (i) adverse selection, where they might inadvertently engage with less sustainable partners;
- (ii) moral hazard, where ignoring ESG issues could lead to irresponsible practices;
- (iii) heightened reputational risks; and
- (iv) negative societal impacts due to overlooked externalities.

The most common consequences of ESG controversies are **reputational damage** and **operational disruption**, followed by **harm to affected stakeholders** and **legal** or financial penalties. In many cases, the fallout does not stop there: some companies also suffer major **financial losses**, whether through fines, declining sales, shrinking market value, or even bankruptcy.

Several **examples** illustrate the scale of these impacts. **Deutsche Bank** absorbed multi-billion costs related to restructuring and LIBOR settlements. **Google/Alphabet** faced EU antitrust penalties running into the tens of billions. **Bayer**, through Monsanto, incurred enormous costs from Roundup litigation. The collapse of **Signa** marked one of Europe's largest insolvencies in recent years. **Fortis/BNP Paribas** was hit with a multi-billion claim after the financial crisis, while **Proximus** saw its market value drop sharply due to governance and strategy concerns. **ABN AMRO** also faced significant penalties for anti-money laundering failings.

Together, these cases demonstrate that ESG controversies rarely remain isolated incidents: they can evolve into **material financial risks** with long-lasting consequences for companies and their stakeholders.

Most exposed companies

The companies facing the highest number of controversies include Deutsche Bank, BNP Paribas Group, KBC Group, Proximus, bpost, AB InBev, NMBS/SNCB, Meta, ING, TikTok/ByteDance, and Google. Collectively, they represent the financial sector, Technology as well as several (partially) state-owned companies.

Top 20 by number of controversies

1. Deutsche Bank – 25
2. BNP Paribas Group – 24
3. KBC Group – 24
4. Proximus – 21
5. bpost – 21
6. AB InBev – 20
7. NMBS / SNCB – 19
8. Meta Platforms – 19
9. ING Group – 14
10. TikTok / ByteDance – 14
11. Google – 13
12. Belfius – 12
13. VRT – 12
14. TotalEnergies – 10
15. Brussels Airlines – 10
16. Aspiravi – 10
17. Eneco Belgium – 10
18. De Lijn – 10
19. Luminus – 9
20. Jumbo België – 9

Company Response

In approximately 60% of recorded controversies, companies issue a response, which is a critical element in understanding both the immediate handling of the case and the company's broader governance culture. A proactive reaction signals that management acknowledges the issue, takes it seriously, and is willing to engage transparently with stakeholders. Such responses often include remediative measures, the adoption of new policies, or the establishment of

structural stakeholder dialogue, all of which demonstrate a commitment to preventing recurrence. This proactiveness is not only vital for rebuilding trust but also serves as a strong proxy for the company's future risk management capacity and its ability to avoid similar incidents. For financial stakeholders, this dimension is particularly valuable: while the occurrence of a controversy is an important red flag, the way a company reacts—swiftly, credibly, and constructively—can be an even stronger indicator of resilience and long-term sustainability.

Reasons for consulting the Sentometrics database

Stakeholders gain from consulting the Sentometrics ESG Risk Monitor because it offers a comprehensive, independent view of how controversies impact companies across environmental, social, and governance dimensions. With nearly 1,400 recorded cases since 2015, it highlights not only reputational risks but also financial and operational consequences such as fines, market value losses, or project delays. For investors, lenders, regulators, and civil society, the database provides crucial insights to anticipate risks, benchmark behavior, and guide engagement strategies. Covering themes from governance failures and labour disputes to environmental pollution, energy transition, data privacy, and geopolitics, it helps identify early warning signals, assess remediation, and hold companies accountable. Its strengths lie in combining AI-powered analysis with expert oversight, daily updates, clear severity and status markers, and direct links to original sources. By also integrating company feedback and offering a user-friendly dashboard, the monitor ensures transparent, reliable, and actionable ESG risk intelligence.

Conclusion

Sentometrics ESG Reputation Risk Monitor 2025 Q3 highlights how widespread and material ESG controversies have become. With nearly 1,400 cases across close to 1,000 companies, governance failures, labour rights disputes, and consumer protection issues stand out as the most frequent themes, while geopolitical controversies, opposition to energy transition projects, and data privacy breaches are gaining prominence. These incidents are raised by a wide range of stakeholders — from regulators and prosecutors to employees, unions, residents, NGOs, and investors — and their impacts extend far beyond reputation, often resulting in significant financial losses, bankruptcies, or market value declines.

The analysis shows that companies most frequently involved are large financial institutions, partially state-owned enterprises, and global technology players. Importantly, the evidence confirms that credible remediation — early acknowledgement, concrete corrective actions, and transparent disclosure — is the strongest predictor of shorter controversy lifecycles.

For companies, the findings underscore the importance of managing reputation proactively, responding effectively to controversies, and maintaining stakeholder trust through transparency and accountability. For investors and credit institutions, the results highlight the need to link controversies to reputational impact, integrate these signals into engagement and investment decisions, and adjust strategies to reduce reputational and financial risks.



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