

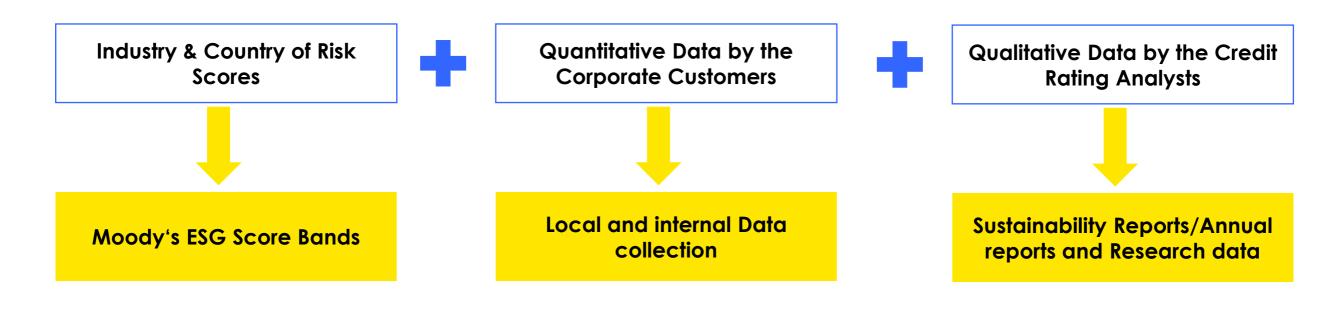
Embedding Climate and ESG Assessment in Lending





Corporate ESG Score Model – Main Concept





Individual E/S/G and Total ESG Scores for all Corporates (implemented in Q3 2022)

Footer

Data points used for ESG Scoring - Extract



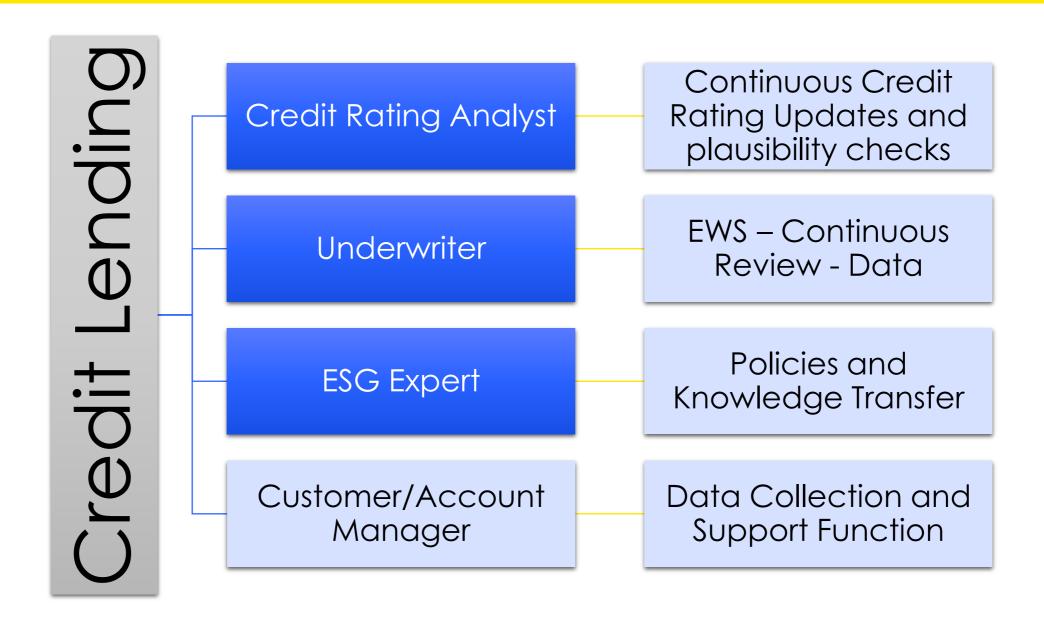


- In Total, 50 Data points per customer are collected and used for ESG Scoring
- Continuous Monitoring via Warning Signs / Early Warning Signals (incl. Newsfeed functions)
- For quantitative Data, customers are compared with a global benchmark portfolio

Upcoming Updates RDB

Who shall do the ESG Score Assessment?





Upcoming Updates RDB

How to integrate ESG Score into Lending Process?



Credit Lending Decision

Exclusion Criteria

e.g. Industry exclusion like Coal Industry

ESG Customer Score

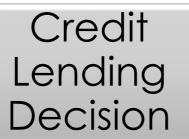
To be combined with Credit Rating for Limit setting

Taxonomy flagging

To be combined with ESG
Customer Score and
Credit Rating

How to integrate ESG Score into Lending Process – An example





Exclusion Criteria

Industry: Automotive

ESG Customer Score

Average Scoring within Industry \rightarrow max. Limit 100

Taxonomy flagging

Loan application to improve energy efficiency of manufacturing process

manufacturing process
max. Limit +20

Pro's and Con's so far





Single entity data mostly not available

 Different ESG Data platforms and regulations in EU/Non-EU countries



Pro's

 No new complicated process in lending decisions

- ESG as main driver in lending decision
- ESG data integration in Credit/Rating database
- Preparation for ESG data integration in Rating model development

Upcoming Updates RDB

Panel Discussion Embedding Climate and ESG Assessment in Lending



Luis MariottoniSr Director, Industy Practice Lead Moody's Analytics



André Correia dos Santos
Partner – UK Sustainable Finance
Consulting Lead
EY



Gernot Hinterleitner
Head of Corporate Credit
Raiffeisenbank Int



Please return to plenary for closing keynote

MOODY'S ANALYTICS

