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## Success story

# RIMES Delivers Enriched ESG Data to Support Securities Services Provider's Reporting Tool

### Client

Security services arms of a major international bank

### Need

Manage risk for its new ESG Reporting Service

### Key Takeaway

A service that allows the client to easily track the data journey end-to-end, providing the transparency it requires to meet customer needs and regulatory requirements.

**“At RIMES, we take a data-first approach, and we have the expertise to provide data in whichever way our client requires.”**

**When the securities services arm of a major international bank launched its Environmental, Social and Governance (ESG) Reporting Service, it realized that high-quality and transparent data would be vital to managing risk. It called in Managed Data Services expert RIMES to help.**

### Integrating ESG into portfolio reporting

As part of its bespoke solutions for buy-side practitioners, the securities services arm of a major global bank planned to launch a portfolio reporting service to provide asset owners and fund managers with independent measurement of the ESG performance and carbon emissions of their holdings.

However, the sheer number of ESG scores and ratings on the market, each of which has its own methodology and file formats, means that it is all but impossible to layer composite ESG data across a universe of securities.

The firm therefore decided to deliver its ESG scores and ratings via discreet filters matched to each individual data source. Its clients would then be able to compare scores and ratings from different providers, as well as the carbon emissions for each holding, and be able to see for themselves differences in approaches and conclusions.

### The data requirement

The firm hoped to go further, and provide clients with the ability to break down the various pillars of the ESG score -the E, the S, and the G - so that clients could have a monthly view of relative performance against each factor.

Enter RIMES





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Delivering this granular level of reporting is challenging. First, the firm needed to drill down into the data provided by its ESG ratings providers so that it could separate out environmental, social and governance factors, as well as data relating to carbon emissions.

Second, the firm needed to map ESG data back to issuers and assets types. This ability to link data to source was critical, because without it the firm would have no way of knowing which organization was the ultimate owner of the assets within its clients’ holdings. For example, a holding in a windfarm company may be far less “green” that it appears if that company is owned by an oil producer.

Without being able to map data to the issuer, the firm’s asset manager clients could be at risk of non-compliance with entity level disclosure requirements under the EU Sustainable Finance Disclosure Regulation (SFDR).

The challenge is that mapping and validating ESG data, while critically important, is expertise intensive, complex and time consuming. And as ESG data continually changes, managing this data would require prohibitively large investments in any in-house capability. The firm needed to find an alternative.

**Enter RIMES**

RIMES has a long-established relationship with other areas of the bank’s business, and the securities services team was aware of its expertise and capabilities in the ESG data management space. RIMES was therefore engaged to deploy its ESG Data Management service, part of its award-winning Managed Data Services (MDS).

RIMES now sources the three feeds used for the ESG reporting service (the bank eventually aims to include six feeds in its service), validates the data with the issuers, and cross-references and maps the data across issuer and asset types to achieve the required source-to-system view.

RIMES also decomposes the data, so the bank can access the E, S and G level data it requires, as well as the data on carbon emissions. The data is provided to the client’s internal proprietary database as a system-ready feed for each ESG source.



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**“The ESG Data Services has reduced the firms’ reliance on legacy technologies, allowing it to consume ESG data faster and in the way that’s best suited to its business model.”**

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to find out how we  
can help your firm.



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**Visibility, control and quality**

The main benefit of working with RIMES, is that the client has saved significant time and resources that would otherwise have been used establishing and maintaining the service.

Terri Morgan, SVP and Sales Manager at RIMES explains: “If the client had tried to replicate our work in-house, it would have required a large team of analysts and developers, as well as investment in expensive data management platforms. With RIMES, the firm can draw on our data science expertise, best-in-class cloud technology and our service wrap as a managed service, providing a cost effective and ‘light touch’ way to achieve its goals.

“It’s also important to remember that ESG data management is not a ‘fix and forget’ solution. We insulate the client from the challenges of managing data quality, accuracy and visibility in what is a highly fluid environment. Our leading ESG coverage and independence from the data providers is also useful in this respect, as it means we can deliver whichever data source the client requires as its needs change over time.”

RIMES service delivers the data visibility the client needs to deliver the service compliantly and risk free, supported by strong data workflow and clear data lineage. The client can easily track the data journey end-to-end, providing the transparency it requires to meet customer needs and regulatory requirements.

Finally, the firm benefits from the agility and flexibility of RIMES. The ESG Data Services has reduced the firms’ reliance on legacy technologies, allowing it to consume ESG data faster and in the way that’s best suited to its business model. Terri Morgan concludes: “firms are often locked into the delivery mechanism defined by the technology they are using. At RIMES, we take a data-first approach, and we have the expertise to provide data in whichever way our client requires. This meant we could route our feeds to the firm’s database, as it requested, rather than directly to its digital platform.”

With RIMES’ support, the securities services team’s reporting tool is seen internally as one of the bank’s major success stories of 2021. The focus now is on scaling the service as the client sets its eye on the high-growth ESG market.