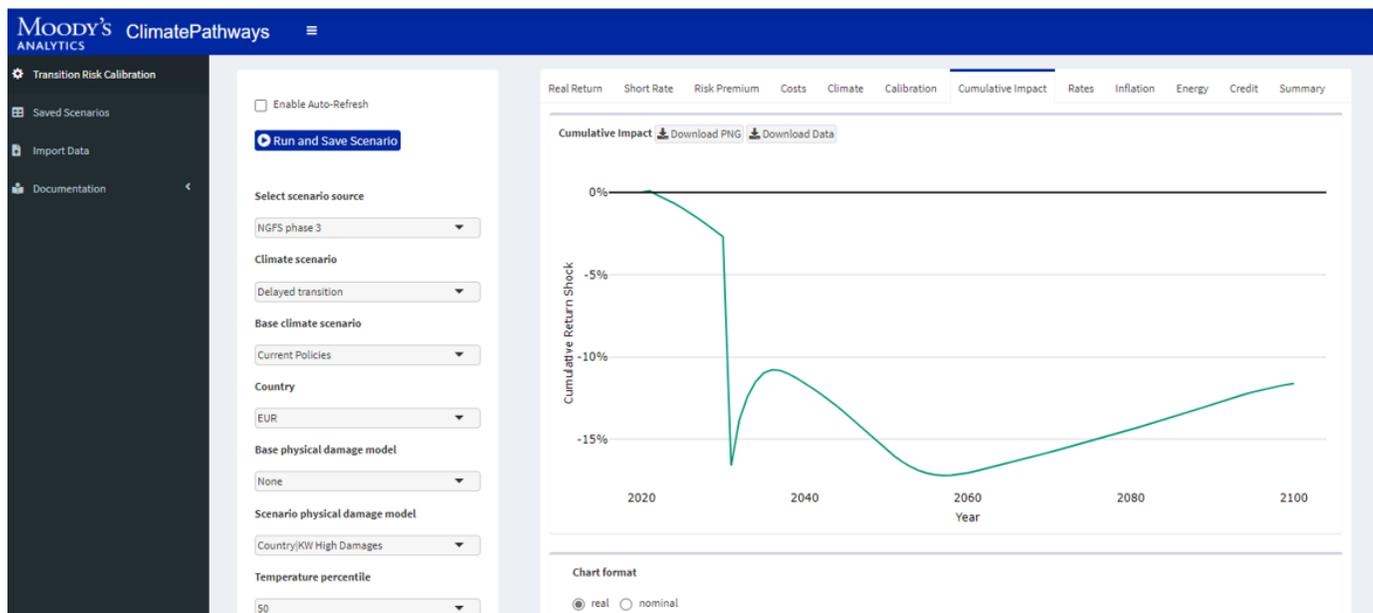


## Climate Pathways Solution

**A flexible approach to facilitate scenario selection, assess financial impact, and communicate effectively.**

Moody's Climate Pathways offers a specialized scenario modeling solution for insurers, asset managers, and pensions funds enabling quick assessment of the financial impact of climate risks.

Users can select from a wide array of scenarios to best match the complexity of their business. Powered by our award-winning Scenario Generator, which integrates many years of scenario modeling, climate science, and deep insurance industry expertise, our solution stands out for its robustness and flexibility. It enhances climate modeling capabilities, aids in navigating climate change challenges, supports informed decision-making, and helps maintain compliance with evolving regulations and financial disclosures.



### **MOODY'S UNIQUE COMBINATION OF DEEP INSURANCE DOMAIN EXPERTISE, CLIMATE SCIENCE, MARKET LEADING SCENARIO MODELING AND CALIBRATION CONTENT.**

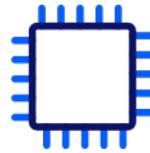
Enable a Flexible Approach to Mastering Climate Risk Scenario Analysis



Flexibility to vary the climate assumptions and scenarios to see the impact of different choices and build confidence with robust recommendations.



Convert long-term climate projections into short-term impacts to better understand material impact and avoid missing key risks



Integrate with existing modeling infrastructure. Produce financial variables and asset class returns ready to feed into current valuations systems.



Use our top-down approach to drill down to sector level view of the impacts across the different climate scenarios.

### THE CLIMATE PATHWAYS SOLUTION OFFERS

FLEXIBILITY	CONFIDENCE	RIGOR
<ul style="list-style-type: none"> <li>→ Access all NGFS scenarios, with the option to use other recognized frameworks. Continually updated with the latest science.</li> <li>→ Create short term shocks from long term climate scenarios, directly in the application.</li> <li>→ Review and modify settings such as scenario source, baseline, and currency.</li> <li>→ Review and modify advanced model settings such as inflation model, carbon tax impact, physical damages and more.</li> <li>→ Flexible outputs aligned to your unique asset portfolio profile.</li> <li>→ Easily integrate with our AXIS™ actuarial system and other core actuarial and investment systems.</li> </ul>	<ul style="list-style-type: none"> <li>→ Experiment with different scenarios to gain a deeper understanding of the impact of different assumptions and broaden your analysis.</li> <li>→ Split out physical and transition risks to determine attribution and material impact.</li> <li>→ Visually display the outputs from the scenario analysis and use the accompanying narrative to explain your recommendations clearly to internal and external stakeholders.</li> <li>→ Drive faster board decisions through confidence in your scenario selection, outputs, and credible recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>→ Build consistent analysis, enable internal discussion and challenge across different functions. Drive consensus on the best assumptions and scenarios to meet the unique needs of your business.</li> <li>→ Facilitate quicker production of robust and reliable asset class returns and liability risk factors to aid decision making.</li> <li>→ Understand and validate assumptions with fully transparent scenarios and quarterly documentation detailing the underlying methodology.</li> <li>→ Access to Moody's experts with insurance industry, climate, scenario, and calibration expertise.</li> </ul>

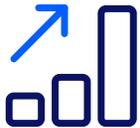
### USING CLIMATE PATHWAYS

The Climate Pathways solution helps in areas such as own risk and solvency assessment (ORSA), strategic asset allocation (SAA), and forward-looking financial disclosures.



#### **OWN RISK AND SOLVENCY ASSESSMENT (ORSA)**

Confidently assess and quantify the financial impacts from physical and transition risk, using different assumptions and scenarios relevant to your business. Translate long-term scenarios to short-term stresses. Build credible recommendations to the board.



#### **STRATEGIC ASSET ALLOCATION (SAA)**

Explore changes to your business' capital market assumptions. Quantify the financial impacts on asset classes and market risk-factors from physical and transition risk. Present credible recommendations to internal and external stakeholders.



#### **FORWARD-LOOKING FINANCIAL DISCLOSURES**

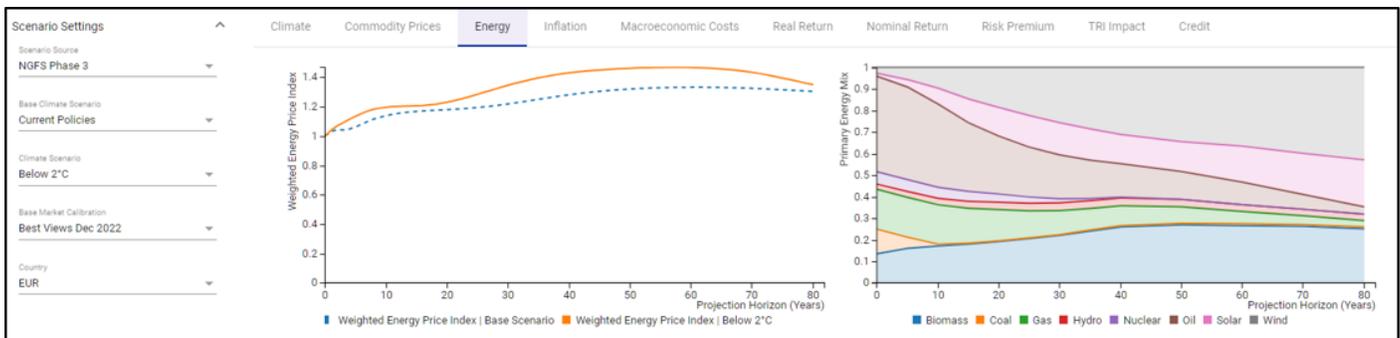
Analyze your financial exposure to climate risk by navigating the impacts of different climate assumptions and scenarios relevant to your business. Identify the material financial impacts of physical and transition risk and build robust, transparent climate-related financial disclosures to respond to requirements such as those from the TCFD, ISSB and CSRD.

### WHAT WE DELIVER

- The scenario content needed to measure the financial impact of climate risk on asset classes and market risk-factors.
- Access to the Climate Pathways Web Application to view and select different assumption sets.
- Top-Down deterministic scenario sets that can be used directly in valuation/cashflow models and quantitative SAA processes for each of the selected paths from your preferred framework, such as NGFS.
- Provides climate-adjusted capital market assumptions (CMAs) across 30+ economies, including all the major asset classes and risk factors relevant for insurers.
- Provides a sector level view of impacts across the different climate scenarios.
- Access to Moody's climate and calibration experts for guidance on the scenario selection.
- The ability to use scenarios to analyze the short-term impacts of market re-pricing/capitalization events.
- An easy add-on calibration service for existing Scenario Generator customers.
- Full documentation.
- Workshops with Moody's experts.

### OUR SOLUTION ENABLES INSURERS ASSET MANAGERS, AND PENSION FUNDS TO

- Gain confidence in scenario selection to address needs of different business functions and the business overall.
- Develop a deeper understanding of the financial impact of climate risk on their balance sheet.
- Build internal credibility by being able to rely on outputs and justify recommendations to internal and external stakeholders.



## MOODY'S AWARD-WINNING SOLUTIONS HELP ORGANIZATIONS IN AN ERA OF EXPONENTIAL RISK



# MOODY'S

## CONTACT US

[Climate Risk for Insurers](#)

### AMERICAS

+1.212.123.4567

[clientservices@moodys.com](mailto:clientservices@moodys.com)

### ASIA (Excluding Japan)

+852.1234.5678

[clientservices.asia@moodys.com](mailto:clientservices.asia@moodys.com)

### EMEA

+44.20.1234.5678

[clientservices.emea@moodys.com](mailto:clientservices.emea@moodys.com)

### JAPAN

+81.1234.5678

[clientservices.japan@moodys.com](mailto:clientservices.japan@moodys.com)