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Credit Risk Management System

ESG

Environmental, Social & Governance Module
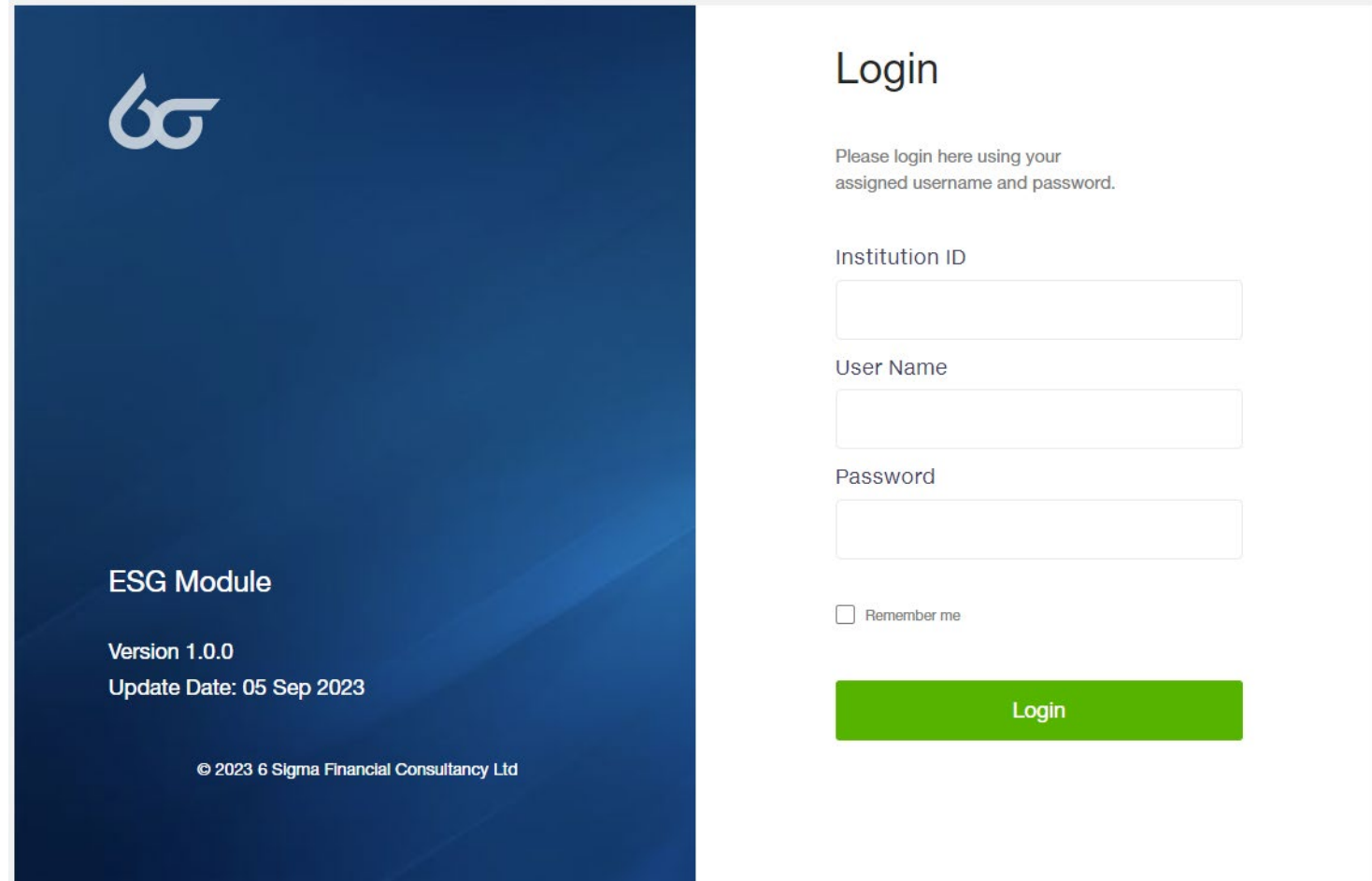
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DEMO Presentation

ESG

Description

ESG Module is used to manage, document and evaluate an institution's preparedness and status with regards to environmental, social and governance criteria. This evaluation translates into a Risk Rating that can be used internally for approval and reporting purposes.

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Standardized ESG Compliance Assessment Tool

Complexity made Simple

Digital Decision Making

@ your fingertips

User Friendly

Extensive Coverage

Effective Delivery

Fully Configurable
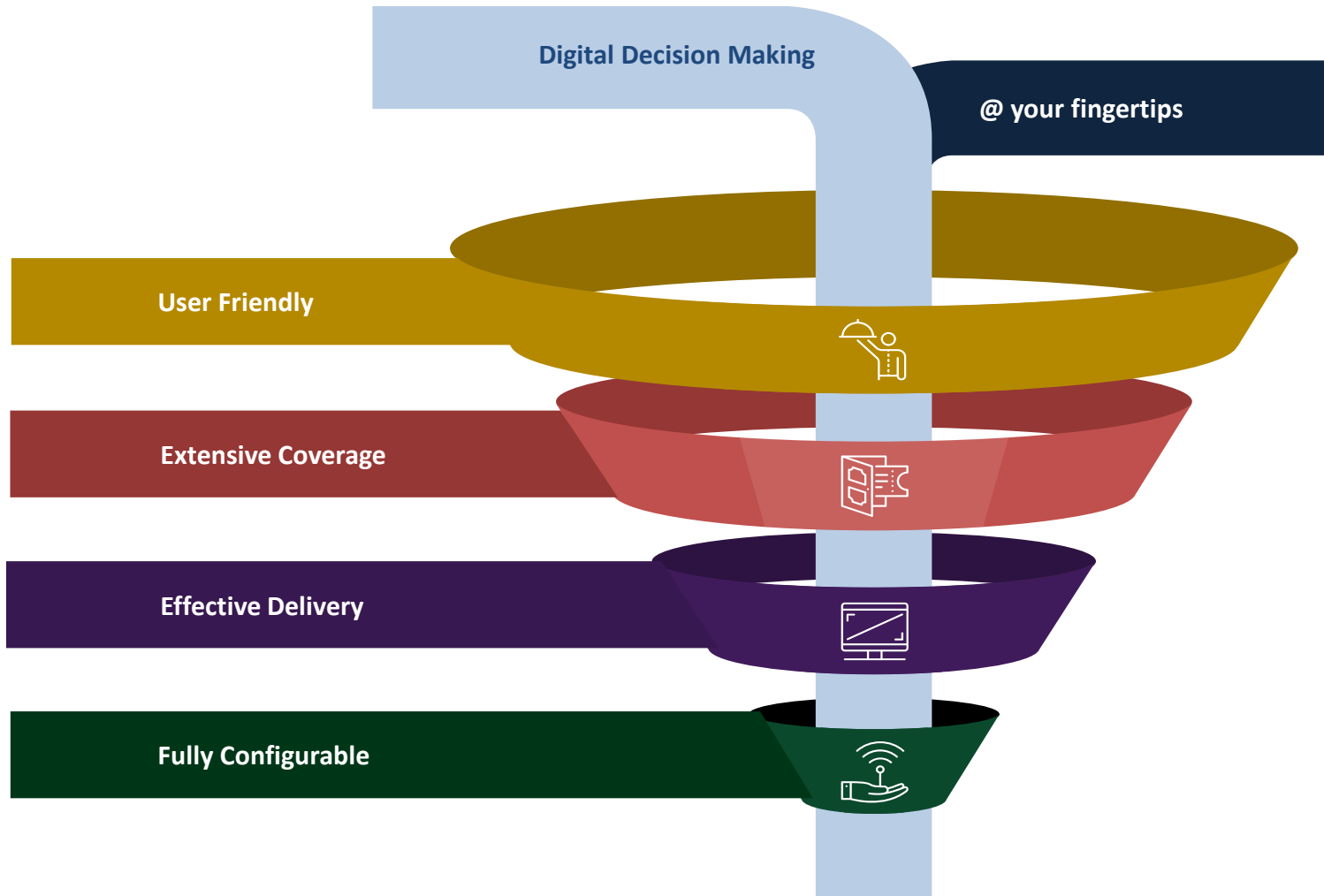
Benefits

1. Efficient   Time efficient one-stop solution
2. Customizable   Easily configured
3. Manageable   Centralized Control
4. Scalable   Unlimited Records

ESG

Features

Full assessment across all criteria and sub-criteria using qualitative and quantitative measurements (using Benchmarks), fully configurable by the institution:

CRITERIA
• Environment
• Social
• Governance
• Other

Measurements
a) CO2
b) Waste
c) Green Revenues
d) Water usage
e) Water Pollutants
f) Energy Consumed
g) Packaging
h) Diversity
i) Board Constitution
j) Compensation
k) Ethics and Corruption

Sub-Criteria
1. Policies
2. Emissions
3. Innovation
4. Resource Use
5. Community
6. Human Rights
7. Product Responsibility
8. Workforce
9. Consumer Engagement
10. Community Engagement
11. Strategy
12. Management
13. Shareholders
14. Ethics

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ESG

Benefits

Useful in assessing compliance with and coverage of ESG related issues. Ultimate outcome is the production of a risk rating that can be incorporated in any risk assessment methodology.

Practical

1. Allows users to internally assess compliance with ESG and institute a plan to comply with the requirements.

2. Allows users to assess external parties (customers) for compliance and risk rating.

3. Produces a risk rating that can be scaled through weights to be in line with internal risk rating methodologies.

Manageable

a) User friendly, extensive, carries both qualitative and quantitative assessments, and plug and play.

b) Allows users to configure their assessments by Industry and Country, hence widens the scope limitlessly.

c) Ensures compliance with increasing regulatory rules especially to incorporate ESG ratings in credit assessments.

d) Stand-alone and Links easily with product programs and internal processes.

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Risk Ratings

Risk Rating Section

The system captures user knowledge and assessment of all aspects of ESG.

Institution-Designed Questions	The system requires the user to answer institution-designed and configured questions relating to various risks associated with ESG. These are spread across several criteria. There is also a "Notes" section so that the user can enter comments relating to each set of questions.
Weighted Answers	Answers result in individual ratings, which are weighted against a pre-configured map at both criteria and sub-criteria, resulting in total ratings.
Benchmarks	Some answers require Benchmarks to be captured by the system for each Industry and Country combo, and these are used to provide the rating.

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Settings

Combos

The first of three settings is the management of Industry and Country combo, allowing the institution to create and edit them for later use.

Settings

The second of these is the creation of questions, allocation of weights and risk ratings, and configuring the Product Type criteria:

Industry Type Listing   **Questions**   Weight Distribution

Industry Type Listing: UAE Petroleum   Copy From

Industry Name: Petroleum and Coal Products Manufacturing   Country Name: United Arab Emirates

Environment   **Policies**

Social   Emissions

Governance   Innovations

Other   Resource Use

Environmental Policies   Renewables Recycling Policies

Questions   ⊕ Question

		Weight %	#	Benchmark		
1	Are Environmental Policies available?	100.00	☐		✎ 🗑	⊕ Answer
	Yes there are	3.00			✎ 🗑	⊕ Sub Answer
	No there are none	7.00			✎ 🗑	⊕ Sub Answer
	Policies are being worked on	5.00			✎ 🗑	⊕ Sub Answer
	Don't know	10.00			✎ 🗑	⊕ Sub Answer

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User Side

Intro Section

The user screen is the Project Details section where the user can capture the criteria related to specific clients:

Industry Type Listing is the saved combo by Industry and Country that applies to this obligor.

Risk Rating

RR Section

- As questions are answered, the system provides the ratings associated with each criteria.
- The type of questions answered, and the resultant ratings are as configured by the institution.

Assumption			Applied System Rating
Criteria	Wt.	Rating	
Environment	14.29	5.11	
Social	14.29	4.89	
Governance	14.29	5.66	
Other	14.29	5.17	4.76

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