



University of  
Zurich <sup>UZH</sup>

Center of Competence for  
**Sustainable  
Finance**



UZH Center of Competence for Sustainable Finance  
*Climate Change & Financial Risk*  
*16 - 17 January 2020*

With the support of



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AN DER UNIVERSITÄT ZÜRICH

Institute for  
New Economic  
Thinking

**Aims and scope:** Climate change poses new fundamental challenges for academics and practitioners in finance, including, endogeneity of risk, heavy-tailed distributions, and decisions under uncertainty. **Highlights of this conference:** latest insights from research, successful applications to policy and practice, critical challenges. **Topics covered:** modelling climate-related financial risks, climate stress-testing, climate transition risk, financial investors' motives in climate finance.

## ► Program Thursday 16<sup>th</sup> January 2020

- 08:30 - 09:00 Registration and networking coffee (KOL-G-204)
- 09:00 - 09:15 Opening by Marc Chesney, Director of the Dept. Banking and Finance
- 09:15 - 10:45 Academic Session: «**Climate change: physical risks and transition risks**». What do we know (or we cannot know) from climate science about climate-related risks? What do we know from climate mitigation scenarios about risks associated with the transition to a low-carbon economy? The session offers non-experts in climate science some insights on these important questions.  
Speakers: Christian Huggel (UZH), Keywan Riahi (IIASA)
- 10:45 - 11:15 Coffee Break
- 11:15 - 12:45 Academic Session: «**From climate risk to financial risk**». How to translate knowledge from climate science and climate economics into financial risk? The session reviews recent developments in climate-related financial risk based on financial network models and real option theory.  
Speakers: Stefano Battiston (UZH), Marc Chesney (UZH)
- 12:45 - 14:00 Lunch Break \*
- Science and society panel session (KOL-G-201 Aula)
- 14:00 - 14:45 **Launch of the UZH Center of Competence for Sustainable Finance.** The new Center will offer a coordination platform of all the activities on Sustainable Finance, both in research and education, across the different faculties, leveraging on excellence and interdisciplinarity.  
Introduction: Marc Chesney (UZH)  
Moderation: Stefano Battiston (UZH)  
Speakers: Kern Alexander (UZH), Annette Krauss (UZH), Markus Leippold (UZH), Michael Schaepman (UZH), Alexander Wagner (UZH).
- 14:45 - 16:15 **From research to practice: How can financial institutions assess climate transition risk?** Scientific research is helping public and private investors to disclose their climate-related risks. The session focuses on two case studies: the EU insurance sector and the EU Taxonomy of Sustainable Finance.  
Speakers: Lucia Alessi (EU Commission), Stefano Battiston (UZH), Petr Jakubik (EIOPA), Keywan Riahi (IIASA). Moderated by Irene Monasterolo (WU)

- 17:00 - 17:10      **Welcome speech by UZH President Michael Hengartner**
- 17:10 - 19:00      **General public lecture by Nobel Laureate Joseph E. Stiglitz**  
Moderation: Stefano Battiston (UZH)
- 19:00 - 21:00      **Networking Apéro**

## ▶ Program Friday 17<sup>th</sup> January 2020

Venue: KOL-G-204

- 09:00 - 10:45      Academic Session: **Climate economics**. Understanding climate-related financial risk requires to understand the economics of climate change and the low-carbon transition. The session discusses the insights from various modeling approaches.  
Speakers: Lucas Bretschger (ETHZ), Armon Rezai (WU), Irene Monasterolo (WU)
- 10:45 - 11:15      Coffee Break
- 11:15 - 12:30      Academic session: **Climate change and financial law**. Several recent developments in financial law and regulation aim to address climate related financial risks, in particular in the EU. What are the implications for financial risk from a legal perspective? Are there “collective blind spots” regarding climate change?  
Speakers: Rolf H. Weber (UZH), Kern Alexander (UZH), Marco dell’Erba (UZH)
- 12:30 - 14:00      Lunch Break \*
- 14:00 - 15:15      Academic session: **Investor motives in climate finance**. How do market participants react to information about climate policies and information about firms’ preparedness to the low-carbon transition? Addressing these questions is key to understand how climate-related risks can materialize in financial markets.  
Speakers: Alexander Wagner (UZH), Luca De Angelis (Univ. of Bologna)
- 15:45 - 17:15      Academic session: **Climate finance: risk versus ambiguity**. How does financial risk and investment decisions change when the knowledge about probability distributions of gains and losses is lacking or incomplete?  
Speakers: Silvia Romagnoli (Univ. of Bologna), Markus Leippold (UZH), Antoine Mandel (Paris School of Economics)
- 17:15 - 17:30      Concluding Remarks

## UZH Center of Competence for Sustainable Finance of the University of Zurich

**Mission.** The Center of Competence for Sustainable Finance of the University of Zurich (CCSF) is a leading player in the field of sustainable finance. The canton of Zurich is known as an international finance hub and as a pioneer for innovations in sustainable finance. The Center of Competence for Sustainable Finance (CCSF) brings these regional specialties together and leverages them through the research and teaching excellence of the University of Zurich. The CCSF is located in the Faculty of Business, Economics, and Informatics of the University, enabling world-class interdisciplinary research.

The CCSF consolidates critical streams of academic research and teaching in order to inform the conversation on sustainable development and growth. The activities of CCSF address three gaps: i) Consolidate scientific knowledge on sustainable finance, including reproducible metrics to account for sustainability and relevant risk, as well as the mechanisms behind individual and collective financial and economic behavior in relation to sustainability. ii) Extend scientific interdisciplinarity: the sustainability transition requires tapping into interconnected challenges going beyond the scope of a single scientific discipline. iii) Enrich the offer on education. To make sustainability count in decision-making, current and future leaders need to be educated on the nuances and approaches of the field.

[www.sustainablefinance.uzh.ch](http://www.sustainablefinance.uzh.ch)

**Venue:** University of Zurich, Rämistrasse 71, 8006 Zürich  
Science and society session and Prof. Stiglitz's lecture: KOL-G-201 Aula  
Academic sessions: KOL-G-204

**Organisation:** FINEXUS Center, [finexus@bf.uzh.ch](mailto:finexus@bf.uzh.ch)

**Costs:** Free admission. Seats for the public lecture on Thursday 16th with Nobel Laureate Joseph E. Stiglitz are limited and will be available on a first-come-first-served basis.

**Lunch breaks:** Are not covered. There are several cafeterias in the building.

**Information and registration:**

[www.finexus.uzh.ch/en/events/finexus2020-conference.html](http://www.finexus.uzh.ch/en/events/finexus2020-conference.html)

*Organization of the event by Finexus Center for Financial Networks and Sustainability The FINEXUS center, directed by Prof. Stefano Battiston, is proud to be part of the new UZH Center of Competence for Sustainable Finance. The mission of the FINEXUS center is to address fundamental research and policy questions about systemic risk and sustainability, both financial and environmental, from the innovative perspective of networks science, big data science and complexity science. The center aims at generating highest-impact research both in terms of publications records and policy uptake, promoting outstanding doctoral education and engaging in durable dialogue with policy makers and practitioners.*