



# ACCELERATE YOUR ESG JOURNEY

WITH THE RIGHT INSIGHTS AND DATA

Financial services can prosper while committing to ESG



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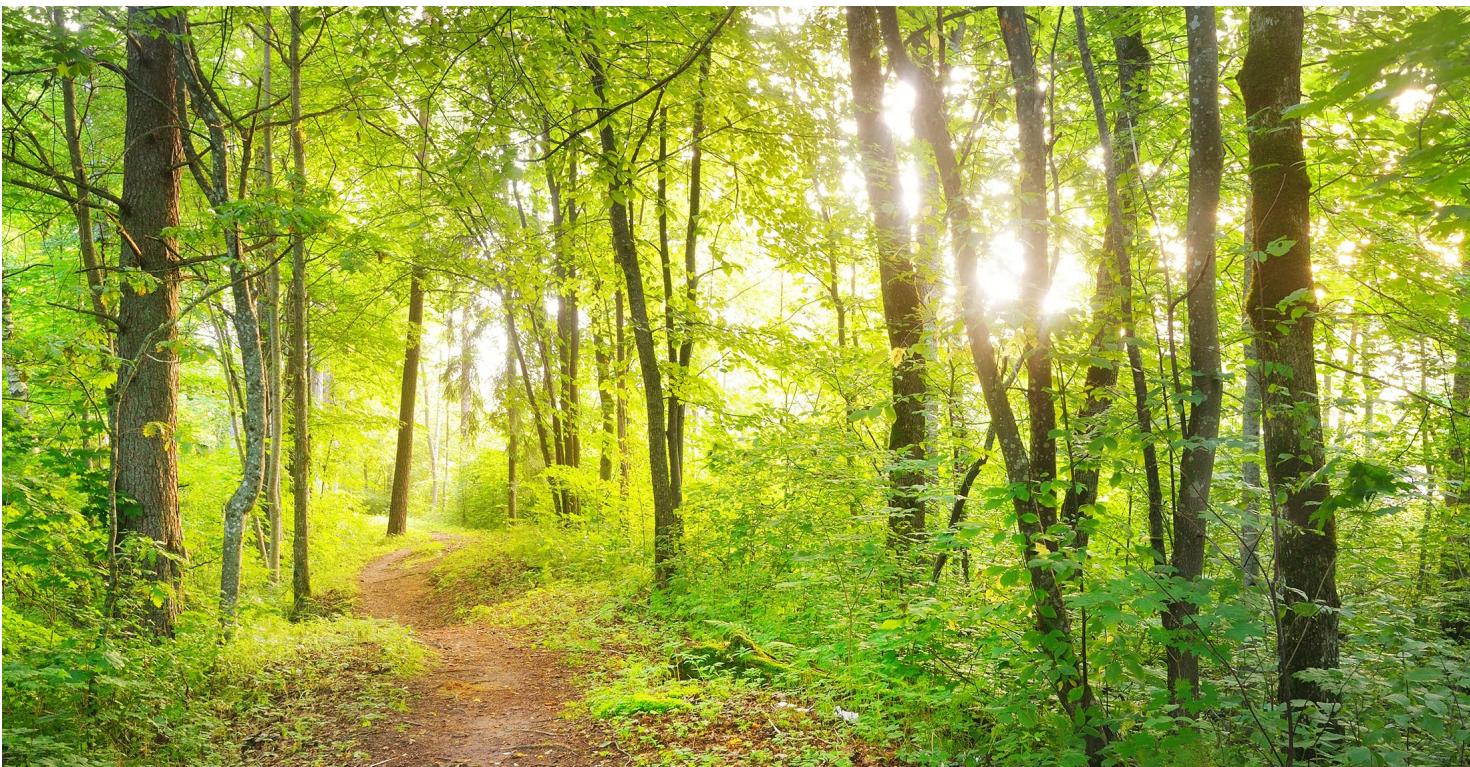
# ACCELERATE YOUR ESG JOURNEY WITH THE RIGHT INSIGHTS AND DATA

Endless fires, catastrophic flooding, and unprecedented heatwaves continue to wreak havoc across the globe, while inequities across the workforce, society, and justice systems are the frequent subject of shocking headlines. These issues are more than societal. They are business-critical and go far beyond short-term profitability. Financial institutions that fail to grasp the importance of addressing environmental and social issues now may find themselves obsolete.

Committing to environmental, social, and governance (ESG) keeps banking and financial institutions accountable and helps them build trust by defining how their products or services contribute to sustainability. As concerns about the ethical status of organizations increase, ESG criteria is used to measure the ethical impact and sustainability of investments. ESG goes far

beyond carbon neutral, spanning social and governance issues such as equality, ethical labor, product safety, data security, and partnerships.

There are currently limited mandatory guidelines for ESG reporting, so financial institutions are left to create their own reporting methods. Often, various departments collect different internal and third-party data, which frequently doesn't correlate. Most try to align with the Paris Climate Agreement to ensure they make more sustainable investments, but many inadvertently exaggerate or "greenwash" ESG claims. As a result, central banks, regulatory authorities (such as the SEC, FCA), and global and regional standard setters (such as the TCFD, IISB, GRI, CDP) are now focused on the accuracy and transparency of ESG-related disclosures.



# EMPOWER YOUR CLIENTS WITH ESG SOLUTIONS

Top-tier banking and financial services organizations are just beginning to understand that pledging to be sustainable themselves is only the beginning, and few are focused on empowering clients to embrace sustainability. In contrast, many multinational banks have taken bolder steps and pledged billions of dollars in green financing and sustainable investments. To qualify for these loans, companies must meet a certain sustainability profile, hence banks are required to define and monitor ESG metrics.

While the demand for ESG began with Wall Street, it is younger investors who desire – and demand – to do business with and work for companies that are socially responsible. In addition to reducing your risk exposure, committing to ESG strengthens your brand, drives loyalty, and encourages your clients to make more responsible investments.

The graphic below showcases what ESG leaders are doing now to build a strategy and transformation plan.

## WHAT ARE LEADERS DOING (INTERNAL AND CLIENT FOCUSED)?

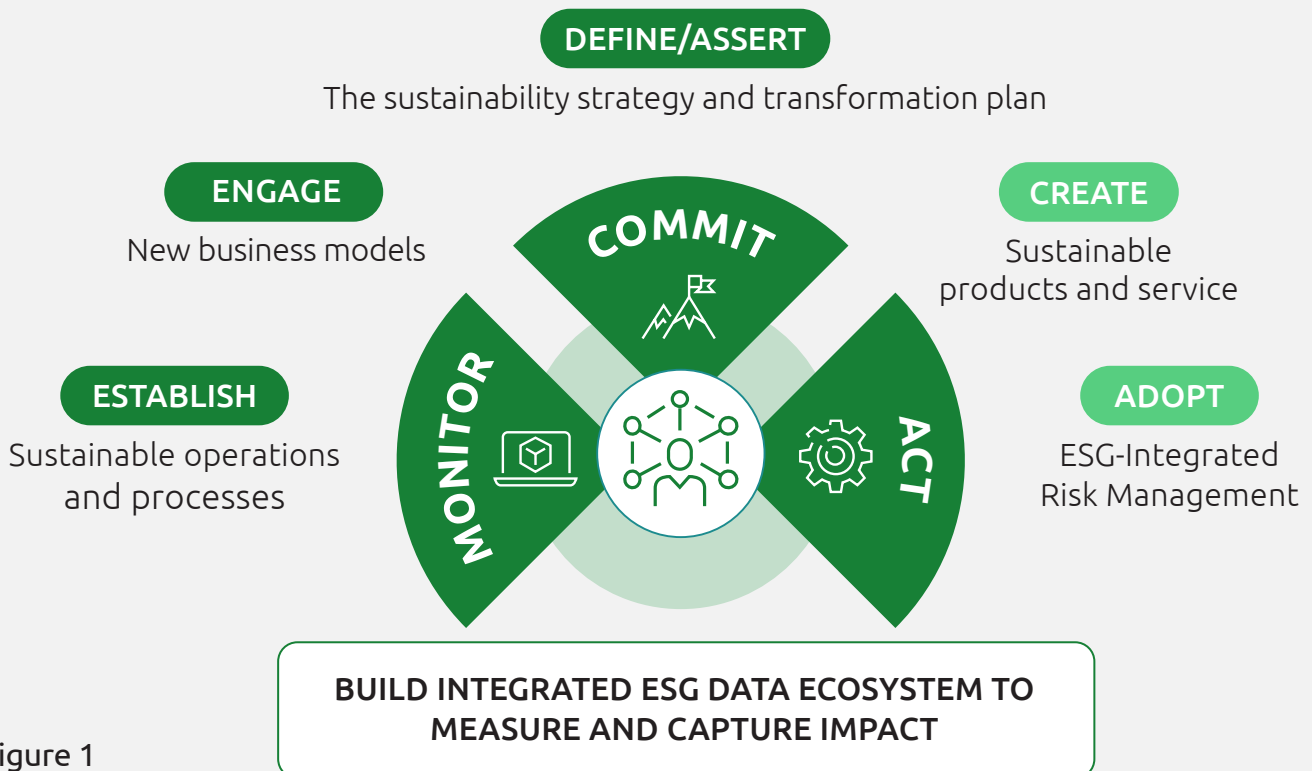


Figure 1



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# START SMALL, INNOVATE FAST

Because ESG compliance is in its infancy, we recommend first defining a roadmap and long-term vision. Approach the transition strategically by minimizing your scope using a small number of criteria, defining specific use cases, and expanding gradually. Conversely, it's important to innovate and fail fast to keep from losing momentum. Understanding the ESG issues your clients care about will enable you to identify their risk exposure and make personalized recommendations that add value and build trust.

Create an end-to-end strategy across commit, act, and monitor focusing on internal and client requirements. Developing a foundational ESG data ecosystem will support demand, enhance brand, and help manage risk. Having standardized, consistent data is a critical enterprise-wide asset that brings the transparency and intelligence needed to ensure your products and services are responsible while empowering your clients to be sustainable and adhere to their sustainability goals.

## HOW CAPGEMINI CAN HELP

**To accelerate your ESG journey, we identified three priority areas organizations should address:**

### ESG DATA STRATEGY

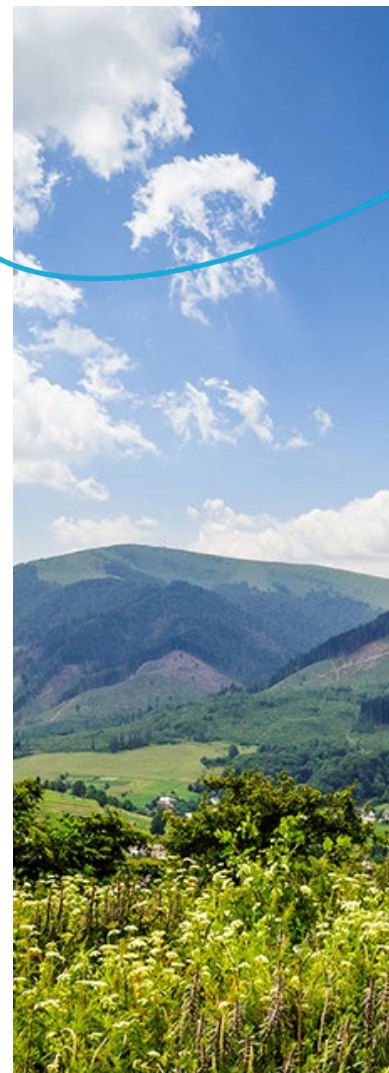
- Create the data vision to inform your data foundation
- Break down sustainability objectives into data projects and indicators
- Define ESG sourcing through a full supply chain strategy

### ESG DATA HUB

- Acts as a foundation for the full lifecycle of ESG data
- Provides an enterprise-wide source for all internal and external sustainability data

### ESG INTELLIGENCE

- Enables integration of sustainability across business decisions
- Identifies forward-looking risks, blind spots, and opportunities
- Industrializes compliance and regulatory reporting
- Triggers ESG Integrated design thinking in development of new products and services
- Drives sustainability for clients, partners, and all stakeholders





## **DEVELOP AN ESG DATA STRATEGY**

Our end-to-end ESG data strategy creates a harmonized data supply chain that allows standardization and consistency from data acquisition and aggregation to data visualization and monetization across the enterprise.

We help you jump start your ESG strategy, use case ideation, and pilot buildout by leveraging our ESG innovation lab methodology and ready-to-deploy ESG sandbox to enable rapid experimentation.

## **BUILD AN ESG DATA HUB**

Our ready-to-deploy ESG data exchange has an extensible data model that supports many data sources such as direct data (internal or partners), third-party data, and alternate data (AI/ML sentiments from public sources). This provides a solid data foundation and acts as an enterprise-wide ESG data utility to effectively manage risk, automate regulatory reporting, and monetize data to drive sustainability through ESG-linked products and services.

## **ACQUIRE ESG INTELLIGENCE**

We simplify ESG risk and reporting using ESG partner ecosystem solutions such as ESG Report Builder and climate risk modeling. Both are customizable and aligned with all major sustainability standards including SASB, TCFD, and GRI as well as regulatory stress testing and scenario analysis mandates.

Our customizable ESG profiler allows financial services organizations to empower clients by delivering ESG-linked hyper personalization and ESG-informed engagement across the financial lifecycle.

We offer an inventory of ready-to-deploy solutions and a library of use cases empowering the financial services industry to drive sustainability through green products across retail banking, corporate finance, wealth and investment management, and insurance.

# ALIGN ESG VISION WITH ACTIONS

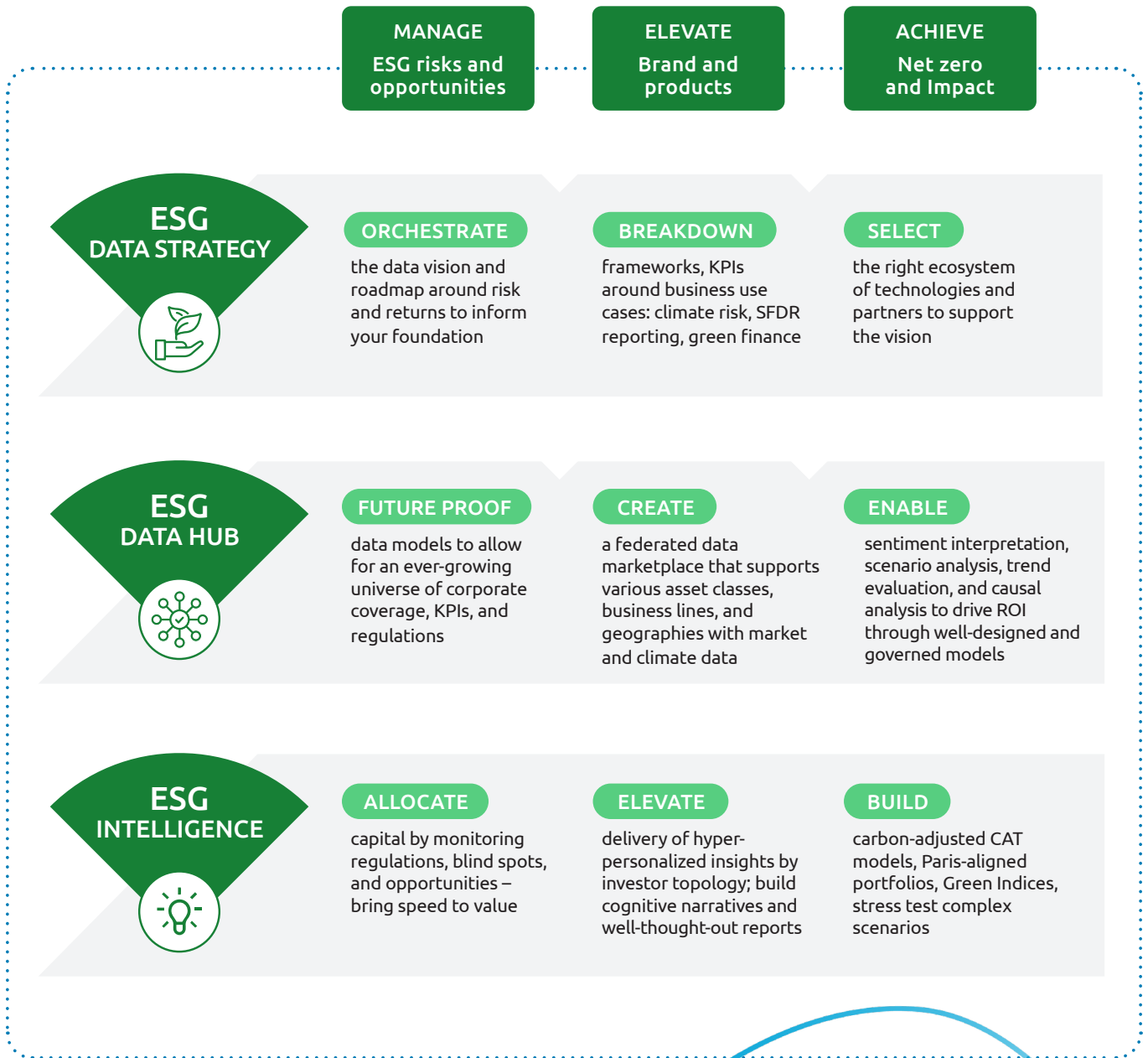


Figure 2





“It is younger investors who desire – and demand – to do business with and work for companies that are socially responsible.”



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# ESG USE CASE OPPORTUNITIES

## RETAIL BANKING

- Sustainability value alignment and spend x-ray
- ESG buddy app
- My ESG dashboard

## CORPORATE BANKING

- Data collection and ESG data marketplace
- ESG-linked loans and sustainable lending setup and monitoring
- Customized ESG client book
- ESG performance x-ray and portfolio decarbonization

## INVESTMENT MANAGEMENT

- ESG data marketplace
- Empowered retail investor and hyper-personalized ESG
- ESG x-ray and individualized ESG screener
- ESG-linked goals-based advice
- ESG insights and ESG-linked VaR

## BANK'S CORPORATE ESG

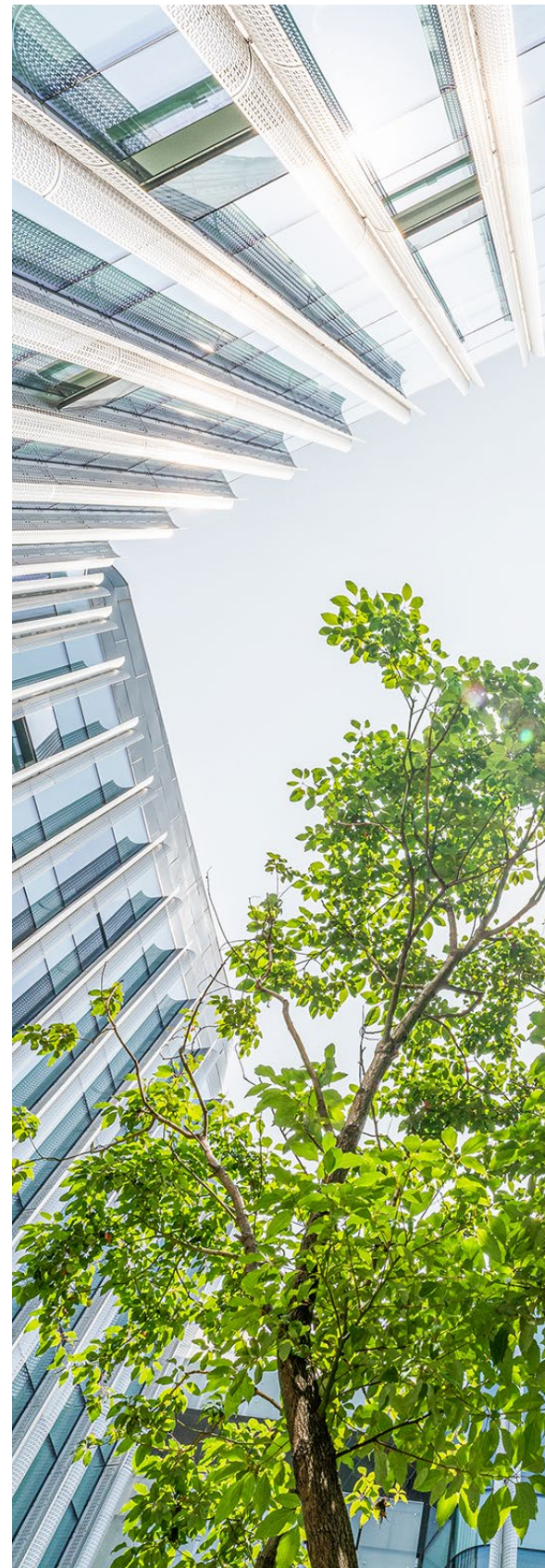
- ESG strategy and transition map
- ESG advisory board
- Peer group analysis as a service
- ESG corporate reporting
- ESG supplier transition and peer group dashboard

## RISK AND REGULATION

- Climate risk modeling and stress testing
- ESG regulatory reporting (global)
- ESG disclosures
- ESG screening and surveillance

## INSURANCE

- Enhance CAT-models with explicit ESG analytics
- Climate change litigation analytics framework
- Embed climate impact into the products and services
- Align climate strategy into capital modeling and underwriting





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Our ESG capabilities are integrated into our financial services and insurance industry cloud platform to provide real-time access to customer data, visibility into unique customer journeys, and meaningful insights at every stage of the customer lifecycle to empower sustainable engagement.

**Our ESG data supply chain is supported by a library of sustainable use cases, which foster:**

- **SUSTAINABILITY** – Drive your sustainability agenda and become a sustainable brand
- **CUSTOMER CENTRICITY** – Increase engagement and customer loyalty through ESG-linked services
- **OPERATIONAL EFFICIENCY** – Achieve faster turnaround time with integrated processes for sustainability products and services
- **COMPLIANCE** – Enable compliance of regulations, voluntary reporting, and mandatory disclosures
- **DIFFERENTIATION** – Use sustainability innovation to differentiate your products and services
- **NEW REVENUE MODEL** – Build a sustainable brand to unlock new revenue models
- **FILTER, SELECT, AND MANAGE NEW PARTNERS** – Create the right strategy to choose partners aligned with your business model



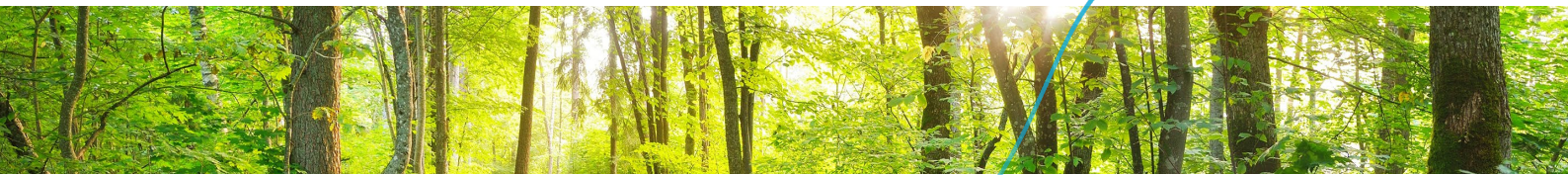
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# ACHIEVE CONSISTENCY WITH A DATA SUPPLY CHAIN

## EMPOWERED BY AN ESG DATA ECOSYSTEM

In working with banks and other financial institutions, Capgemini builds an end-to-end ESG data supply chain that allows financial institutions to define and improve their ESG strategy and empower their clients to do so as well. Without standard guidelines, acquiring and curating data, and validating and monetizing it is a huge challenge. Working with three top data providers, we identified 30+ criteria across E, S, and G to create a standardized data model which can extend to include internal as well as third-party data to bring a level of granularity and consistency across your organization's ESG data.

Using artificial intelligence and machine learning, we developed a set of models that crawl through ESG data from public sources such as global and regional news, sustainability reports, press releases, and social media to extract sentiment and correlate data to ensure accuracy and consistency. Our library of ESG solutions, use cases, and proofs of concept can be customized and deployed to accelerate ideation so you can pilot your journey in six to eight weeks.



## WHY CAPGEMINI?

Sustainability is at our core, and it drives how we serve our clients and communities to help secure our future. As such, we are committed to becoming carbon neutral by 2025 and achieving net zero by 2030 while helping our clients save 10 million tons of carbon.

Our ready-to-deploy solutions and assets enable us to jump-start delivery with accelerators like an extensible ESG data model, ESG data supply chain blueprint, and a use case library across retail and corporate banking and finance, wealth and investment management, insurance, and regulatory reporting and disclosures.

As thought leaders, we bring deep knowledge of and experience in quantitative tracking

of sustainability data, and our solutions and accelerators bring data standardization and granularity for monitoring and reporting. We developed our approach using thought leadership like our [Sustainable Business Revolution 2030](#) to promote sustainability across the value chain.

Best-in-class partnerships provide turnkey solutions. Our ESG ecosystem of partners includes leading data providers, fintechs, and platform providers.

Our ESG solution suite will empower your ESG transition, so you and your clients can invest responsibly for the future.



FOR MORE INFORMATION,  
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## About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 325,000 team members more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2021 global revenues of €18 billion

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