

**HCLTech** | Supercharging  
Progress™

# Supercharging decarbonization journeys

Designed for sustainability.  
Crafted for Financial Services.





## Need of the hour – managing financed and facilitated emissions to decarbonize the asset portfolio

Financial institutions have a pivotal role in driving sustainability and decarbonization across global economies by re-orienting capital flows towards a more sustainable future. In parallel, multiple sustainability disclosure frameworks and governmental directives are demanding financial services organizations report emissions caused by their lending, investing and advisory portfolios. Financial Services organizations also need to define a strategy and action plan and track progress on portfolio decarbonization, as well as integrate sustainability across its value chain.

In order to address these challenges, financial institutions require a broad set of technology capabilities to harvest large and diverse sets of extra-financial data about its clients and investee companies. This data includes enterprise sustainability parameters, emission factors and their impact on water, waste, biodiversity, climate change, society, etc., which need to be integrated into decision making across value chain.

The diversity across asset classes, sectors and geographies, coupled with non-availability of required data within a bank's systems and evolving standards, make financed and facilitated emissions measurement and respective decarbonization journey as a 'wicked problem'. **HCLTech Sustainable Finance 360** is crafted for financial services institutions to address these challenges and accelerate decarbonization journey.



# Core principles of HCLTech Sustainable Finance 360 solution



## Data foundation

Single repository of sustainability information model with financial reporting grade rigor and control on sustainability data



## Accuracy and comparability

Progressively improve methodology and emission calculations around sustainability data and compare against multiple quantifications



## Mainstreaming sustainability

Facilitate ESG integration into client engagement, operations, budgeting and capital allocation



## Fluidity

Ability to quickly add new asset classes, automate data harvesting and add quantification methodologies



## Trust and auditability

Quantifiable, forward-looking targets which are linked to actions with end-to-end data lineage



## Sustainable-IT aligned

Designed with Green Software Foundation (GSF) principles and practices at the core



# Financed emissions quantification requires a variety of datasets, complex enrichments and ability to address data quality issues

The variety of data sets that needs to be collected, consolidated and aggregated to perform the financed emissions calculations for different asset classes is depicted below. It is not an exhaustive list, but it provides a good sense of the complexity involved. In order to quantify the financed emissions, each line item in the portfolio needs to be enriched with additional information to determine emission factors and attribution factors. The challenges of

data availability and quality demands that any quantification should be able to address multiple methodologies, have rules and rule hierarchies, ability to perform estimates or use multiple data sources.

With increase in scrutiny from stakeholders and regulators, it is becoming imperative to manage financed emission data with same rigor and control as financial reporting data.

Asset classes for financed emissions	SOR data	Typical enrichments	Non-financial / external data	Our partnerships / data providers
Residential Mortgage	Portfolio details	Post codes, Value of property	Post-Code to Energy Labels, Energy Label Emission Factors	PCAF and Guidehouse open API for labels (RVO, etc.)
Commercial real estate	Portfolio details	Post code, % Funding, % Ownership, Value of Property	Waste, Energy, Water Data, BREAMM, LEEDS Certifications	Measurable GRESB
Project finance	Portfolio details	NACE, Purpose, UoP, MoP, EVIC, Project Financials	EU Taxonomy Rules, SPO and TP Evaluation	DNV Greenomy
Motor vehicle lease	Portfolio details	Models and variants, Km Usages, Year of Manufacturing	Emission Intensity	US EPA, Automobile Associations, Open API of MV Organizations (RDW etc.)
Listed equities	Portfolio details	Capital Structure, Financials, Locations, EVIC, Energy, etc.	Emissions from Issuers, Industry Specific Emission Intensities	CDP, Arabesque MSCI, FactSet, SandP
Business loans and unlisted equity	Portfolio details	Capital structure, financials, Locations, EVIC, etc.	Emissions of Issuers, Industry Specific Emission Intensities	CDP, Arabesque MSCI, FactSet, SandP
Sovereign debt	Sovereign debt portfolios	Adjusted GDP, PPP adjusted exposure	UNFCC Inventories, IPCC, SFDR Datasets, Marco Economic Data	IPCC, UNFCC, EDGAR, EU Datasets



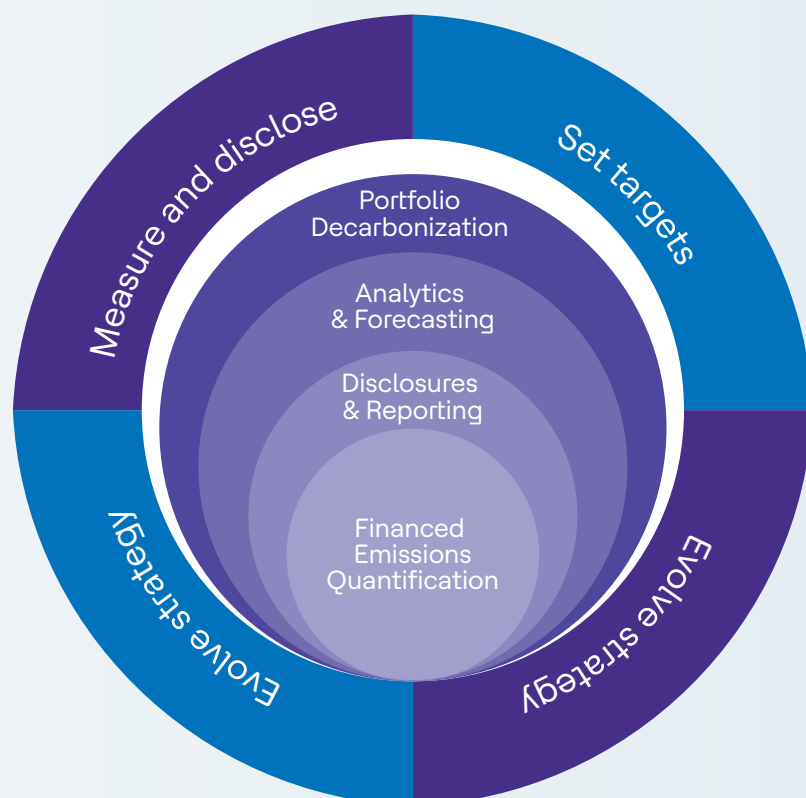


## HCLTech Sustainable Finance 360 is crafted for financial institutions to accelerate portfolio decarbonization

HCLTech Sustainable Finance 360 platform enables end-to-end processing of financed emissions – collect data, measure and report, set targets, steer strategy and enable pathways analysis as per sustainability standards. The platform provides capability to harvest data from multiple internal and external data sources, quantify and aggregate emissions, analyze and report financed emissions across asset classes.

HCLTech Sustainable Finance 360 provides a foundation for building sustainable finance capabilities. The solution aims to enable financial institutions to progress from just being compliant with regulatory reporting to proactively investing toward a sustainable future. It provides core foundations and capabilities for financial institutions to be informed and guided to decarbonize the portfolio. It leverages quantification methodology specified by Partnership for Carbon Accounting Financials (PCAF) standard and aligns to green IT principles of software development.

**HCLTech**  
**Sustainable Finance**  
**360**  
decarbonization  
approach



## Key features



### Accelerate data foundation for financed emissions

It brings an information model for managing and cataloguing sustainability data. It provides extensibility across asset classes, sustainability standards and reporting frameworks. It provides end-to-end lineage and traceability.



### Streamline and compliant financed emissions quantification

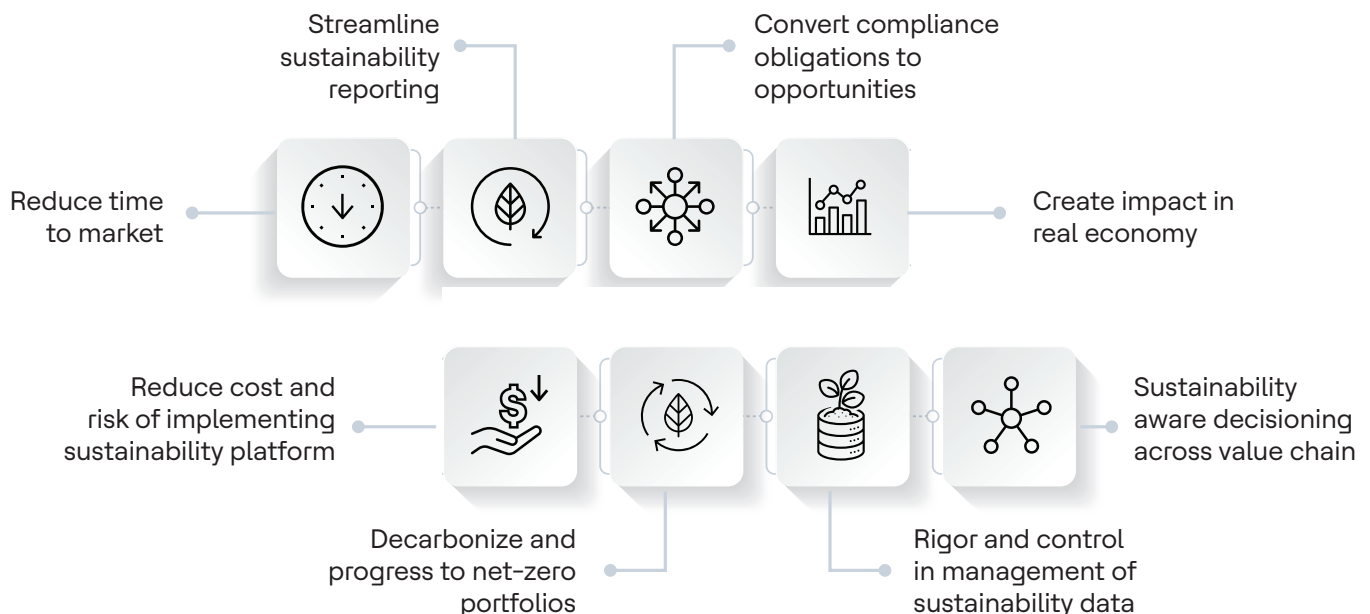
It performs quantifications using different emission factors and multiple configurable methodologies through pre-built rules, statistical approaches and substitute data which address data availability and quality concerns.



### Engage, set target and decarbonize with sustainability aware decisioning

It facilitates scenario analysis to set targets, pathways, evolve decarbonization strategy and monitor progress. The API-first approach makes it easier to integrate sustainability insights into financial services value chain (eg: underwriting, investment decisions, client/investee engagement).

## Key business benefits





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Designed for  
sustainability

Crafted for Financial  
Services

It simplifies harvesting,  
processing and management  
of data for financed emissions,  
providing insights for portfolio-  
decarbonization and client/  
investee engagements.



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HCLTech is a global technology company, home to 225,900+ people across 60 countries, delivering industry-leading capabilities centered around digital, engineering and cloud, powered by a broad portfolio of technology services and products. We work with clients across all major verticals, providing industry solutions for Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Telecom and Media, Retail and CPG, and Public Services. Consolidated revenues as of 12 months ending March 2023 totaled \$12.6 billion. To learn how we can supercharge progress for you, visit [hcltech.com](https://hcltech.com)

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