

## ESG Research Brainstorm – What do we need to know to understand the financial impact of climate change and other ESG issues?

September 9, 2020 | 7-8am EDT (12-1pm BST, 7-8pm HKT)

Understanding the financial impact of climate change issues is a complex task, but research is evolving rapidly to meet this challenge. This session, organized by Fitch Ratings, is intended to draw input from participants on what are the most important and pressing areas of research on the subject area. Amongst the topics that will be covered in this session are:

- **Climate Change in Financial Theory:** including the pricing of climate risk, dealing with “green swans” tail risks and uncertain policy paths, adapting valuation models for long-term risks, incorporating systemic risk elements of climate.
- **Assessing and Quantifying Transition Risk:** including the development of carbon pricing and policies, the role of sector and trade dynamics, the role of technology and business model changes in mitigation, Just Transition, Scope 3 and supply chain risk management.
- **Assessing and Quantifying Physical Risk:** including probability, severity and time horizon of physical climate effects, physical risk feedback loops and multiplicative effects of natural disasters, the role of risk transfers (such as insurance), societal and community impacts.
- **Improving Climate Scenario Analysis:** including determination of base case scenarios, politically feasible and regionally differentiated scenarios, sensitivity of scenarios to exogenous events (technological progress, political outcomes), practical outcomes from scenario analysis.
- **Improving the Impact of Sustainable Finance:** including financial innovation to target climate and sustainable impact, identifying constraints to green investment, balancing risk/return and impact objectives, role of government and policies.

Participants will be asked to submit research ideas on each of those topics, and vote for the ideas they find most interesting. The Co-moderators will monitor research ideas submitted and discuss them with speakers, offering their views on those ideas. Audience participation is highly encouraged.

### Co-moderators

- **Mervyn Tang**, Senior Director and Global Head of ESG Research, Fitch Ratings
- **Tracy Van Holt**, Director of Academic Research, Center for Sustainable Business, Leonard N. Stern School of Business, NYU

### Speakers

- **Emily Chasan**, Sustainable Finance Journalist
- **Johannes Stroebel**, David S. Loeb Professor of Finance, Leonard N. Stern School of Business, NYU

