

Leveraging technology to drive ESG outcomes for the investment industry



Element22 – a leading management consulting and solutions provider committed to modernising data, data management and analytics for the investment industry – answered investors’ calls for transparency by partnering with BBD to design and develop the ESGⁱ platform. The platform offers a technology solution to source attested trusted ESG data for the investment industry.

Objectives

- › Design the system as an authoritative source
- › Request, publish, challenge and amend ESG data in real time
- › Build trust through transparent, consistent business rules
- › Assist in creating a community (as any firm can share their ESG data through the platform)
- › Develop system to specifically support Sustainable Finance Disclosure Regulation (SFDR)
- › Migrate the platform to a highly scalable, robust AWS environment

Benefits

- › Trusted multiple ESG use case reporting
- › Data grouped into portfolios for ease of use
- › Regulation-specific modelling, unambiguous data definitions and user configurable models
- › The AWS environment is scalable, and charged on a usage basis, which enables cost savings in the platform’s infancy
- › Leveraging various AWS services ensures sensitive data is fully protected

Overview of the solution

The ESGⁱ platform was developed specifically to support sustainable finance disclosure and is designed as an authoritative source with the objectives of requesting, publishing and challenging ESG data, which users can amend in real-time. The platform builds trust through transparent, consistent business rules, and creates a community for firms to share their ESG data. Element22 engaged with BBD to re-architect and migrate their application from their existing cloud provider to the AWS cloud. The ESGⁱ platform was deployed on a robust AWS environment following AWS best practices. The solution is both highly available and scalable to grow and match varying demand over time.

To meet data privacy and residency requirements, various AWS services were implemented to provide protection against any malicious activity, to detect anomalies within the AWS account and provide appropriate alerting. BBD helped extend and optimise the system according to its evolving needs and requirements, resulting in a highly scalable and configurable application that can address any changes to regulation at a glance. BBD designed the platform to be scalable, with a transparent rules engine to support each type of regulatory reporting – Sustainable Finance Disclosure Regulation (SFDR), Swap Data Repository (SDR), and Taskforce on Climate-related Financial Disclosures (TCFD).

By completing a deep requirements analysis for each new regulation or report, BBD can identify field overlaps or differences, which then drive aggregation rules and fill reporting templates. The detailed analysis also sets out the input data attributes to be collected, resulting in data integrity.

ESG data on third parties is collected in three ways:

- › Through direct invite and digital data capture
- › Using automation technology
- › By allowing financial institutions to upload any existing data collected about the company

To meet the client's requirements, BBD always aims to collect ESG data at its most atomic level. No blind index scores or ratings are produced in the platform, just clearly defined digitised data, with separation between sources, the ability to flag any estimated values that are used, and evidence to back up the data. Additionally, the application shows where it found the data, with an actual link to a published document of the source company.

Direct sourcing of ESG data from third parties also allows the implementation of a direct channel so that missing data can be requested directly and can be challenged if it appears incorrect. Any requests or changes made to the data is updated in real time, triggering notifications. All system functionality is also supported by secure APIs. This speaks to the ability to notify all relevant parties that data has been changed and updated. No similar application does this.

| Impact of BBD's partnership

As the complete solution was implemented in the AWS cloud, BBD, an AWS Advanced Services Partner with a dedicated cloud enablement team, ensured that industry best practices and standards were adhered to.

BBD's partnership with Element22 led to the development of their ESGⁱ application that is seen as the leader in the field in ESG reporting. BBD provided a highly scalable and configurable application that can address any changes to regulation at a glance. Furthermore, BBD's relationship with Element22 has progressed from a development partner to a trusted advisor.



Get in touch

If you'd like to engage with us, we'd love to hear from you.

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