

Embedding Climate and ESG Assessment in Lending

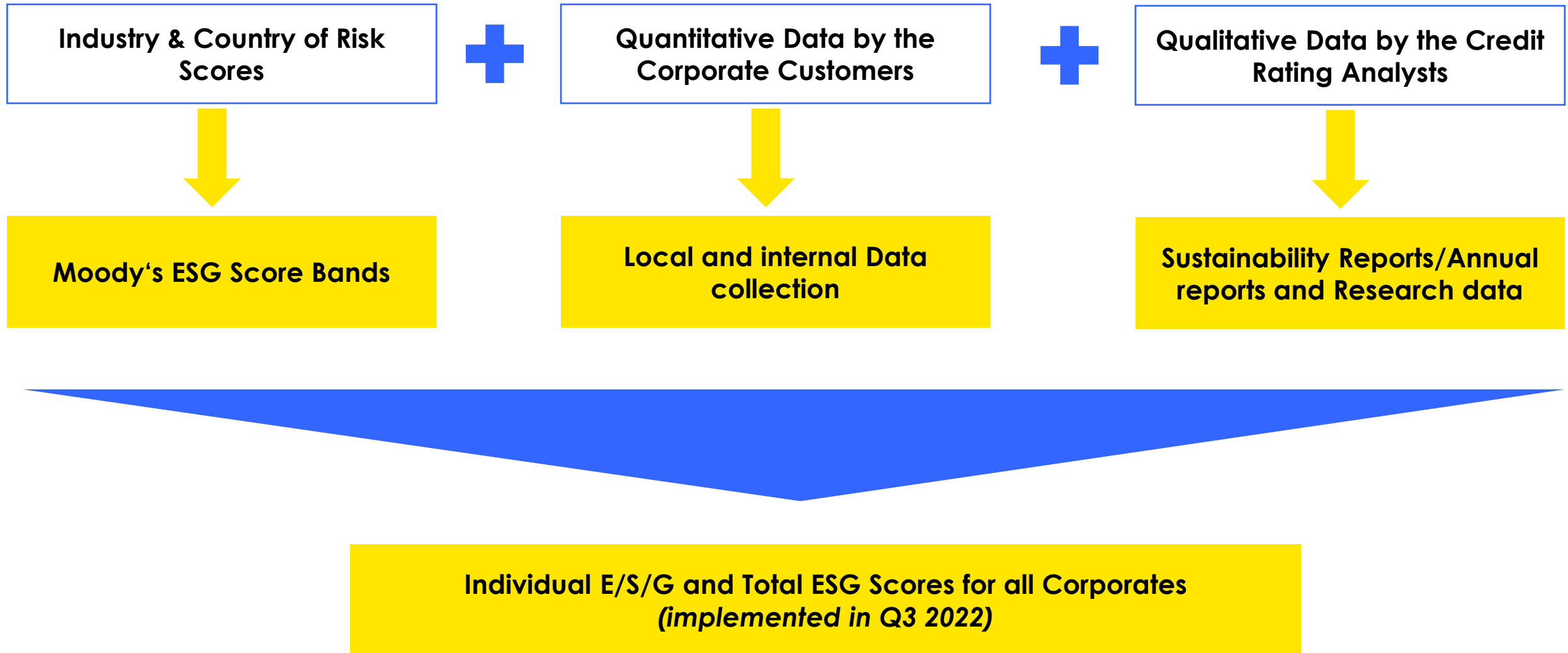
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ESG Scoring and Corporate Credit Lending

A potential approach by considering shortcoming of data

Corporate ESG Score Model – Main Concept

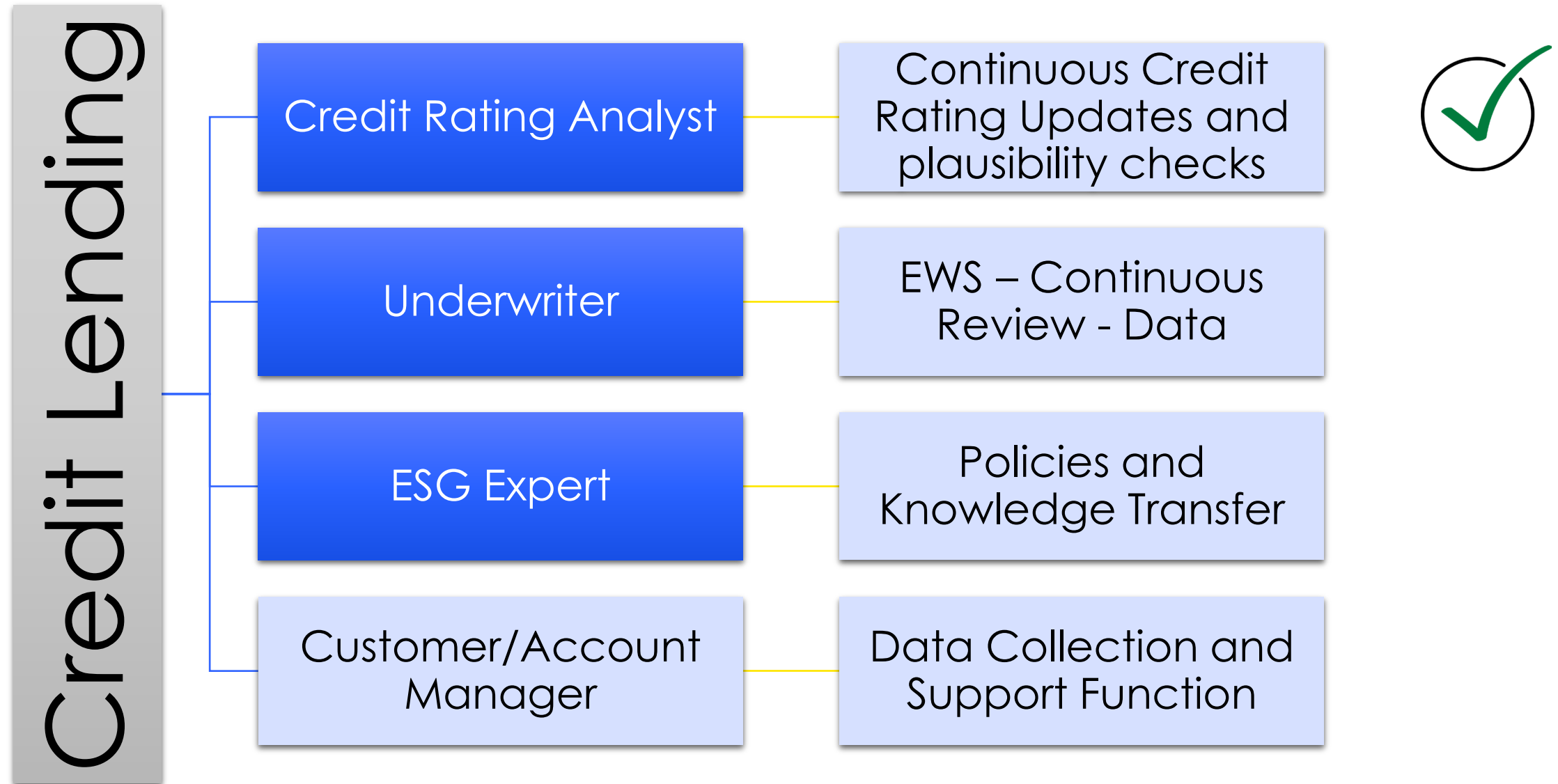


Data points used for ESG Scoring - Extract

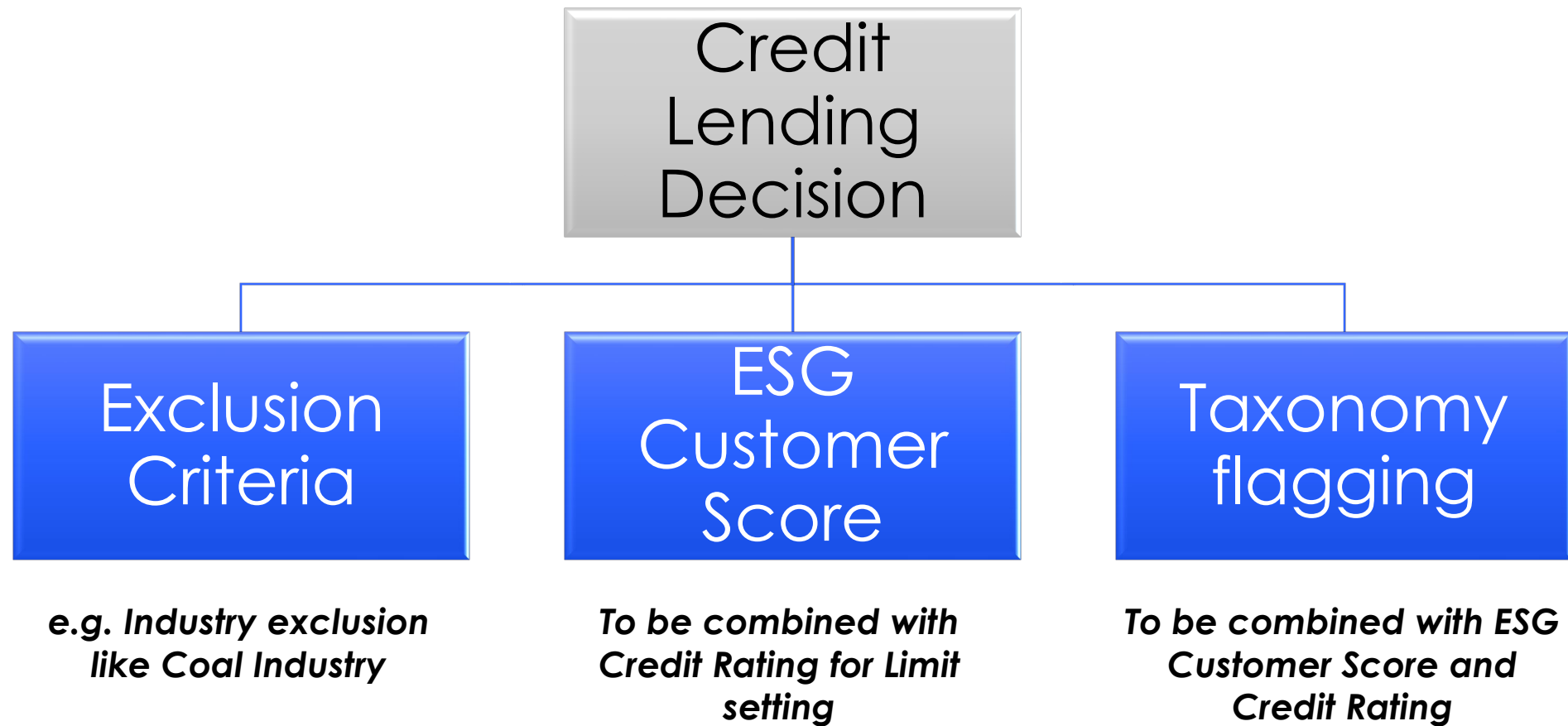


- ***In Total, 50 Data points per customer are collected and used for ESG Scoring***
- ***Continuous Monitoring via Warning Signs / Early Warning Signals (incl. Newsfeed functions)***
- ***For quantitative Data, customers are compared with a global benchmark portfolio***

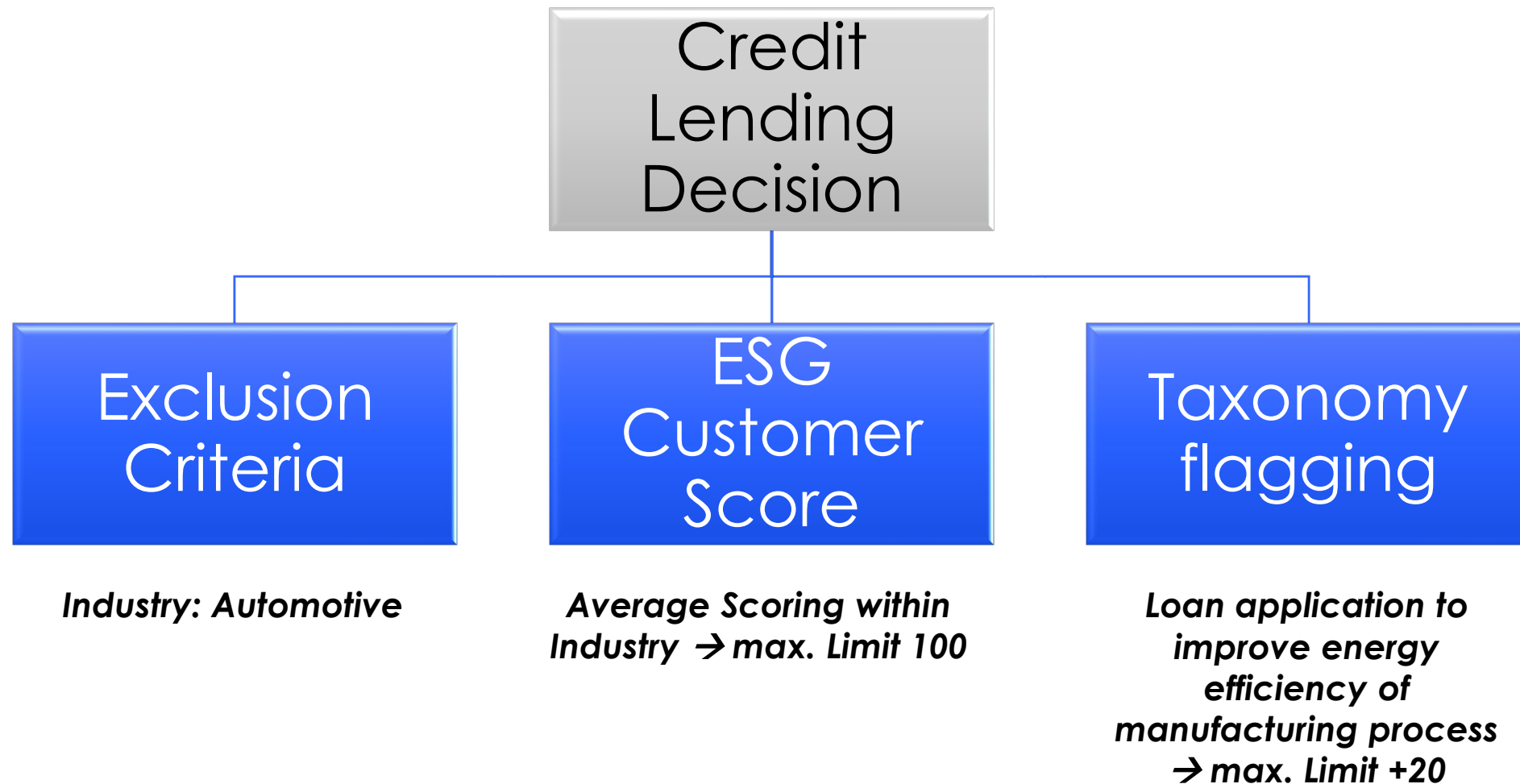
Who shall do the ESG Score Assessment?



How to integrate ESG Score into Lending Process?



How to integrate ESG Score into Lending Process – An example



Pro's and Con's so far



Con's

- 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

Panel Discussion

Embedding Climate and ESG Assessment in Lending



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Please return to plenary for closing
keynote



MOODY'S
ANALYTICS

