



Climate-Related and Environmental Risk Management

Incorporating climate-related and environmental risk considerations into your risk management, governance, ICAAP and disclosures

A fresh take on risk and valuation

Do you face the challenge of effectively and transparently managing your climate-related and environmental risks and opportunities?

GAP ANALYSIS

MATERIALITY ASSESSMENT

PROXY METHODOLOGIES

MAPPING TO PRUDENTIAL RISKS

KEY RISK INDICATORS (KRIS)

PILLAR 2 & 3 PROCESSES

Benefits

Climate-related and environmental risks and the corresponding challenges will have important consequences to various aspects of our lives. Banks are expected to play a major role in for instance financing the transition to a sustainable economy and society.

In November 2020 the European Central Bank (ECB) published supervisory expectations towards the European banking sector: the ECB's Guide on climate-related and environmental risks provides an overview of 13 recommendations related to Strategy, Governance, Risk management and Disclosures, and banks are expected to fully comply with them. Since then, an increasing number of national regulators and supervisors have also formulated similar expectations.

Finalyse experts have extensive experience and can support you in the integration of climate-related and environmental risk considerations into risk management, governance, ICAAP and disclosures.



For more information, visit

www.finalyse.com/climate-related-and-environmental-risk-management

- Benefit from Finalyse's extensive experience in the area of risk management and risk measurement for financial institutions.
- Ensure compliance with the recommendations set out in the ECB's Guide on climate-related and environmental risks.
- Understand the climate-related and environmental risk drivers, their transmission into traditional prudential risk categories and their risk management implications.
- Integrate climate-related and environmental risks into financial institutions' existing toolkits, methodologies and frameworks by using a holistic approach.
- Benefit from Finalyse's unique approach, tailored to the specific needs and circumstances of each financial institution.

Motivation

Finalyse's team consists of talented experts who can help you with various steps:

- Assessing your practices against regulatory requirements and market practices, and developing an integration roadmap.
- Identifying material climate-related and environmental risk exposures on different time horizons, and assessing the risk impacts on the traditional risk categories.
- Developing ESG assessment guides for risk identification, as well as proxy methodologies for closing potential data gaps.
- Mapping climate-related and environmental risk drivers to traditional prudential risks, and translating pathways into impacts on risk parameters and Key Risk Indicators (KRIs).
- Integrating climate-related and environmental risk considerations into your risk appetite and risk profile assessment, ICAAP, capital adequacy and disclosure practices.

Having worked with financial institutions of various sizes, we can tailor our service to your individual needs.

AMSTERDAM

BRUSSELS

BUDAPEST

DUBLIN

LUXEMBOURG

PARIS

WARSAW