Carbon Risk Assessment Strategies for Financial Institutions

Monday, July 27, 2015 // 3 pm to 6:30pm (EDT)

Hosted by Moody's Investors Service
7 World Trade Center
250 Greenwich Street
20th Floor New York, NY 10004

Register here

Please join industry thought leaders 2 Degrees Investing Initiative, Moody's, World Resources Institute (WRI), UNEP Finance Initiative (UNEP FI) and Mercer for an afternoon diving into the latest research and thinking on carbon risk assessment tools and strategies. Following presentations, there will be a roundtable discussion between participants and presenters on the research and related topics. Networking and further discussion with light refreshments, courtesy of our host, Moody's Investors Service, will conclude the day.

Roundtable objectives:

- Provide finance and investment professionals with a platform to learn about the latest research and thinking on integration of carbon risk into financial and investment analysis.
- Generate dialogue and create shared understanding on approaches to manage carbon risk.
- Provide networking opportunity among industry experts.

Event line up:
3:00-3:15: Carbon reduction policies and their credit implications for US investor-owned vertically integrated utilities
  James Hempstead, Associate Managing Director, Moody’s Investors Service

Remarks provide highlights of Moody’s published research article on the rising impact of carbon reduction policies and takes a deeper dive into the credit implications for US investor-owned vertically integrated utilities.

3:20-3:35: WRI-UNEP FI ‘Carbon Asset Risk Discussion Framework’
  Mark Fulton, Founder, Energy Transition Advisors (Consultant to the World Resources Institute on the Framework) and Marisa Buchanan, JPMorgan Chase & Co. (Working Group Chair)

The World Resources Institute and UNEP Finance Initiative have led a two-year, multistakeholder process to develop a discussion framework to help financial institutions and investors in their efforts to identify, assess, and manage carbon asset risk. Mark and Marisa will provide a brief overview of the framework and discuss some of the key takeaways.

  Jakob Thomae, Program Manager, and Chris Weber, Consultant, 2 Degrees Investing Initiative

2 Degrees Investing Initiative has worked closely with the UNEP Inquiry and the CDC to produce a review of approaches to carbon risk assessment along the investment chain. Presentation of the report will include a discussion of barriers to integration and issues of materiality.

4:10-4:24: Mercer ‘Investing in a Time of Climate Change’
  Karen Lockridge, Principal and pension actuary, Mercer

Mercer’s recent report, Investing in a Time of Climate Change, utilizes a dynamic modelling approach incorporating four climate scenarios and four climate-risk factors to estimate the impact of climate change on returns at the industry sector, asset class and total fund levels over the next 35 years. The presentation will include a discussion of potential portfolio implications and investor actions.

Registration

Please register here.
About the speakers:

**Henry Shilling, Senior Vice President, Rating Management, Moody’s Investors Service.** Henry leads an effort focused on environmental, social and governance (ESG) risks, their impact on credit ratings, related research, outreach and product development.

With Moody’s since 1992, Henry played a leading role during his tenure in the development of the Managed Investments Group with the launch of money market and bond fund risk ratings in the US and Europe. He has worked as a credit research analyst and has been a frequent author of research articles and speaker at industry conferences.


He earned a B.A. in economics from Lehman College, City University of New York in 1971.

**James Hempstead, Associate Managing Director, Moody’s Investors Service.** Jim Hempstead is currently an Associate Managing Director in the Global Project and Infrastructure Finance Group. Jim joined Moody’s in December 2002. He covers a portfolio of U.S.-based electric and natural gas utility companies limited and unregulated power companies. In 2011, Jim became responsible for coordinating the Project and Infrastructure Finance Group research and outreach strategy, efforts and resources. Prior to joining Moody’s, Jim spent approximately four years with Merrill Lynch & Co., working in the Global Energy & Power Group, and provided financial and advisory services to electric, natural gas distribution, interstate pipeline, energy merchant, water and energy technology companies. Prior to joining
Merrill Lynch, Jim spent approximately four years with Salomon Smith Barney Corporate Finance, working in their Global Energy & Power Group.

Jim graduated with a B.S.B.A. from Villanova University and an M.B.A. from Fordham University. Jim is a member of the Wall Street Utility Group and the Society of Utility and Regulatory Financial Analysts.

Mark Fulton, Founder, Energy Transition Advisors (Consultant to the World Resources Institute on the Framework). Mark is the Founding Partner of Energy Transition Advisors, a new consultancy started in 2014.

Mark Fulton has had 35 years experience in financial markets spanning three continents in London, New York and Sydney. As a recognized economist and market strategist at leading financial institutions including Citigroup, Salomon Bros and County NatWest, he has researched international economies, currencies, fixed income and equity markets. Mark has also held corporate strategy, finance and management roles.

Having a strong interest in the environment and sustainability, starting with a report on climate change and markets in 1991, Mark was head of research at DB Climate Change Advisors at Deutsche Bank from 2007 to 2012, where he produced thought leadership papers for investors on climate, cleaner energy and sustainability topics and advised investment teams in asset management.

From 2010 to 2012 he was Co chair of the UNEP FI Climate Change Working Group and in 2011 and 2012 was part of the technical committee of the UN Secretary General’s Sustainable Energy for All.

Mark is an advisor to the Carbon Tracker Initiative where he has authored a number of papers on fossil fuel risks; a Senior Fellow at CERES where he recently authored the Clean Trillion; and Special Advisor to IGCC. He is also; Advisor to the Carbon Disclosure Project; and the Climate Bond Initiative. He is a member of the Expert network of KKS Advisors.

Mark has a BA in Philosophy & Economics from Oxford University.
Marisa Buchanan, Vice President, Sustainable Finance. Marisa joined JPMorgan Chase & Co. in 2012 as a Vice President in the Sustainable Finance group. She plays an integral role in the group’s efforts to develop environmental guidance for the business, engage with clients to manage environmental and social risks and strengthen performance, identify and develop environmentally-focused opportunities, and maintain ongoing dialogue with a wide range of stakeholders including environmental organizations and investors.

Marisa has over 14 years of experience working on environmental and energy issues in the private and nonprofit sectors. Prior to joining JPMorgan Chase, Marisa served as an analyst with Bloomberg, where her research focused on assessing the impacts of U.S. policy on the energy sector. She also spent several years developing methane reduction projects in the mining and oil & gas sectors with Verdeo Group, a developer, owner and operator of clean energy projects. In addition to identifying and evaluating project development opportunities, she managed activities related to the certification of carbon assets, and served as the company’s expert on U.S. and international climate and energy policy. She also developed renewable energy and methane reduction projects with Econergy International, an independent power producer with assets in Latin America and the U.S., which was acquired by GDF Suez. She began her career with the Surdna Foundation’s environmental team, which made grants to nonprofit organizations supporting sustainable forestry, smart growth, renewable energy and market-based solutions to climate change.

Marisa received a B.A. from Wellesley College and a M.P.A. from Columbia University’s School of International and Public Affairs.

Jakob Thomae, Program Manager – Global, 2 Degrees Investing Initiative. Jakob Thomae currently works as the Program Manager for the 2° Investing Initiative (2°ii), where he manages the international research projects of the think tank. Jakob has authored and co-authored a number of studies for 2°ii, including on benchmark index investing, stress-testing long-term and carbon risks, artificial short-termism, the role of financial regulatory policies in shifting private capital to climate-
friendly investments, and financed emissions methodologies. He contributed research as part of the 2014 IEA World Energy Outlook Special Report on Investments and led a sub working group called "Climate Strategies and Metrics: Exploring Options for Institutional Investors" as part of the UNEP-Fi/GHG-Protocol Portfolio Carbon Initiative. Previous to his work for 2° Investing Initiative, Jakob consulted for the German Development Agency and the World Food Programme. Jakob graduated with a Masters cum laude degree from Sciences Po Paris and Beijing University and is currently pursuing his PhD at Conservatoire National des Arts et Métiers on the implications of climate change for financial portfolios.

Chris Weber, Consultant, 2 Degrees Investing Initiative

Christopher Weber is a consulting researcher at the World Resources Institute (WRI) and UNEP Finance Initiative, where he conducts research and develops guidance on climate-related metrics for the financial and other sectors. Previously Dr. Weber conducted research for the IDA Science and Technology Policy Institute, where he advised Federal science & technology agencies including the White House Office of Science and Technology Policy (OSTP) on energy, climate, and innovation issues. Dr. Weber previously served as a Research Assistant Professor of Civil and Environmental Engineering at Carnegie Mellon University, where he conducted research for government and private sponsors on life cycle assessment (LCA), energy systems, and carbon footprinting. His doctoral research explored the connections between international trade, climate change, life cycle assessment (LCA), household consumption, and industrial competitiveness in the U.S. and China.

Christopher has a PhD and MS from Carnegie Mellon University and a BS from the University of Iowa.

Karen Lockridge, Principal and pension actuary, Mercer. Based in Toronto, Karen focuses on working with clients and colleagues to raise awareness of sustainability-related risks, trends and opportunities, such as those relating to water and resource shortages, climate change, environmental management and corporate responsibility. She represents Mercer on the Marsh & McLennan Companies Task Force on
Sustainability and Climate Change.

During her 20 year career at Mercer, Karen has held a variety of leadership roles in defined benefit risk management, strategy execution, knowledge management and operations. In addition to her time at Mercer, Karen spent 18 months in 2010/11 as Director, Pension and Benefits at BMO Financial Group.

Karen graduated from the University of Alberta with an Honours Bachelor of Science in Applied Mathematics in 1990. She is a Fellow of the Society of Actuaries and the Canadian Institute of Actuaries (CIA). Karen is a member of the CIA Board of Directors and she chairs the CIA Climate Change and Sustainability Committee.