

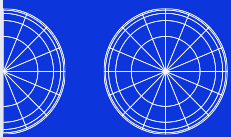
# ESG in Risk

## Mastering the challenges and taking compliance to the next level

Integrating ESG in risk management is becoming essential for banks. Regulators like the German BaFin or Swiss FINMA have started on converting guidelines into binding requirements in line with the BCBS principles. At the same time, a well functioning management of ESG risks is key for reasons that go beyond regulatory requirements, from adequately tackling existential threats to meeting investors and customers expectations for the role of financial institutions in promoting and fighting for sustainability. With our comprehensive ESG, data and product expertise, we support you both in the implementation of the new requirements and in the sustainable alignment of your business model.

### Challenges

- **A different type of risk:** Existing risk policies and models are not suited to properly and comprehensively assess ESG risks, such as physical and transition risks, due to their uncertain nature and extended time horizon
- **Practical guidance:** Although regulators express a clear expectation that ESG risks must be considered in risk management, there is currently only few regulatory guidance how to deal with it in a practical way
- **Lack of Data:** Banks currently lack the required data to measure ESG risks adequately, e.g. for exposure where traditional rating companies do not sell data (SME, mortgages)



## Solutions

### Solution 1: ESG Readiness Assessment



- Performing an ERM-ESG impact assessment or individually for single risks
- Qualitative ESG readiness check on appropriateness of your processes and governance framework

### Solution 2: ESG data solution



- Setting up ESG data framework by implementing tools to gather ESG data from clients and public sources
- Solution for ESG scoring of clients and issuers



### Solution 3: ESG Product integration

- Integrating new ESG products (e.g. ESG-linked products, emission allowances, carbon credits, carbon derivatives) in risk management

We understand that success of this challenging project is of high importance to banks. LPA is highly committed to ensure a successful delivery.



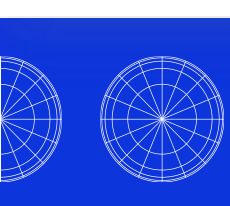
Defy. Deploy. Run.



## Benefits

Our solution at a glance

- ✔ Practical ESG experience and expertise based on project insights
- ✔ Team of data science experts with extensive knowhow in using cutting edge technologies and valuation models
- ✔ LPA DNA in structuring financial products with deep knowhow in corresponding products, processes and systems



**Success Stories**

**Testimonials**

**Our solutions transform your company into a competitive player in the complex and dynamic capital market industry.**

Leveraging our front-to-back knowledge of ESG risk, we as LPA offer a suite of modularized services that can be combined and customized to your specific needs. We offer our expertise in the form of an ESG Readiness Check, Data Solution and Product Integration ranging from project management to subject matter experts or support you as an ESG-ThinkTank to take your ESG risk management to the next level.



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Founded in 1999 by Stefan Lucht and Roland Probst to offer solutions as the finance industry evolved, LPA was built on the needs of its clients. Today the company has over 400 employees in 12 cities worldwide, delivering cutting-edge consulting through its specialist teams, and technology through software products.

**Defy the processes of the past. Deploy innovation in a way that suits you. Run to the forefront of global innovation.**

For more information, please visit [www.l-p-a.com](http://www.l-p-a.com).