



# Scaled Risk

ESG and AI – April 13rd 2021

# Financial Institutions are accelerating their Digital Transformation

83%

*of financial institutions consider that they are facing increased competition from*

**Fintech  
Companies**

45%

*of IT budgets are dedicated to*

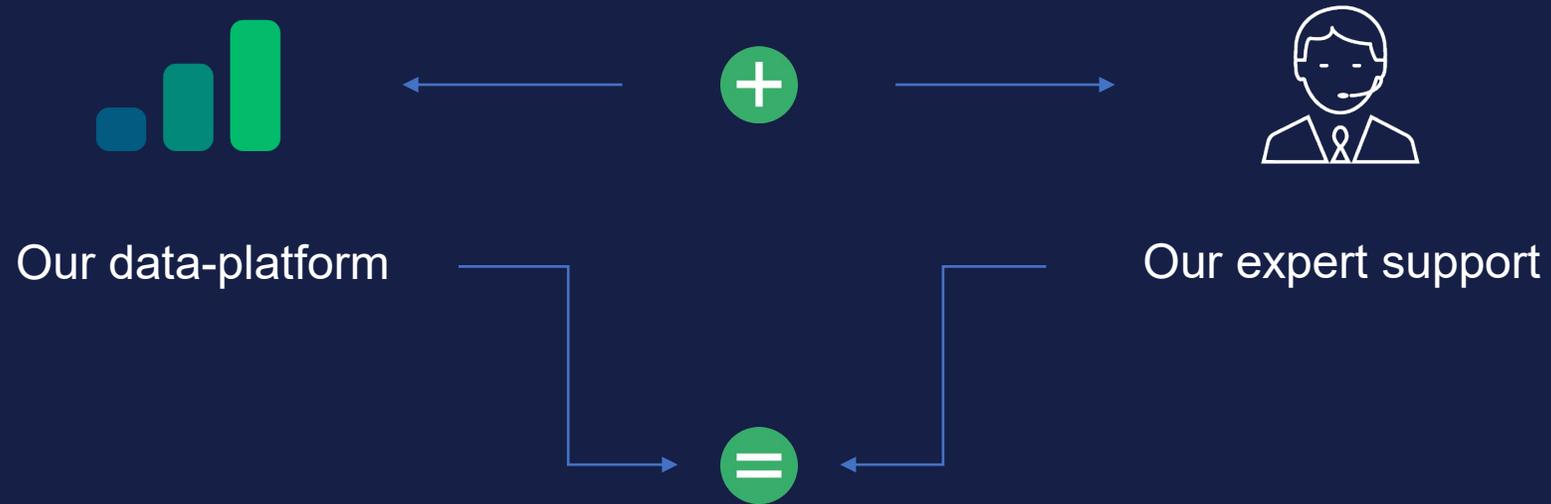
**Digital  
transformation**

82%

*of financial institutions have already shifted their computing systems*

**To the  
cloud**

# Our Value Proposition



The digitalization of your businesses



DATAHUB



ANALYTICS

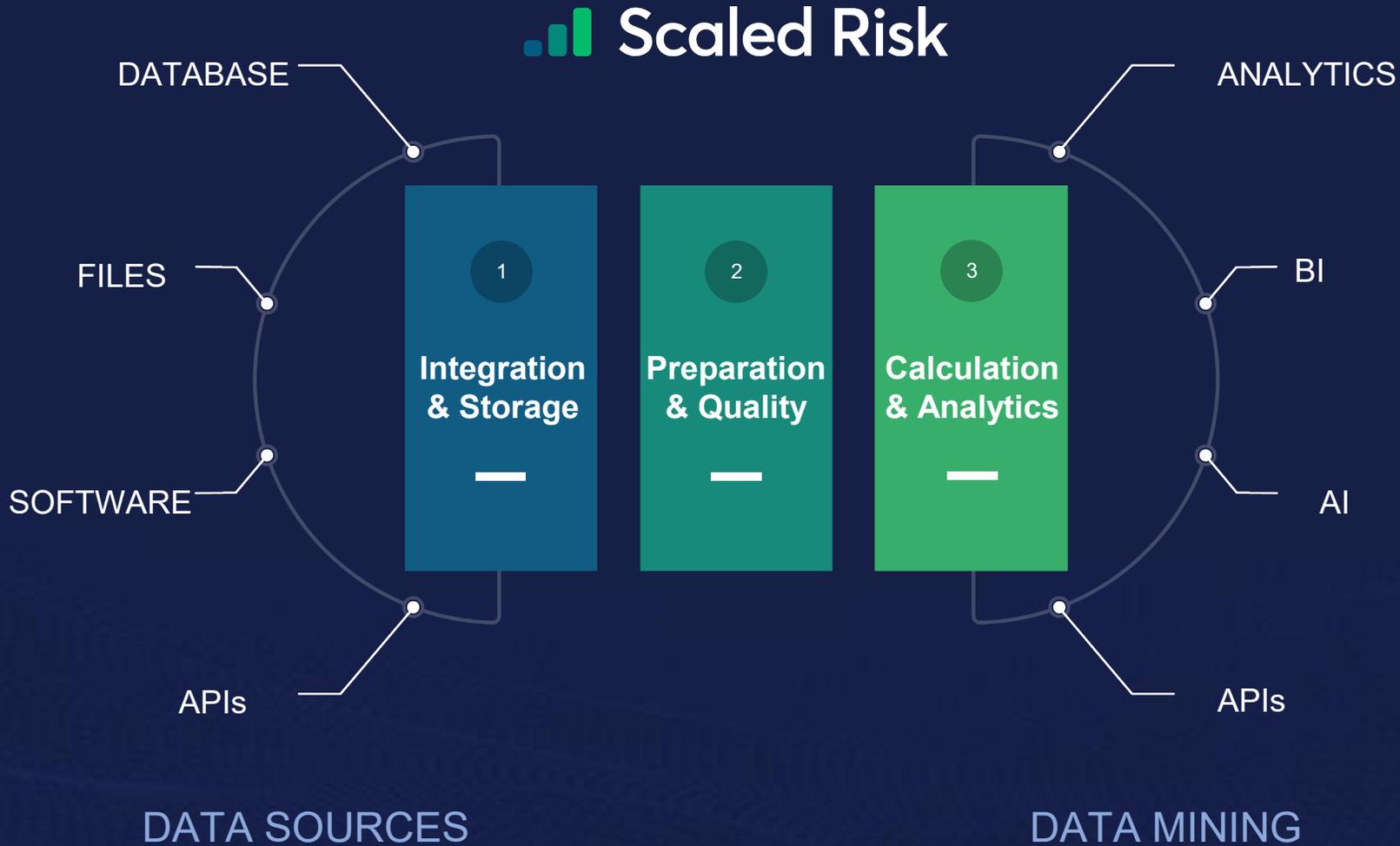


REPORTING



REPOSITORY

# Our Agile Data Platform



## SECURE

Encryption of flows and storage  
User governance management

## AUDITABLE

Data traceability  
Audit trail & Time Travel

## FLEXIBLE

Integration, preparation and calculation of customizable data

## AUTOMATIC

Event platform  
Automatic data refreshment

## SELF-SERVICE

Search engine "google-like"  
Drag & Drop Data preparation

## INTEROPERABLE

Data visualisation, Data science & APIs REST

# ESG : *what we hear from Asset Managers*

« **We need up to 20 ESG data sources** to cope with new regulations »

« **It is hard to cope with uncertain and sudden regulations** that must be applied within short timelines (e.g Disclosure regulation in march 2021). Our Business is at stake »

« **What could be managed with Excel is not possible anymore** because we must process thousands of lines, where assessing our portfolio was sufficient before recent regulations. It is too time-consuming, and the result is uncertain »

« **It is hard to match Extra-financial data with financial data** and produce reliable reporting for our customers »

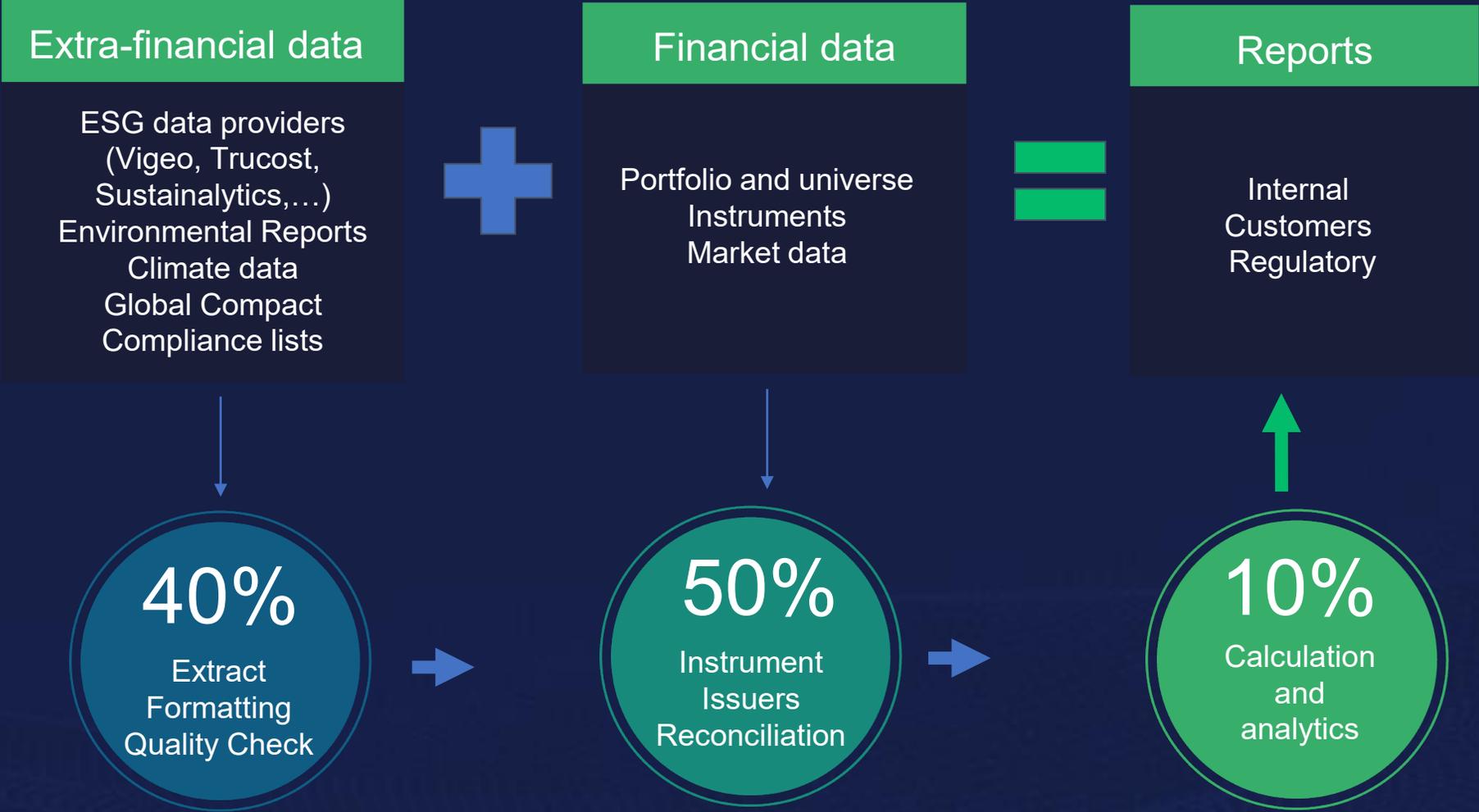
« **Extra-financial data quality and availability are far to be perfect** and need a lot of work to be complemented »

« **We are getting more and more pressure from regulators** regarding the quality of our reporting »

# ESG Flow : estimated manual processing of data

## Manual processing Issues :

- Reading annual reports
- Checking values
- Finding discrepancies
- Extracting values
- Comparing providers information
- Reading controversies

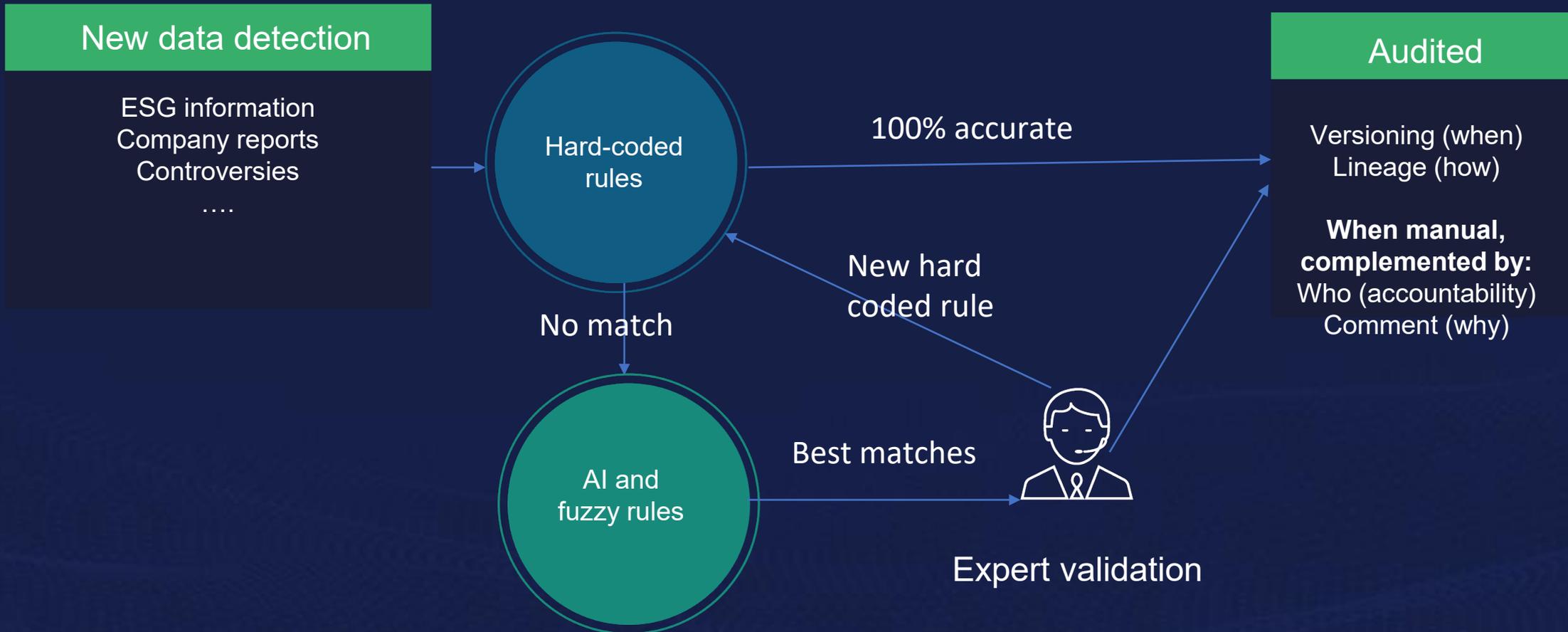


# ESG data platform : how AI can help? AI limitations?

Issue	Ideal AI promess	State of the art	Alg.	Accuracy (state of the art)
<b><u>RSE information is questionable</u></b> and even sometimes not available from my ESG provider	Extract quantitative information	Locate text areas where missing quantitative information might be present	NLP - Entities extraction NLP – ML	Average (false positive results)
Knowing about actual <b><u>ESG policies is time-consuming</u></b>	Analyze policy description in large texts and answers positively or negatively	Locate policies in large texts	NLP – ML	Average (false negative results)
<b><u>It is time-consuming to match instruments to issuers</u></b> especially since it must be done in the entire universe	Directly matches the right issuer thanks to portfolio information	Find best candidates within seconds	Hard coded business rules complemented with fuzzy text search and processing	Good but need final validation
<b><u>It is painful to automate quality</u></b> check of financial data	Automatically find out-layers	Find out-layers to enrich hard-coded rules	ML (supervised) for analysis Hard coded rules for operations	Poor (too many false positive results)

# ESG data platform : an AI that copes with regulation

*Our promise: reduce manual operation costs up to 80% and complies with a strict regulatory approach*



# ESG data platform

Scaled Risk

## ESG Platform Factsheet



TRUCOST™



### ESG Multi-providers Data Management

This module enables automated data connection to a standard provider which means:

- off the shelf technical connectivity
- new data detection
- automated data model management, even when changing
- automated data import
- data import monitoring

It also provides data administrators and end-users with a powerful set of tools for managing extra-financial data :

- full data historization, search and extraction
- ESG data search (Lucene and SQL)
- Data lineage
- reconciliation of issuer information from providers or internally produced, based on ISIN code

### ESG Univers / Issuers Reconciliation

This module provides end-users with a powerful rule engine that can:

- automatically matches a set of portfolio lines to issuers through the ISIN code
- provide off-the-shelf fuzzy search
- a comprehensive UX to quickly find matches with the highest standard of auditability



### ESG Quality management

This module provides end-to-end quality assessment :

- quality score per issuer based on customizable quality rules
- quality rules are format, reference data, variations beyond values, differences across providers
- of-the-shelf quality calculation on aggregation
- real-time alerts

### ESG Dashboard and Reporting

This module provides end-users with off-the-shelf and customizable dashboards:

- Issuer card
- Portfolio ESG rating
- Sector analysis
- Reporting pre-contractual
- export to pdf





## Contacts

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