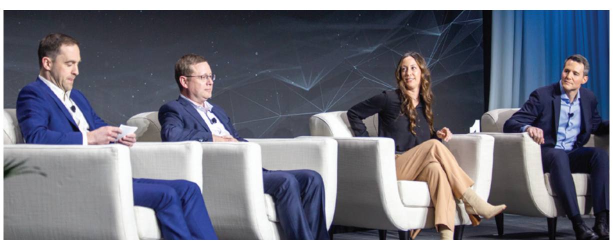

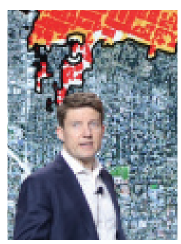

The Glasshouse, New York, NY

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February
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2025

Forecast Key Takeaways

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Forecast 2025 Key Takeaways

Forecast 2025 brought together the key voices in Climate Risk Financial Modeling (CRFM) - experts in climate science, regulators and business leaders to build a shared vision of the category and offer a platform to collaborate on its challenges and solutions.

Keynote

A CONVERSATION WITH

Secretary John Kerry

→ Businesses cannot ignore climate considerations as impacts become inevitable, costly, and more frequent. Addressing climate risk is now an economic and competitive necessity, driven by market forces and the urgency to address risks that aren't fully reflected in business costs. To manage these risks, we must first measure them—because if you can't measure risk, you can't manage it.

→ SESSION 1

Challenges and Innovations: The state of the art of climate science modeling

Dr. Kerry Emanuel, MIT
Dr. Gavin Schmidt, NASA Goddard Institute
Dr. Ed Kearns, First Street

The past climate events don't predict future events, but physics-based climate models do. For financial institutions to make sound decisions, they must leverage granular, decision-useful data to quantify and incorporate climate risk into their strategies.

→ SESSION 2

The Indirect Cost: The macroeconomic risks, insurance challenges, and repercussions of climate disasters

Dr. Spencer Glendon, Probable Futures
Dr. Carolyn Kousky, Insurance for Good and EDF
Dr. Jeremy Porter, First Street

The current insurance market relies heavily on historical data, failing to adequately account for climate risk in its premium calculations. This raises an urgent question, particularly in an industry dominated by short-term, one-year policies: is the future even insurable? This highlights a critical reality—insurance is neither a long-term strategy nor a reliable safety net.

→ SESSION 3

A Conversation with Sarah Bloom Raskin: Protecting the stability of the financial system in the face of escalating climate risk

Sarah Bloom Raskin, Kaya Partners
Matthew Eby, First Street

Historical crises have shown us a critical lesson: unpriced risk lies at the heart of financial instability. The same principle applies to climate risk—if it is not accurately priced, the consequences will ripple through the financial system.

Managing climate risk is not solving for regulation. For financial institutions that trust in the power of markets, the priority is clear: take proactive steps to price and manage climate risk effectively. In doing so, they not only mitigate potential threats but also uncover valuable opportunities along the way.

→ SESSION 4

Through the Fire: Burning questions about navigating financial risk from systemically significant financial institutions

Tim Judge, Fannie Mae
Kunal Motiani, Citi
Eric Wischman, M&T Bank

Banks have a fiduciary duty to incorporate climate risk into their overall risk management frameworks due to its significant impact. Like any other risk, climate risk should be managed systematically, with each department taking ownership of the specific risk categories it affects.

→ SESSION 5

Climate Risk & Opportunity: Integrating climate risk into asset management decisions

Brittany Ryan, Nuveen
Eric Duchon, Blackstone
Jonathan Flaherty, Tischman Speyer

Asset owners and managers need to develop a clear and consistent "house view" on climate risk and seamlessly embed it into existing decision-making processes by creating a structured, actionable, and repeatable playbook.