



Adenza

American multinational bank selects Adenza's ESG solution for Brazilian DRSAC reporting

Global investment bank and financial services holding company expands risk and regulatory compliance into Latin America with Adenza's award-winning ESG solution



We are pleased that this client continues to leverage our ESG solution from region to region, further helping us to demonstrate its capabilities and applicability regardless of jurisdiction.

Adenza has been developing this solution for jurisdictions around the globe and can support client initiatives for data integration across different frameworks — including multiple data providers such as the Partnership for Carbon Accounting Financials (PCAF) — as well as end-to-end ESG reporting.

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Compelling Event and Decision Drivers

The environmental, social, and governance (ESG) trend, to better quantify and understand the impacts of our actions on the planet, continues its march around the globe. Each region (EMEA/EU Taxonomy, APAC/ASEAN Taxonomy) or country (Australia, Canada, Hong Kong) with its own standards and best practices, is defining whether financial institutions in its respective jurisdiction are considered socially aware, sustainable, and correctly managed.

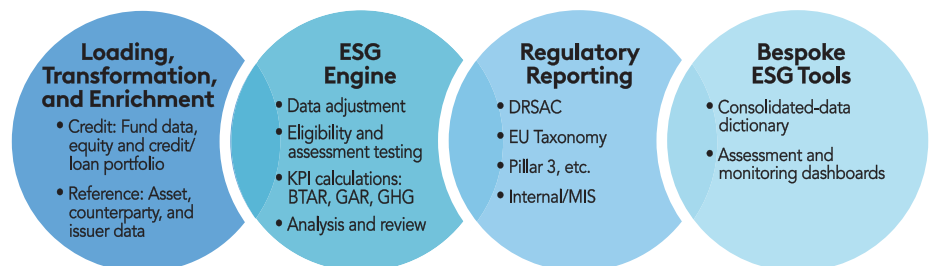
This trend has now reached the shores of Brazil in the form of the *Documento de Riscos Social, Ambiental e Climático (DRSAC)*. The DRSAC captures information about social, environmental, and climate risk-related drivers of an institution's credit and securities exposures at the industry (National Classification of Economic Activities (CNAE)), counterparty, and individual-transaction level. DRSAC reporting is mandatory for all financial institutions licensed by Brazil's Central Bank.

For this longstanding client, having already resolved one regional ESG-driven regulatory requirement, the answer was simple. It scaled; leveraging data already mapped to Adenza's broad range of solutions for consistency across financial regulatory, capital, and ESG reporting. This solution not only enabled the client to leverage a past investment in the AxiomSL ControllerView® platform, but also futureproof itself for this requirement — DRSAC — and the next.

Adenza's Environmental, Social, and Governance Solution

The antithesis of a black box, ControllerView delivers transparency across fully automated processes from data ingestion to report submission, enabling clients to meet a range of regulatory reporting requirements in a single integrated platform, regardless of jurisdiction. This data-driven enterprise platform also seamlessly delivers the workflow automation and controls, validation, calculation, drill-down, unique dynamic data-lineage and traceability, analytic dashboards, and reporting stakeholders require.

This data dictionary-driven ESG disclosure solution incorporates counterparty, position, other asset and liability data, and reporting level data points. It comprises source data mapping, covered-reporting templates mapping, allocation rules, aggregation logic, entity streams, and dashboard UI components.



The Benefits

Because the DRSAC impacts all facets of a bank — data sourcing and collection, technology, risk and credibility reporting, and reconciliation and climate-risk models — an efficient, holistic process demands a solution that:

- ▶ Incorporates ESG data from internal/external sources, and from one or more data providers (including proprietary data models) and performs data-quality checks and adjustments on ESG risk ratings, as needed.
- ▶ Delivers an intuitive UI view into the final XML report for trend, variance, and other analytics.
- ▶ Enables workflow automation for management-report issuance that supports strategic ESG and business decisions.
- ▶ Provides reconciliation capabilities and implementation, including multiple reporting solutions, direct mapping from SCR transactions (IPOCs), or COSIF accounts to the DRSAC report.