



## How Appian Helps Integrate ESG into Trade Finance Operations

Investors, public stakeholders, government agencies, and regulatory institutions are driving environmental, social, and governance (ESG) considerations to be prioritized in the financial sector. As ESG regulations grow in scope and sophistication, and as socially conscious investors increasingly use ESG criteria to screen potential investments, pressure is mounting on financial institutions to monitor and report on their standards, behaviors, policies, and performance across all aspects of operations.

ESG becomes complicated in the field of trade finance. Behind every letter of credit, bank guarantee, factoring arrangement, forfaiting agreement, and other international financing instrument lies a complex supply chain of third and fourth parties. All require evaluation in the social and governance areas of ESG—such as Know Your Customer (KYC), anti-money laundering (AML), sanctions, and anti-bribery and corruption compliance—as well as in the environmental areas increasingly recognized as a core part of risk management.

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**Greater ESG scrutiny and competition in the trade finance space is heightening the need for responsive processing. Trade finance managers need to know: How green are their business partner relationships and supply chain practices?**

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Strong compliance, customer relationships, and increasing revenues depend on swift, accurate answers.

### **Trade finance challenges ahead.**

A multitude of moving parts makes it difficult to obtain a transparent view of ESG compliance and risk, and especially to do so in a timely fashion.

Third- and fourth-party ESG oversight across service level agreements, key performance indicators (KPIs), and beyond often include data from a range of disparate sources. Document sign-offs and approvals take place across decentralized systems and disjointed processes.

Meanwhile, manual procedures further delay customer servicing. They also increase the chance of error, putting the organization at risk of delayed processing, late billings, and even regulatory audits. Manual processes often take staff away from high-level tasks, like serving customers and developing new products.

These factors impede a financial institution's competitive edge and growth.

How can trade finance managers incorporate evolving ESG regulations and requirements into multi-layer operations that are already complex? And how can they do so accurately, productively, and efficiently—to keep international trade customers happy today and coming back for more services and offerings in the future?

### **Integrating ESG with trade finance through low-code.**

The Appian Low-Code Platform provides financial institutions a way to slash their trade financing processing time—by 50% on average—and manage third- and fourth-party ESG oversight and compliance through a comprehensive, unified platform.

Appian enables trade finance management teams to develop and implement tailor-made software solutions quickly and easily to keep up with evolving ESG requirements and escalating customer servicing expectations. Financial institutions maintain ownership and management of their data throughout, with the flexibility to adapt pricing frameworks and extend services to new regions and revenue streams.

## Appian brings automation, integration, and orchestration together into a powerful ESG solution:

- Trade finance teams reduce processing time and errors by automating manual tasks like ESG deadline tracking, which includes automatic actions when deadlines are met or overdue.
- Automated report creation enables greater visibility into ESG-related KPIs and key risk indicators. Appian leverages APIs and robotic process automation connectors to seamlessly integrate with internal systems, like the AFS Commercial Loan System, and external services and platforms: SWIFT, OFAC, Marco Polo, and more.
- Appian empowers case managers to track remediation, progress, and resolution of deficiencies and audit findings. With the Appian case management capabilities and visual process designer, teams can initiate, assign, and escalate exemptions (and recertify expired ones). Intelligent document processing enables document storage for future reference and growth.
- Object-oriented visual process flows enhance visibility into trade finance procedures. This enables teams to more swiftly and effectively audit outcomes, identify potential weaknesses, and adhere to correct governance in ESG-related controls and risk management.

## Discover how the Appian Low-Code Platform supports ESG:

- **Fast integration** with external information providers, regulatory organizations, and governmental agencies for managing ESG updates, ratings, and certifications directly through Appian as a central hub.

- **Flexibility** in addressing constantly changing and evolving ESG criteria and by managing changes to taxonomy content, questions, or industry designations.
- **Intelligent automation** through intelligent document processing (IDP) that combines document extraction with Google AutoML and built-in retraining to improve accuracy.
- **Low-code data** to view ESG data from different sources in one place for enhanced data modeling and to stay on top of all security features
- **Process mining** to accelerate the discovery of ESG relevant processes, data and performance across structured and unstructured environments.
- **Powerful native-mobile adoption** on-the-go so applications can be used immediately on any device, with the confidence of the highest-rated security certifications.
- **Reporting and auditing** of processes both internal and external, public and private that yields full visibility into all records, historical information, and current activities and provides exceptional insights into ESG-relevant processes, performance indicators, and risk parameters.
- **Seamless records and information access** for managing internal and external data related to ESG criteria and, delivering a 360-degree, single-pane-of-glass view to determine the ESG conformity of products, services and relationships.
- **Speed** for quickly changing or enhancing existing applications with ESG-related components and assessment criteria.
- **Visual process flows** that give a comprehensive view into all ESG-related workflows and their dependencies across the entire organization.

Leaders in financial services trust Appian.

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