

Climate Finance

Nuno Fernandes

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloguing in Publication Data

Fernandes, Nuno

Climate Finance

Includes bibliographical references and index

ISBN-13: 978-9899885431

ISBN-10: 9899885431

1. Corporations—Finance. 2. International business enterprises—Finance. 3. Corporate Finance

To Isabel, Francisco, and Luísa

ADVANCE PRAISE

Prof. Fernandes delivers, in very comprehensive terms, a pragmatic finance bible indispensable for any manager. Finance experts will learn a lot about ESG, and ESG experts will acquire the solid finance foundation they need to understand how these two areas complement each other. This green finance bible comes at the right moment to make sure that all stakeholders are aligned in terms of knowledge and expectations.

Michel Demaré, Chairman-elect of the Board of Directors of AstraZeneca, non-executive director of Vodafone and Louis Dreyfus Company, Chairman of IMD. Former CFO of ABB, and ex Vice-Chairman of the Board of UBS

Our success in the transition to a sustainable economy will define our generation. Ensuring an adequate financing for such transition is key. This book provides an excellent and thorough overview of the areas and the challenges confronting the financial industry to help in that process. Any person interested in how finance will evolve in the coming years should be interested in this book.

José Manuel Campa, Chairperson of the European Banking Authority (EBA)

How should trillions of dollars of private capital be mobilized to tackle climate change? It is an extremely important moral question with global ramifications. Thankfully, Nuno Fernandes has written the book we have been waiting for. It is timely and relevant for corporate officers, shareholders, bondholders, asset managers and owners, regulators, and bankers. He proves throughout the book just how financial decision-making and climate-change-related risks are inextricably linked.

Andrew Karolyi, Charles Field Knight Dean and Harold Bierman Jr. Distinguished Professorship in Management, Cornell SC Johnson College of Business, Cornell University

This holistic yet nuanced book sheds new light on the often-obscure world of climate finance. Nuno Fernandes offers a balanced perspective on the funding gap between investors (of all shapes and sizes) and the climate emergency, highlighting concrete options for actors on both the demand and supply sides. As an advocate for sustainable finance, I wholeheartedly recommend *Climate Finance* to anyone who cares about strengthening the links between funding and sustainability – which, given the severity of the climate crisis, should be all of us.

Geraldine Matchett, Co-CEO and CFO, Royal DSM.

ESG is the latest expansion of a CFO's role in the roaring 2000s. *Climate Finance* offers a one-stop shop to explain how finance can impact the ESG agenda and ultimately create a brighter future.

Alexandre Pouille, Europe CFO, AB InBev

Climate change is the challenge of this century and has become the dominant issue shaping finance. Close to 40% of global financial assets are now managed with an eye to environmental and climate impacts. Nuno Fernandes provides the most cutting-edge and complete coverage of all the main climate finance issues. The book is very approachable with clear takeaways. It is a perfect introduction for practitioners and MBA students looking to deepen their knowledge of this important area.

Patrick Bolton, Professor of Finance, Columbia Business School

Nuno Fernandes covers one of the most important topics of our day with this book. This fact-based book highlights great case studies and real examples to reinforce key themes. Clearly, the "Climate Finance" topic is in constant evolution, but this book provides the necessary foundation and understanding to navigate through this ever-changing landscape.

Daniel Shook, Chief Financial Officer, IMI plc

Nuno Fernandes takes on one of the major challenges we face today: climate change. Climate change imposes a limit on pollution generation and the exploitation of natural resources. We therefore have to think about how society's response can be financed. Why is this difficult? Climate change does not hit everybody at the same time, which makes the question of how to finance it over time and through economic agents hard to answer. That's what Nuno does the best. As he has done before, Nuno develops a careful, in-depth approach to the topic. A must-read, surely, for central bankers.

Mário Centeno, Governor, Banco de Portugal

For practitioners and academics, it is a challenge for finance to tackle climate change challenges and opportunities. This book provides practical and applied concepts that are firmly grounded in reality. Professor Nuno Fernandes guides readers through the possible routes and roles of financial actors and instruments for the climate and environmental objectives. He does so in a pragmatic, thorough, and rigorous fashion. A must-read for all engaged in understanding climate finance!

Isabel Ucha, Managing Board, Euronext NV, CEO Euronext Lisbon

The implications of climate change for society are serious. The financial dimensions are huge and diverse. Policymakers and companies are figuring out how to tackle it. Nuno Fernandes provides a holistic and balanced way to fully grasp this complex and relevant phenomenon by analyzing and integrating the views of companies, shareholders, investors, capital markets, and regulators. An excellent book to understand and diagnose the connections between climate change and finance.

Jordi Canals, IESE Foundation Professor of Corporate Governance

An important and timely book that addresses complex matters about which there is a lack of knowledge. Many individuals and organizations, especially in the financial sector, need enlightenment and guidance on the topics covered in this book. *Climate Finance* fills this gap.

Vítor Bento, President, Portuguese Banking Association

Climate Finance is a must-read, a primer on one of the most challenging subjects for the decades ahead. Companies, investors, governments, and regulators must adapt and contribute to finding new solutions. Prof. Nuno Fernandes delivers a comprehensive and balanced assessment of the current situation and the alternatives to pursue.

Paulo C. Pereira, Founding Partner, Perella Weinberg Partners

Climate Finance is essential reading. It provides a comprehensive overview of the new risks and opportunities that are transforming the finance industry, and the critical role of finance in the race to net zero.

Marco Becht, Executive Director, European Corporate Governance Center

A must-read that should be of great interest to industry leaders, policymakers, banks and asset managers, scholars, and students alike. Nuno Fernandes presents the role of capital markets and market-based finance as a pillar to the necessary responses from the private sector in tackling the challenges ahead. Supported by scientific articles and practical examples, the author presents an unbiased characterization of the demand and supply of capital, leading to some answers to current and future challenges.

Nuno Barroca, Vice-Chairman of the Board of Directors, Corticeira Amorim

Nuno Fernandes provides the definitive guide for all trying to find their way in sustainable finance! Finance must be a part of any effort to better our world. *Climate Finance* covers the main points for all finance professionals to get started and advance!

Michel Galeazzi, Partner, Evoco AG

Climate Finance opens a new dimension of financial analysis. It helps identify the actors and their possible vested interests. It clearly shows the enormity of this challenge. It should be a required textbook in business schools worldwide and used by decision-makers who can no longer ignore the short-term and long-term impacts of the constraints of life on this planet.

João Talone, Chairman of the Board, EDP

Climate finance is no more a greenfield after Professor Fernandes' book. This book is a practical and inspiring study that will appeal to anyone interested in climate finance. In fact, I am convinced that climate is an issue that should matter to anyone interested in finance.

Narciso Perales, CEO, Banco Pichincha Spain

Nuno Fernandes has long been a reference for me. In this timely book, he explores the world of climate finance and how the financial sector and companies are contributing to solve this worldwide crisis. It will be a new reference for all managers and boards.

Gonçalo Moraes Soares, CFO and Member of the Board REN – Redes Energéticas Nacionais

Nuno Fernandes offers a holistic perspective on the intricate interface between sustainability and financial markets. It is an insightful look at how the “green” funding gap should be addressed by capital supply and demand. It explores the different challenges faced by actors on both sides as they raise funding, develop sustainability-related strategies, and manage risks. A succinct yet comprehensive book about the big picture in a critical, emerging area of the financial system.

Stilpon Nestor, Founder of Nestor Advisors

Climate change presents an enormous challenge not only to humanity's survival but to the way our economies are organised around the world. In the process of corporate transformation that will have to take place, private capital will play a lead role. Nuno Fernandes is the right person to guide us through the levers of this transformation, to show

us how existing corporate structures will have to adapt and investors mobilised. This is the topic for our times and this book provides the much needed framework for decision makers. A must-read.

João Moreira Rato, Chairman of the Portuguese DMO during the Euro crisis and President of the Portuguese Institute for Corporate Governance

Nuno Fernandes provides an incredibly comprehensive overview and explanation of the various components and actors driving the development of climate finance. Covering both analytical frameworks and case studies, his contribution provides a solid foundation and excellent introduction to this important topic. It is a must-read for those who want to understand the role, opportunities, and challenges of finance in the climate-neutral transition.

Emma Navarro, Executive Director, the European Climate Foundation. Independent Board Director, Iberdrola España. Former Vice-President, the European Investment Bank

Climate change is a threat to humanity. It has been described as the biggest market failure in history. Correcting that failure is not an option, but rather an absolute need. To address this, there is a fundamental role for the corporate sector, with risks and opportunities that demand top management's capacity to take hard decisions. *Climate Finance* is a must-read, an outstanding contribution, for the timing, rigorous coverage, and depth of issues covered.

Luís Laginha de Sousa, Chair of the Management Board, CMVM

Mitigating and adapting to climate change has been at the forefront of the world's agenda. Business as usual is not good enough. We need fundamental changes in the way financial agents understand their roles as investors, issuers, intermediaries, regulators, and citizens. This is why it is important that clear, well-structured, and accessible textbooks, like Nuno Fernandes's *Climate Finance*, make their way into MBA classrooms – and into corporate boardrooms – as soon as possible.

Pablo de Ramón-Laca, former Director General, the Spanish Treasury and Financial Policy

This book builds a comprehensive framework that helps the reader understand the various components of climate-related financial issues. Nuno Fernandes masterfully assembles evidence from markets and academic studies, complemented by practical case studies from leading companies around the world. It is a great resource for market practitioners as well

as lay readers who want to understand the risks and opportunities associated with climate change. I expect the book to be a standard reference for courses in sustainable finance.

Kalok Chan, Wei-Lun Professor of Finance, Chinese University of Hong Kong

Professor Nuno Fernandes provides a comprehensive overview of how climate change challenges the financial management of companies and how it modifies the views and actions of investors in regard to the allocation of capital. Combining scientific rigor (by providing evidence from markets and academic studies) with practical relevance (by addressing the key issues that the finance world needs to tackle), this book is an outstanding contribution that redefines the role of finance in this age of transformation toward a more sustainable society.

António Gomes Mota, Professor at ISCTE and Chairman of the Board of EDP Renewables

Any thoughtful finance practitioner would be well served by reading this book with its sharp focus on the financial dimensions of climate change. Professor Fernandes is careful not to get caught up in moral debates but instead focuses on the implications for finance from a variety of angles, including government and fiscal policy, capital market considerations, corporate strategy, supply chain, and governance. The book is an excellent read and a welcome addition to the conversation.

Brad Greve, Chief Financial Officer, BAE Systems

Climate change and financial impact! There are significant ramifications depending on the course of action taken. Read this book and learn from one of the best.

Anton G. Van Beek, CEO, DOW Western Europe

ABOUT THE AUTHOR

Nuno Fernandes is Professor of Finance at IESE Business School. He is also the Chairman of the Board of Auditors at the Portuguese Central Bank (Banco de Portugal), Non-Executive (Member of Audit Committee) at the European Investment Bank, and a Research Associate of the European Corporate Governance Institute. His particular areas of interest are climate finance, mergers and acquisitions, corporate governance, banking, financial strategies, and corporate finance.

Professor Fernandes regularly advises companies and financial institutions in Asia, Europe, Latin America, and the Middle East. He has delivered speeches and workshops for well-known companies around the world with audiences ranging from 10 to 1,000 people. Blending real-world examples and practical tips, Professor Fernandes customizes his content to align to clients' objectives so that audiences leave the room energized to act differently, thus creating lasting impact for the organization.

A regular contributor to international media – including *The Financial Times*, *Forbes*, and *The Wall Street Journal* – Professor Fernandes is the author of several books, including *Finance for Executives: A Practical Guide for Managers* (second edition), and *The Value Killers: How Mergers and Acquisitions Cost Companies Billions—And How to Prevent It*.

In the past, Professor Fernandes was the Dean of Católica-Lisbon, and Professor of Finance at IMD in Switzerland. He has received numerous teaching and research awards and has been published in leading international academic journals, including the *Journal of Financial Economics*, *Review of Financial Studies*, *Journal of International Business Studies*, *Journal of Financial Intermediation*, *Journal of Applied Corporate Finance*, *The Journal of Portfolio Management*, and *Harvard Business Review*. In 2022, he won the “Outstanding Teacher” award, in The Case Centre’s Worldwide Competition, also known as “business education’s Oscars.” He earned his PhD in Management (Finance) from IESE Business School, and a degree in Economics from Universidade Católica Portuguesa.

Introduction: A Primer on Green Finance

What This Book Is About

This book focuses on the intersection between climate change and finance.

It aims to provide a comprehensive overview of the various facets of climate-related financial issues. The real-world impacts of climate change are reshaping stakeholders' expectations. Although government policies play a role in tackling climate change, businesses are not waiting and watching. They understand that they need to participate, and contribute, in different ways.

Finance is about linking demand for capital to suppliers of capital. Defined in this broad sense, finance (including financial players such as shareholders, debtholders, capital markets, regulators/central banks, and boards) has an important role to play in tackling the challenges ahead.

A big funding gap exists between what we have right now (the Paris Agreement signatures) and what we need to have in the future (the actual infrastructure, supply chains, and corporate frameworks to deliver on those agreements). It is clear that bridging this gap should now be the priority for executives, board members, and shareholders. For instance, the world's largest investor, Larry Fink, Chief Executive Officer of BlackRock, has already issued several warnings in his 2018 (and later) letters to shareholders. Many more long-term investors, including pension funds, sovereign funds, and others, are increasingly concerned that failure to act could endanger the long-term returns on their assets.

Corporate action will be crucial for obtaining the funds needed to fulfill the carbon neutrality goals, and most of the required investment will come from the private sector. Market-based finance is a key pillar in this process. Capital markets, the intermediary between savings and corporate investments, can be used to close the investment gap.

Therefore, in this book, I will explore this topic from both the demand and supply sides:

- Demand, or “the need for capital”: Here, I look at the corporate side, covering investment and financing needs; the roles of executives and boards, voting advisors, and rating agencies; how climate risks are addressed at the corporate level; supply chain aspects; etc.
- Supply of capital: Here, I examine the roles of actors such as suppliers of capital, various equity investors, sovereign funds and other large institutions, passive/active shareholders, various debt investors, and central bank/bank supervisors; various certification schemes and standards; challenges to integration in asset management; etc.

Finance is about the exchange of capital over time, with some attendant degree of uncertainty. Climate change issues also involve temporal trade-offs, with a high degree of outcome uncertainty.

Climate change, as well as the government policies related to it, poses risks to companies, banks, governments, and investors, but also opens up opportunities. Apart from managing the direct impacts of climate change on their operations, companies will also have to adapt to how society responds to climate change. They will have to deal with changes in regulations, technologies, markets, consumer reactions, and other effects. Overall, no company is immune to climate change risks and opportunities, as they affect the competitive environment and the global macroeconomic outlook. Also, certain industries and companies may be more affected than others.

Underpinning this book is a careful study of the evidence for the links between financial actions and climate change. This means that instead of providing a one-sided argument by carefully cherry-picking the data or presenting a case study that works only in a certain environment, I try to use large-scale evidence. In all the topics, I present insights from research that spans different periods and uses diverse methodologies covering thousands of companies operating in multiple countries. As far as possible, I rely on studies published in the most rigorous finance, management, science, and economics journals. These journals have high standards of publication and reject more than 90% of the submitted papers; moreover, each paper published in these journals is closely scrutinized (its methodology and data, and also its implications for business practice).

Each section presents relevant frameworks, as well as evidence from markets and academic studies. The academic studies are complemented by practical case studies featuring leading companies and investors, as well as interviews with senior executives from various countries working with a variety of organizations and industries.

What This Book Is Not About

This is not a book about climate change. Rather, it is a book about how finance, from both the corporate side and the capital markets side, can work as an important force to prevent further increases in global warming, mitigating its impact on our lives and helping us adapt to its already inevitable effects. It focuses on what managers and investors can do to promote sound financial management and will also help them understand the impact of their decisions on the climate transition.

This is not a book with a one-sided narrative. It is dangerous to have a siloed, one-dimensional view of the world. Thus, I will show that there are grounds for reasonable doubt about many conclusions found in the literature. There are also false claims about environmental performance – greenwashing – that are dangerous and reduce confidence in various climate change mitigation instruments. Whenever possible, the book tries to answer questions, but several questions that can stir up controversy will regrettably remain open.

In many areas, it is important to understand that there are two sides to every argument. There are good examples of serious research with controversial results. This is not unexpected, and we need to be aware of it. However, it also means that it may not be possible to provide a definitive answer to every question. We soon realize the futility of trying to frame cut-and-dry statements such as the following:

- “This will increase your profits and positively impact the planet – it is a win-win.”
- “Investing in shares with high environmental, social, and governance (ESG) ratings leads to excellent returns.”
- “Companies that issue green instruments always pay lower interest costs.”
- “Banking regulators penalize banks that have ‘brown’ loans in their portfolios.”

More nuanced answers will sometimes be unavoidable. The reality is that all that glitters is not gold. It is important for companies to avoid greenwashing and not fall into the trap of taking easy shortcuts that typically do not pay off in the long run.

This is not a book focused only on investing in sustainable assets. Many authors have focused on asset management alone. However, climate finance is about much more than investing. Often, most of the discussion is centered on ESG investing, and its performance, or how asset managers should invest taking climate change into account. In this book, I provide a comprehensive overview of the various elements and actors that make up the broad field of climate finance. Besides investors, it includes companies, and also several service providers and facilitators of the investment value chain (e.g., asset managers, banks, index providers, rating agencies, disclosure-standards-setting organizations, and regulators) who will have to respond to new demands.

This is not a book about reinventing capitalism, or refunding our society. Of course, we must think about the broad societal impacts of corporate and financial actions. However, the premise of this book is that we must fix the problems under our current system. We do not have the

time to reinvent the wheel. We have a capitalist system in which people save money, which when invested in pension funds or in other assets will hopefully provide for a comfortable retirement. Capital markets exist to channel funds from those with money, to those with entrepreneurial ideas. Therefore, those with money do not have to be creative. By using capital markets, they can channel their money to those with ideas, and it is by developing these ideas that economic growth, job creation, technological development, and also financial returns for investors are generated.

Objectives

Climate change is not a *possible* future risk. It has already started to impact human life, but the worst effects are yet to come. Avoiding those extreme impacts represents an unprecedented challenge for humanity. Besides posing risks, climate change also offers business opportunities, and companies can act to enhance their competitiveness. New business models will arise, new products and services will be demanded, and financing sources have begun adapting to this change.

A huge level of investment is required to meet the Paris Agreement goals. Given the magnitude of the challenge, it is clear that public investment alone will not be enough. Private sector funds need to be channeled into the new investment opportunities. Banks and financial investors can serve as enablers of a smooth transition and help properly allocate capital and risks. Every type of investor will be involved, in different ways: by investing in private equity funds or directly in projects, buying bonds or equities, or investing in global funds that diversify their savings.

The book covers all the financing activities of companies, both through the debt side and the equity side. It also addresses the financial market aspects of these activities. This means, for example, analyzing the following topics through a climate lens: bank loans, supply chain finance, raising equity or debt in capital markets, investing in different assets, mergers and acquisitions, corporate governance, and so on. Several financial instruments are novel, and some aspects of their structure and best practices are still being developed. The book provides practical and applied concepts that are firmly grounded in reality. Further, it also covers the scientific evidence – when it exists – on each topic.

Some other objectives of the book include the following:

- Bridge the gap between traditional corporate finance and the investment world, with a focus on climate-related issues.
- Provide frameworks for readers to help them better understand the field, and how finance and climate are linked.

- Provide some answers, but also food for thought for decision-makers, on what should be the top priorities for managers, investors, and anyone interested in this area.
- Allow the reader to assess his or her contributions, risks, opportunities, and personal role in the coming transition.
- Help investors and companies make more informed capital allocation decisions by appropriately incorporating all risks.
- Present a balanced view, showcasing the arguments for different sides, as well as the evidence in favor of or against certain actions, products, and investments.
- Provide visibility on up-to-date research, frameworks, and data.

If some of these objectives are achieved, perhaps this book in itself will be able to move the needle just a little in tackling the global challenges we face.

How This Book Is Structured

Carbon emissions, and other sources of pollution, raise Earth's temperature by reducing its ability to absorb heat and expel it outside the atmosphere. This book starts by considering this problem (from the point of view of different stakeholders), and then turns to the finance solutions. It tries to present a "neutral" or "balanced" view of this world through research evidence, numerous interviews with experts in different areas, and multiple case studies.

The book is divided into six chapters, each analyzing a different topic. There are obvious linkages across the chapters, and many topics in different chapters could reasonably be considered part of one, or another, chapter.

Chapter 1 provides an overview of the problems we face. It describes the impacts of climate change, stakeholder reactions, regulatory developments, and some global economic implications. This introductory chapter is intended as a primer on the circular relationship between the environment, corporate actions, and financial markets. It provides useful background and helps frame the chapters that follow.

Globalization of capital markets, international financial flows, and investors that aim to diversify their portfolios globally to generate long-term returns are all positive forces that help address this world challenge. Thus, finance can be a major force for change. The subsequent chapters of this book focus on these roles and impacts in detail, from the company and investor/market perspectives.

Chapter 2 discusses the risks, opportunities, and costs of climate-related effects. Climate change can have serious impacts on economic growth and development levels, access to resources, and the quality of human life around the world. It affects all countries, but in different ways, and with different timing. Various economic models estimate that failure to act will increase the overall costs and risks of climate change until they account for a

significant percentage of the global GDP. Further, some countries are more vulnerable than others. The cost of stabilizing climate change is significant, but the scientific evidence suggests that the alternative is much worse. This chapter introduces some measurement frameworks that will be further developed in subsequent chapters. We discuss the problem of stranded assets and the challenges for both advanced and emerging market economies. Finally, the chapter analyzes how the assessment of these climate-related risks and opportunities can lead to very different business models and valuations of companies.

The next two chapters focus on the “demand for capital.” In particular, they cover debt and equity financing across many different dimensions.

Chapter 3 evaluates the climate change impact on debt financing, including various aspects of the debt side of the balance sheet. Activity in the sustainable finance market has grown exponentially in recent years. This chapter overviews recent advances in green financial products, and also their challenges and limitations. This includes green bonds, transition bonds, project finance, and novel forms of bank financing such as green loans, sustainability-linked loans, and supply chain finance. The chapter also highlights how environmental sustainability factors are being incorporated into creditworthiness assessments performed by banks and credit rating agencies.

Chapter 4 focuses on the equity financing side of the balance sheet. It starts by introducing the various actors involved in equity finance (privately held companies, private equity, family firms, public capital markets), summarizing how climate issues can affect them. In addition, this chapter discusses mergers and acquisitions, and how they are affected by climate issues. It also covers the pressure exerted by the ultimate owners/investors, including recent trends in shareholder voting on ESG issues; other cutting-edge topics in corporate governance; shareholder activism; and the role of the board in environmental issues.

Chapter 5 highlights the impact of capital markets and investors, or the “supply of capital.” Capital markets play a key role in financing the transition to a green economy. Investors play an important role in lowering the carbon footprint and redirecting capital flows to environmentally sustainable projects and innovative technologies. Some of these investors hold key positions in the world economy, and can significantly influence corporate actions. In this chapter, we discuss how ESG issues and climate risk considerations are being integrated into the business strategies of key players in capital markets. The chapter also covers topics such as ESG rating agencies, the metrics applied to evaluate companies’ climate risk vulnerability and sustainability footprint, ESG stock market indices, investor preferences, and the balance between risk and return in investments. It then zooms into the different strategies used by investors, including institutional investors such as pension funds, sovereign wealth funds, infrastructure funds, mutual funds, and passive investments in exchange-traded funds.

Chapter 6 discusses the impact of global policies on accelerating the transition and helping achieve the overall climate objectives. This chapter discusses the incentives that governments can give to the private sector and financial markets to promote the transition to a low-carbon economy. Although finance (and the various financial actors) can play a role in mobilizing savings toward climate-related goals and investments, policies and regulations also play a role. A first step is to introduce a fiscal policy that incorporates the pricing of externalities, which is related to carbon taxes and fuel subsidies. It is important to recognize that political economy aspects are involved. Some countries are more vulnerable to climate change, and other countries will face higher transition costs and disruptive social problems along the way. Other important elements include the international framework for disclosure and transparency regulations (including the taxonomies, such as the EU Taxonomy), other financial market regulations, and the response of multilateral institutions to the threat of climate change. This chapter also discusses the role of the central banks, and how they are integrating climate considerations into their monetary policy instruments, financial stability, and banking system regulatory frameworks.

Overall, we have a huge task ahead of us, which grows in magnitude by the day. Without significant private financing, we won't get there. However, we should also not overestimate the objective of "doing good for the world" as a driving force of financial flows. It is important to realize that maximizing risk-adjusted returns is likely to remain the primary consideration for the vast majority of investors. In addition, we need effective and coordinated policy measures and regulatory interventions to link the necessary climate investments with economic returns.

Target Audience

This book covers topics and frameworks rigorously, balancing investor and corporate needs. In addition, it also balances practitioner and academic insights. The variety of material and approaches will interest a broad audience, including the following:

- Corporate managers who want to understand the risks, as well as opportunities, associated with climate change and financial markets.
- Investors who want to educate themselves on climate change and its implications for their portfolios.
- Executives and members of boards of directors who want to understand the implications of climate change for corporate finance strategies.
- Regulators, central bankers, and supranational institutions.
- Consultants, lawyers, auditors, bankers, advisors, and other financial intermediaries who want to keep abreast of this broad field.
- Entrepreneurs and business leaders who want to understand where to go for the money they need.

- Faculty members teaching sustainability- or climate-related courses.
- Students interested in a textbook that explains how the worlds of finance and climate intersect.
- Readers with a general interest in climate and finance.

Book's Website

www.FinanceForExecutives.net/Climate-Finance-Book

Acknowledgments

Writing this book has been a genuine pleasure, above all for the opportunity to discuss ideas with, and learn from, so many people during the different stages of the book. I have greatly benefited from my regular interactions with hundreds of participants in executive education and MBA programs who come from diverse backgrounds, including board members, CEOs and CFOs of many companies around the world; classroom sessions; development of company-specific programs; corporate workshops; consulting; and even informal conversations. I am grateful to them for inspiring many of the ideas in the book.

I owe a big thank-you to the large number of executives and academics who gave generously of their time, shared their knowledge with me, and allowed me to interview them and learn from their insights into many of the challenging topics this book covers. Also, many business professionals and researchers were kind enough to read earlier drafts of the book, correct mistakes, comment on the content, and suggest additional thoughts and insights, all of which helped shape *Climate Finance* into the book that you now hold in your hands. For all the above valuable support that has enriched the book immeasurably, I would like to express my profound gratitude to Adam Roscoe, Ahmad Rahnema, Aiswarya Choppali, Alain Dargham, Aldo Romani, Alex Pouille, Álvaro Nascimento, Andrew Karolyi, Andrew McDowell, Aniket Poojary, Anton Van Beek, António Gomes Mota, Brad Greve, Bruce Burrows, Carsten Staecker, Cherie Bong, Chuks Umeche, Cyrille Urfer, Dan Shook, David Atkin, David Blumer, Deriam Chirinos, Duarte Silva, Emma Navarro, Fabian Fiege, Fabrizio Ferraro, Filinto Martins, Gabriela Figueiredo Dias, Geraldine Matchett, Giulio Banchini, Gonçalo Morais Soares, Halit Gonenc, Hernando Cortina, Isabel Ucha, Javier Dias Gimenez, Jeffrey Baccash, João Moreira Rato, João Talone, Joaquim Cadete, John Sutherland, Jordi Canals, Jorge Martínez, José Leitão, José Manuel Campa, Justo Gomez, Kalok Chan, Katharina Klohe, Katja Pluto, Kevin Anselmo, Larissa Švábová, Liana Logiurato, Lucía García, Luís Laginha de Sousa, Marco Becht, Margarida Abreu, Mark Konyn, Mark Hermle, Marta Teixeira, Mauro Giacosa, Max Horster, Michel Demare, Michel Galleazi, Mike Rosenberg, Narciso Perales, Nuno Amado, Nuno Barroca, Olivier Jaeggi, Óscar Figueiredo, Pablo de Ramón-Laca, Patrick Bolton, Paulo Cartucho Pereira, Phil Rosenzweig, Rafael Cisneros, Raj Patara, Ron Steijn, Shubo Nag, Simon Henry, Stilpon Nestor, Vinoshen Vinayagam, Vitor Bento, and Werner Hoyer.

I am extremely grateful to my research assistants, Filippo Bonanno and Brenda Torres, for their amazing help and support along this journey. They have been instrumental in helping me navigate the complexities of the topics, and bring this project from the very early stages

to this final form. They have read every chapter, scanned and gathered data from many data sources, checked formulas, calculations, cases, and exhibits. They have delivered with a great attitude and acceded to all my demands, which were not few! Of course, in no way are they responsible for any errors that may remain in this book. These are all my sole responsibility. I am also extremely grateful to my editor, Santhosh Matthew Paul, who has been consistently encouraging, directing, and pushing my work forward. His attention to detail, good suggestions, and overall high standards played a crucial role in ensuring that complex concepts will be understood by readers of all levels.

This book could not have been written without the love and support of my family. I want to dedicate this book to my mom, who was alive when I started the journey, but did not live to see it finished. I know she would have been prouder than I am for having written this book, in particular given her passion for the topic of climate change. I also dedicate this to my father, who I'm sure will read it just because I wrote it, and will proudly share it. My two teenagers helped me with their patience and uncomplainingly sacrificed time with their dad on account of my work on this book. Francisco had to put up with his dad typing away for long hours instead of trying to beat him on PES. Luísa had to wait for a long time to finish watching some Netflix series with me. Besides being an amazing (and award-winning) photographer, Luísa is very creative and managed the entire cover design process. Finally, my wife, Isabel, unsparingly gave of her time and energy to support my writing. She has read and commented on different drafts of this book, and has always been a sounding board and source of ideas for my work.

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