



## Embedding Sustainability in Credit Risk Assessment

Banca d'Italia, Venice, 13-14 June 2024

*Hybrid format*

Banca d'Italia and the Monetary and Capital Markets Department of the IMF are organizing a research conference, to be held in Venice on 13-14 June 2024, on the integration of sustainability profiles in the credit risk assessment of non-financial firms. The conference will be hosted at Banca d'Italia's branch in Palazzo Dolfin Manin, Calle Larga Mazzini, 4799/a San Marco. Participation will be possible in presence and via a web connection.

The conference will provide a forum for discussion on prominent issues for credit institutions, investment firms, insurance companies, rating agencies, and central banks towards the integration of sustainability factors in the credit risk assessment of firms, in particular SMEs, in response to regulatory developments, the supervisory framework, and sustainable investment practices.

The conference welcomes contributions investigating how sustainability factors, especially climate change and environmental issues, can be integrated in credit risk assessment; the challenges associated to data gaps and to the usage of available information; the steps ahead in the development of quantitative and qualitative methodologies; the measurement of the impact of sustainability factors on the default probability and the loss given default of firms.

Topics of interest include, but are not limited to:

- Incorporating climate-related transition and physical risks in credit risk assessment, modelling and underwriting
- Sustainability data gaps: issues for SMEs, regulatory intervention, and other institutional initiatives
- Macroeconomic and firm-level costs and opportunities of the transition to a sustainable economy
- From climate- to environmental risk
- Climate-related credit risk mitigation: firm commitments and transition plans, certification, investors' engagement with firms, and financial literacy
- Corporate social responsibility and credit risk
- Financial stability implications of sustainability risks, also with reference to insurance protection gaps from climate-related physical risks
- How the evolution of sustainability methodologies and regulation are influencing investors' perceptions, risk appetite and choices.

**Program committee:** Monica Billio, Patrick Bolton, Stefano Giglio, Ekaterina Gratcheva, Valentina Michelangeli.

**Paper submission:** Interested authors should submit a complete paper in PDF format writing to [Sustainability.Conference.Venice@bancaditalia.it](mailto:Sustainability.Conference.Venice@bancaditalia.it) by 4 February 2024. Decisions of acceptance by the Program committee will be announced by 8 March 2024. Final versions of accepted papers should be submitted by end of April 2024.

**Registration:** Participants in presence and via web should register with a message to the above e-mail address by 22 March 2024. Participation in presence will be accepted depending on space availability.

**Financial support:** Accommodation and travel expenses (economy class) for academic authors of accepted papers and academic discussants will be covered. The CEPR reimbursement limits will apply.