

# TCS ESG Integration Solution

Banking and Financial Services



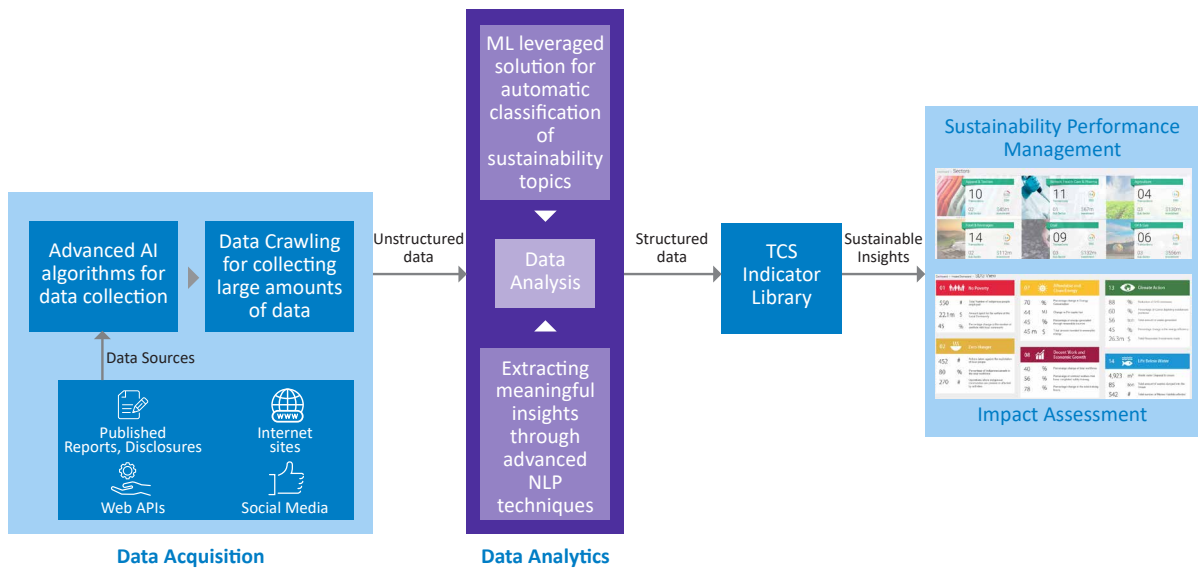
Banks across the globe are establishing strategies and adjusting their business models to drive long-term sustainable differentiation and build a resilient future. As part of the EU Sustainable finance action plan, the EU taxonomy was established with the aim to assist investments align with environmental, social, and governance (ESG) goals. Additionally, in line with the EU's new Sustainable Finance Disclosure Regulation (SFDR), enterprises are now looking to adopt sustainable finance and investment frameworks to acquire a more transparent view of ESG data. A real-time solution, incorporated into ESG ratings, that leverages cognitive technologies and deep analytics to harness the data can help banks develop more impactful strategies.

TCS ESG Integration Solution equips banks and financial institutions with the ability to accurately decipher alternative sources of data. This, in turn, helps identify the parameters needed to develop sustainable frameworks for business operations to ensure ESG friendliness. Integrated with advanced analytics capabilities, the solution continuously analyzes ESG performance of companies against reliable secondary data sources to prepare a comparative view.

## Overview

The increasing investments from high net worth investors have brought sustainable finance and investments to the forefront of banking and financial services. Organizations are looking to leverage the latest cognitive technologies to build a sustainable framework for financial transactions and investments to improve their ESG ratings. While enterprises are using legislative tools such as SFDR to combat greenwashing, the standards for measuring ESG investments and tools for analyzing metrics and financial returns are still at a nascent stage. Multiple third-party ESG rating agencies and independent research organizations offer ratings, rankings, or indices to help evaluate the alignment of investments with sustainability goals but present no uniformity in ESG ratings or traceability to the original dataset, rendering the ratings less effective.

The TCS ESG Integration solution provides banking and financial institutions the flexibility to control and track ESG data across financial and investment portfolios. The solution contributes directly to scoring methodologies on a holistic level to provide a transparent view of the ESG data as per the requirements and helps maintain compliance with the SFDR.



*Automation enabled data acquisition and analysis algorithms to extract meaningful sustainability insights*

## Our Solution

The TCS ESG Integration solution provides the following capabilities for sustainable finance:

- **Indicator library:** Enables a more requirement-driven ESG performance tracking by configuring the performance framework, adding or removing indicators, and assigning weightage and criticality to indicators.
- **Data acquisition and analytics framework:** Captures data efficiently and enables transparency by leveraging cognitive technologies such as AI and Machine Learning-based algorithms.
- **A complete 360° ESG view:** Generates a 360-degree view of the investments/holding companies by digitalizing the existing offline methodology and frameworks and consuming data from external data providers through APIs or excel feeds.
- **Accurate ratings:** Create positive social impact by leveraging the relevant, actionable data from leading data providers and get access to accurate ESG ratings.

# Benefits

The TCS ESG Integration solution provides the following benefits to enterprises:

- **Transparent ESG integration:** Gain an agnostic view on the underlying data points and track ESG performance based on specific requirements or themes.
- **Integrated ESG performance tracking:** Leverage reliable secondary data sources by transforming data from external data providers into strategic investment insights to compare and analyze ESG performance of the companies.
- **Enhanced portfolio construction:** Get access to a deep-dive view on the ESG performance of individual companies for better monitoring of conventional and ESG funds.
- **Compliance with upcoming regulatory requirements:** Gain a transparent view of the ESG data to evaluate the sustainability risks and impact of the investments or assets and align business operations to emerging legislations.

## The TCS advantage

A partnership with TCS helps banks and financial institutions take advantage of the following differentiators:

- **A flexible solution:** TCS solutions are integrated with AI/ML algorithms that can be deployed on-premise or cloud to effectively track and monitor the sustainability performance of assets or investments. We help businesses enable a more transparent and agnostic ESG integration capable of processing raw sustainability data and delivering meaningful, sustainable insights.
- **Cross-industry collaborations:** By leveraging over 40 years of banking financial services industry experience and technology expertise, we help our customers digitally transform the available, sustainability data into strategic investment offerings. Our large network of investment management and market infrastructure customer relationships help us stay on top of the latest technological trends and provide customized services for your business.
- **Proven domain expertise:** With vast experience in banking, financial services, and sustainability, our certified subject matter experts are well-trained to deliver strategic services to fulfill the varied requirements of different customers. We possess a client-first mentality and are positioned in a unique way to assist financial institutions in their ESG integration and sustainable finance/ investment journey. Forrester, Gartner, ISG, and HFS.

# Awards and accolades



## Contact

For more information on TCS' Banking, Financial Services, and Insurance (BFSI) unit,  
Visit <https://www.tcs.com/banking-financial-services> or <https://www.tcs.com/insurance>  
Email: [bfsi.marketing@tcs.com](mailto:bfsi.marketing@tcs.com)

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