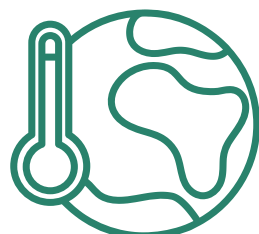# CLARITY AI

4 WAYS INVESTORS CAN USE AI TO MANAGE AND MITIGATE CLIMATE RISK

Artificial intelligence is transforming climate risk management from a backward-looking exercise into a dynamic, data-driven process.

AI doesn't replace investor judgment, it amplifies it by processing massive and diverse datasets. This helps analysts discover patterns invisible to manual analysis and turns static reporting into living models that evolve with every new data point.
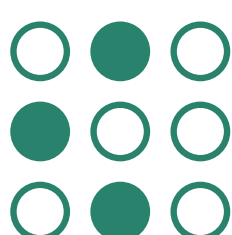
QUANTIFY EXPOSURE FASTER WITH AI-ENABLED SCENARIO ANALYSIS

Traditional scenario analysis can take weeks, requiring the integration of climate models, geospatial hazards, and company data from scattered sources. AI has the potential to automate much of this process (though few solutions today can do so comprehensively). For investors, this can mean faster and more transparent analysis.

INTEGRATE CLIMATE RISK INTO YOUR CORE INVESTMENT PROCESS

Natural language processing (NLP) can extract structured data from unstructured corporate disclosures, sustainability reports, and regulatory filings, finding key details on emissions targets, CapEx alignment, and reliance on offsets. Machine learning models can estimate missing values, correct anomalies, and harmonize inconsistent disclosures.
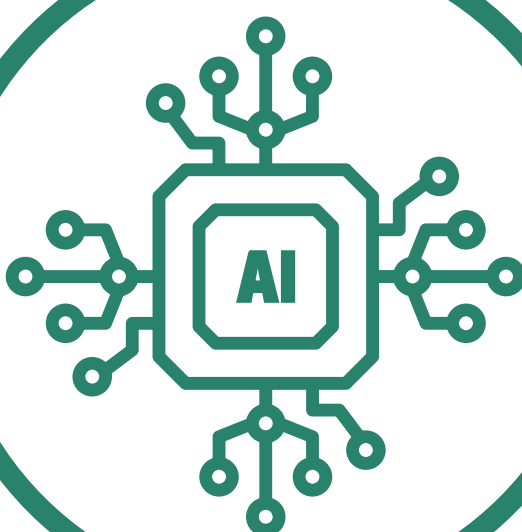
FILL DATA GAPS AND IMPROVE ACCURACY

AI can help close data gaps by estimating missing data. By combining reported company data, financial indicators, energy use, and industry production volumes, AI tools can deliver a clearer and more standardized view across companies, sectors, and location. Internal ESG teams can now spend less time cleaning and reconciling data and more time engaging with issuers.

SIMPLIFY REPORTING AND COMPLIANCE

AI can automate key steps in the reporting process: pulling data from multiple sources, structuring it into the required format, and generating ready-to-use outputs for both internal use and regulatory submissions. Reporting teams can produce investor-ready disclosures in just a few clicks—freeing up time to focus on interpretation and decision-making.

LEARN MORE ABOUT HOW AI HELPS INVESTORS MEASURE, MANAGE, AND ACT ON CLIMATE RISK

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