

# Managing Financial Risk with a 360° approach: KYC, ESG and Climate Risk

# Who we are



# Addressing your core risk challenges

## MOODY'S

MOODY'S  
ANALYTICS

Data, analytics and insights to identify, measure and manage a wide range of interconnected risks

MOODY'S  
INVESTORS SERVICE

Global debt markets through credit ratings and research

Business  
Development

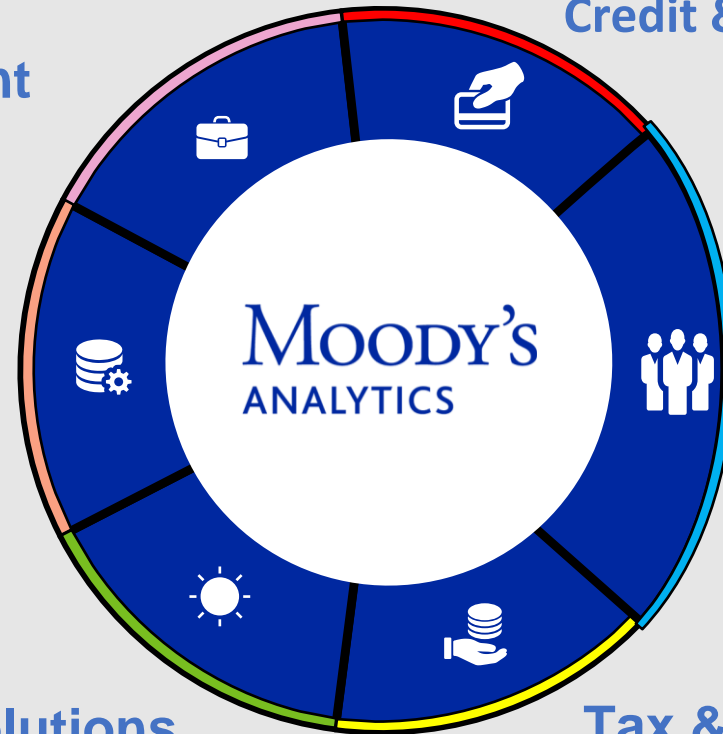
Credit & Financial Risk

Data  
Management

KYC/KYS

ESG Solutions

Tax & Transfer  
Pricing



# Leverage Data to Make Better Decisions



## Global Coverage

- › more than 420 million companies
- › standardized financials
- › industry codes
- › financial risk metrics



## UBO

- › Ownership structure: it allows to identify UBO to deliver complete transparency in KYS
- › Sanctioned by extension entities



## Sanction and adverse media

- › Adverse news screening
- › PEPs & Sanctions



## Cyber Risk

- › rating to reflect probability of a company experiencing a cyber incident
- › financial impact based upon probability of loss and potential impact

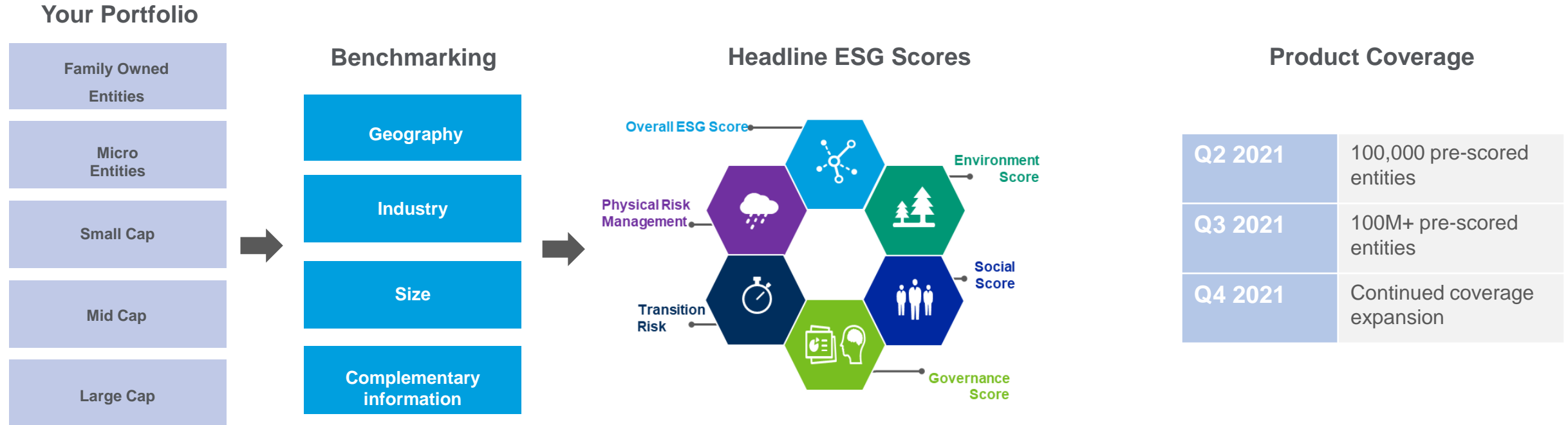


## ESG/Climate Risk

- › ESG score predictor produce the best approximation of full ESG risk assessment metrics
- › Climate Risk in Financial metrics

# ESG Score Predictor

Up to 60 datapoints produced per portfolio constituent



Model-driven, machine learning algorithms providing unlimited ESG scoring and risk mapping coverage across your supply chains and portfolios



# Climate Change Risk



Credit: kwest/Shutterstock.com

- » There are two common types of risks:
  - **Transition risks** – permanent shifts driven by changes in policies, technology, carbon pricing and regulations and market behaviour.
  - **Physical risks**
    - › **Acute physical risks** – shocks due to increased number of extreme weather events
    - › **Chronic physical risks** – long term systemic (not diversifiable) shifts
- » Underlying these two types of risks and the balance between them is **scientific and socio-economic uncertainty**.
  - Future development of emissions driven by factors such as population and income growth.
  - Degree of warming and climate disruption remains uncertain

Thank you