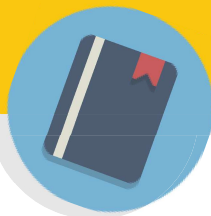




Role-playing game
Green Swan Booklet



**Morning
Session**

WHAT DOES IT LOOK LIKE?

Sketch out a climate financial crisis

Complete the headlines of the WS Journal which depict the symptoms of that financial crisis

The World is not insurable anymore: Huge drop in stock market

OPEC backlash : No more oil for the West

The Lloyds Syndicate Greenwashing scandal

Central banks take-over ESG funds



Examples

HOW DID WE GET THERE ?

Imagine the
sequence of
events leading to
the climate crisis

Items

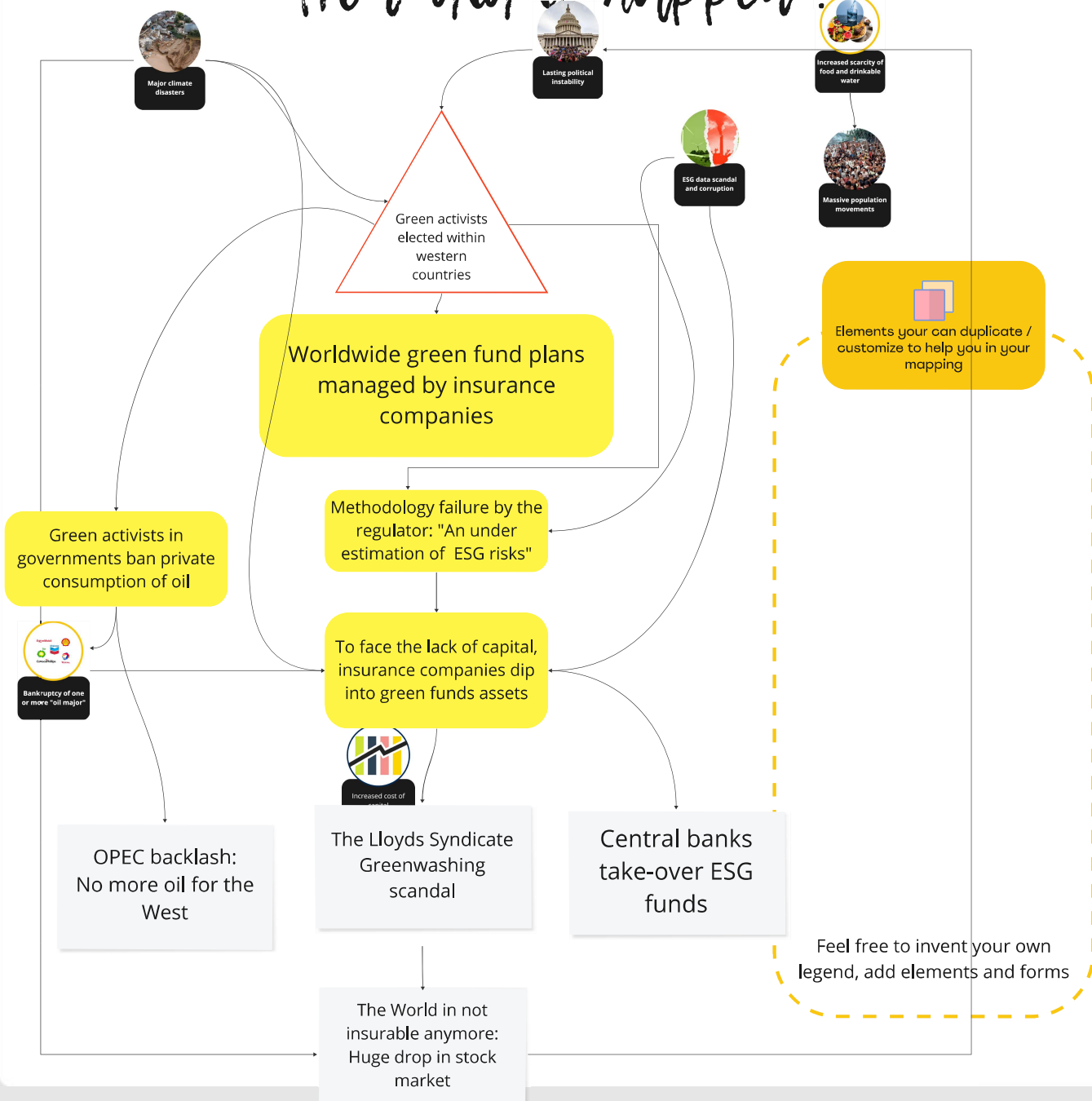


Triple-click
to add
other ideas

Triple-click
to add
other ideas

Triple-click
to add
other ideas

How did it happen ?



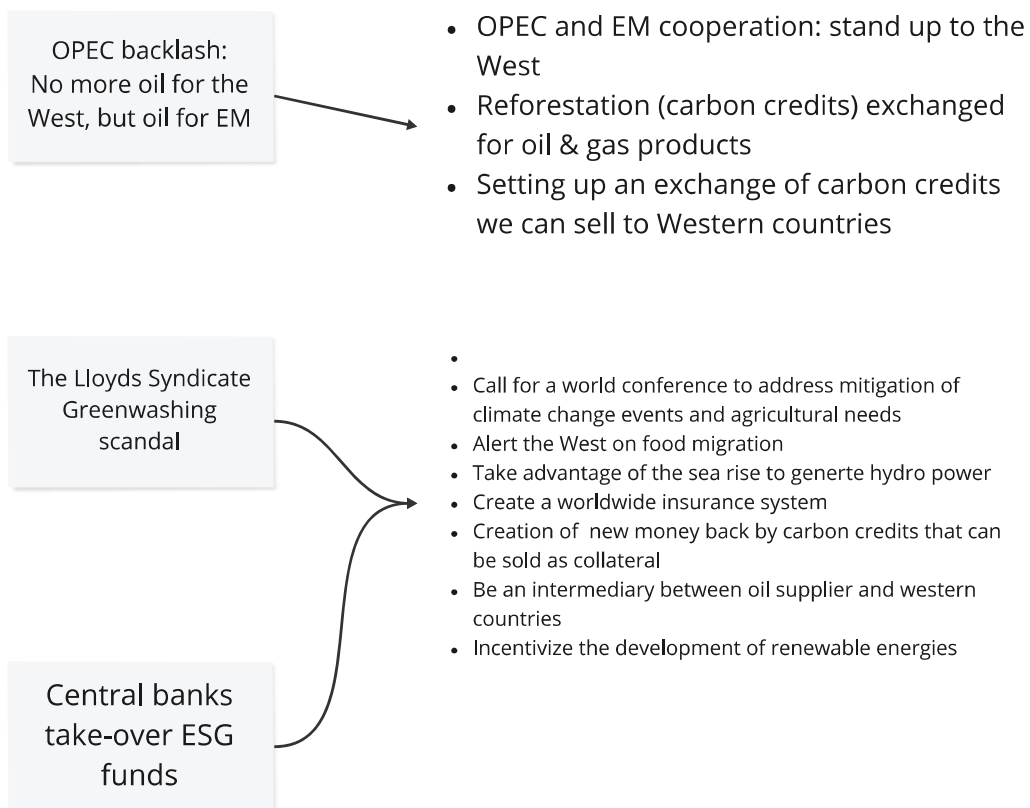
INVENT REMEDIES:

**Time for stakeholders to forestall that crisis.
From your stakeholder's position, define an action plan.**



Invent remedies

Central Bank of Bangladesh



WHAT DOES IT LOOK LIKE?

Sketch out a climate financial crisis

Complete the headlines of the WS Journal which depict the symptoms of that financial crisis

Long-term structural decrease in asset value due to climate risks

Consumers and investors question the performance and relevancy of certain green technologies

Increasing risk of pandemics with global warming

Strong need for international standards and accountability of ESG investments



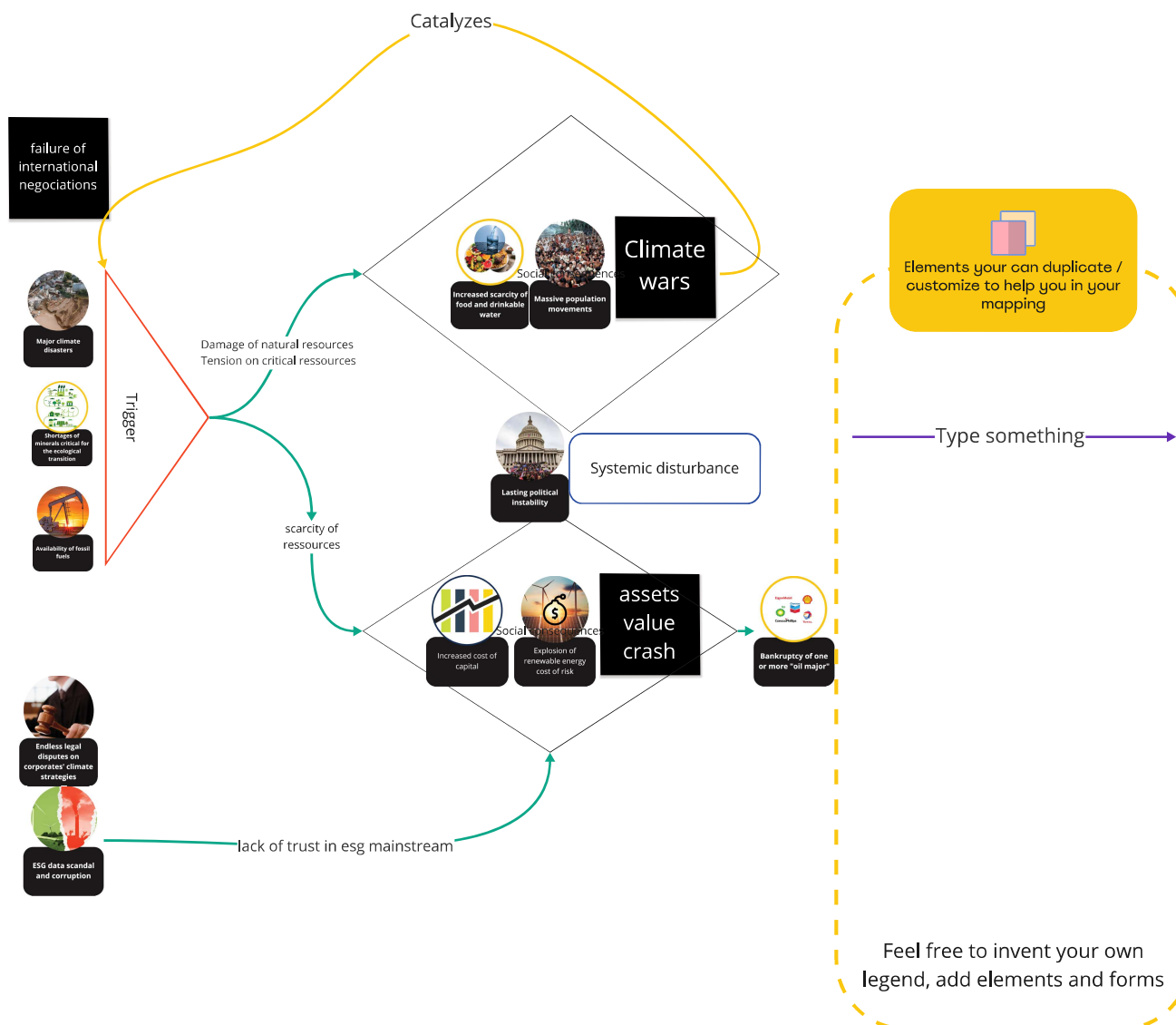
Examples

HOW DID WE GET THERE ?

**Imagine the
sequence of
events leading to
the climate crisis**



How did it happen ?



INVENT REMEDIES:

Time for stakeholders to forestall that crisis.

From your stakeholder's position, define an action plan.



A top-tier
institutional
investor

Invent remedies

STRATEGY

Adapt the risk methodologies to include systematically climate and more broadly E&S risks in the risk assessment

STRATEGY

Invest in analysis methodologies that enable to identify solutions to the societal and ecological challenges

INVESTEES

Define exclusions and adapt exclusions with the evolution of the risks assessment

INVESTEES

Stewardship with companies that need to transform their business model

STRATEGY

Commitment, own responsibility and concrete action plans

ASSET MANAGERS

Incentives, ie remuneration of asset managers conditioned to ESG performance

INVESTEES

Activism on the most exposed companies

STRATEGY

Lobbying to increase ESG standardisation, taxation of stranded assets, etc.

RETAIL

Training and communication to the final clients on E&S challenges and their impact through their savings

RETAIL

Ensure disclosure and availability of the E&S information to the final clients and invest in solution to facilitate E&S investments

WHAT DOES IT LOOK LIKE?

Sketch out a climate financial crisis

Complete the headlines of the WS Journal which depict the symptoms of that financial crisis

unpredicted waterfall
in Insurance sector -
no coverage at all

corporate going
bankrupt due to
increasing carbon
pricing

Energy Price hike
due to increasing sea
level causing disruption
of nuclear plants

social unrest due
food scarcity

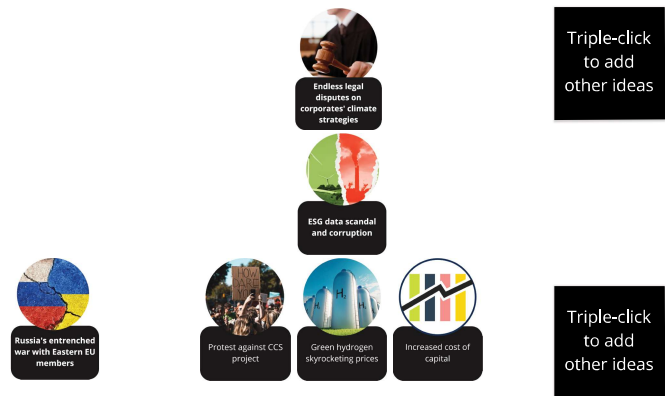


Examples

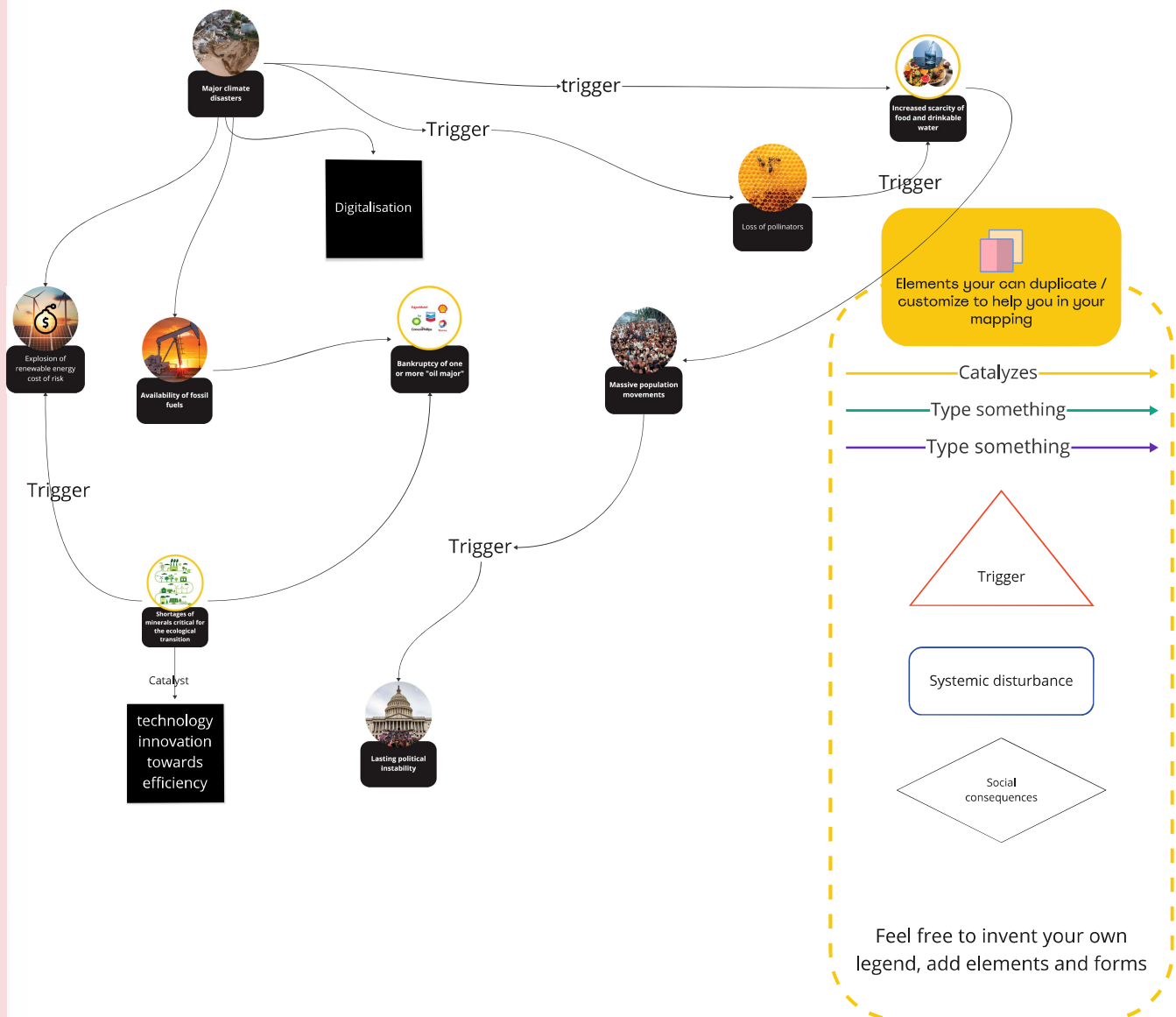
HOW DID WE GET THERE ?

**Imagine the
sequence of
events leading to
the climate crisis**

Items



How did it happen?



INVENT REMEDIES:

Time for stakeholders to forestall that crisis.

From your stakeholder's position, define an action plan.



Non-
financial
corporate

Invent remedies

supermarket-case study

Behaviour
-
customer

- forecast of customer sentiment
- understanding the impacts of behavioural change
- customer education

Supply
chain
security

- Local sourcing
- enhancing relationships with suppliers
- strategic planning

Innovation

- utilisation of extra space, like parking, rooftop for food planting and providing shuttle
- research, e.g. waste management

Crisis
management

- Training, capacity building
- emotional help

WHAT DOES IT LOOK LIKE?

Sketch out a climate financial crisis

Complete the headlines of the WS Journal which depict the symptoms of that financial crisis

Forest burning leads to decrease in carbon prices and impacting company valuation

We've bet on the wrong technology!

Flight to safety due climate anxiety leads to massive capital outflows

Flight bashing wins



Examples

physical risks impacting value chain and real assets, hence company valuation. Mispricing of assets

political leverage

airbus had a sustainability targets/bet on technologies such as hydrogen that didn't materialize (use of SAF)

bet on the wrong technologies - No real and serious audit of the disclosure that verify that capital is directed towards transition



2

HOW DID WE GET THERE ?

Imagine the
sequence of
events leading to
the climate crisis

Items

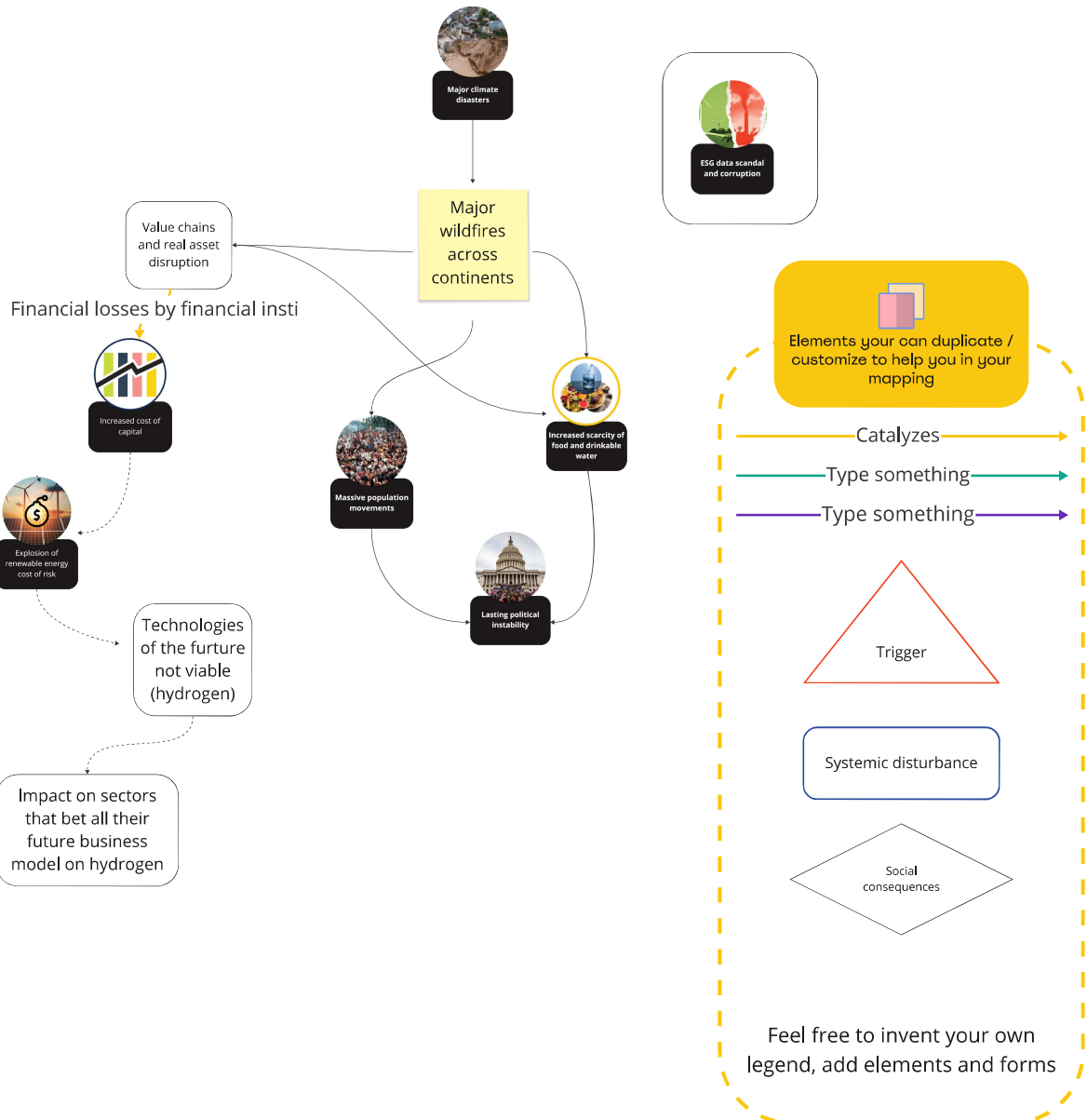


Triple-click to add other ideas

Triple-click to add other ideas

Triple-click to add other ideas

How did it happen ?



INVENT REMEDIES:

Time for stakeholders to forestall that crisis.

From your stakeholder's position, define an action plan.



Central
Bank

Invent remedies

Solutions:

- Green QE to calm markets and direct capital towards transition
- Education of internal staff/leadership of central bank to have climate awareness
 - Education of financial institution
 - Promotion climate of governance within banks
- Change the mandate of the central bank to not only cover inflation but have wider to ensure orderly climate transition
 - Guardian of the carbon market
 - Asset quality review by banks to capture exposure to climate risks
 - Green RWA
 - Harmonization of disclosure standards globally (through NGFS)

WHAT DOES IT LOOK LIKE?

Sketch out a climate financial crisis

Complete the headlines of the WS Journal which depict the symptoms of that financial crisis

To little too late : fossil fuel exploitation stops too late because of lack of regulation

Bankruptcy of blackrock
due to supply chain
disruption

Increasing wheat
prices due nuclear
bombing raid

Title :



Examples

HOW DID WE GET THERE ?

Imagine the sequence of events leading to the climate crisis

Items

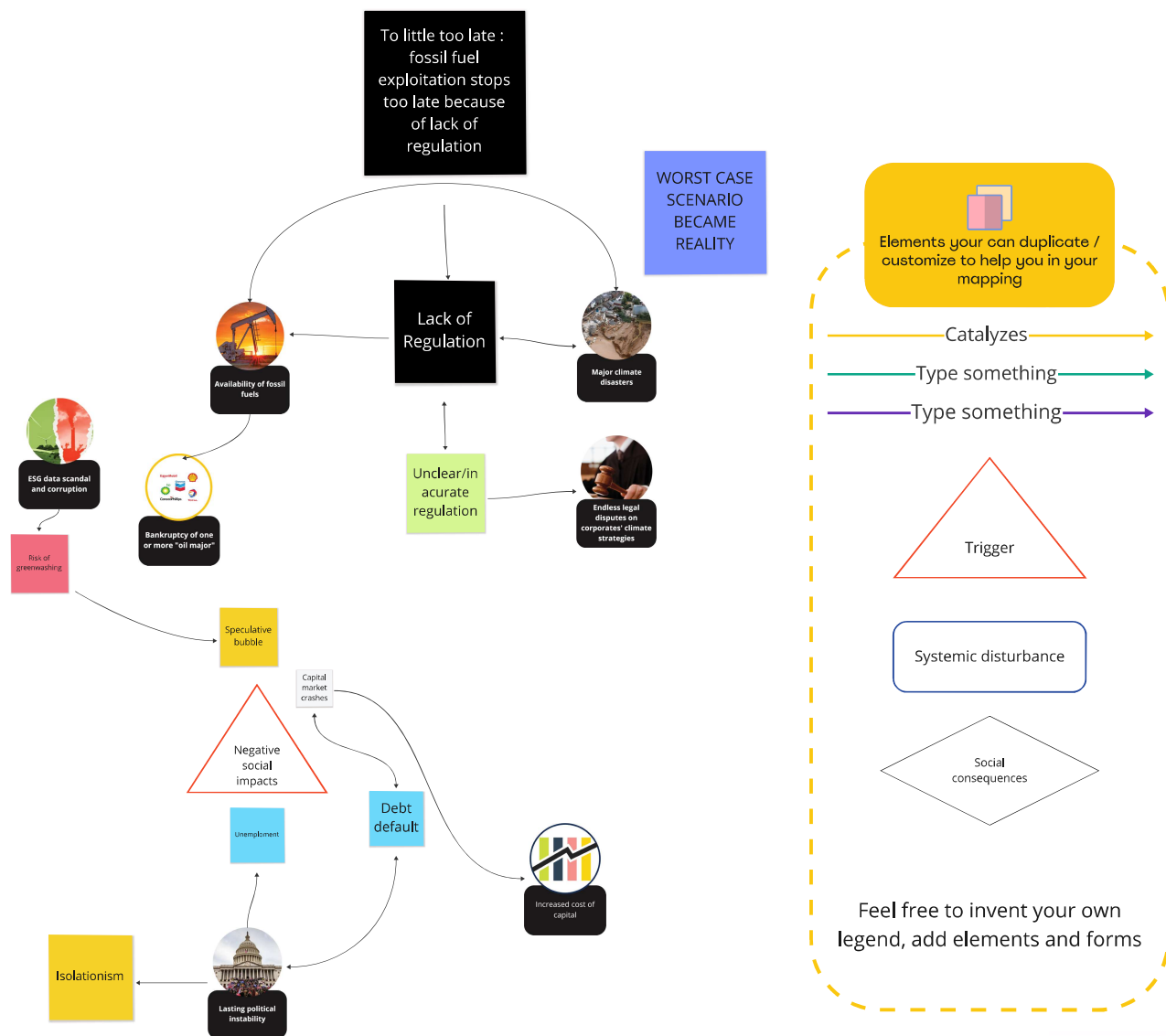


To little too late : fossil fuel exploitation stops too late because of lack of regulation

Lack of Regulation

Triple-click to add other ideas

How did it happen ?



3

INVENT REMEDIES:

Time for stakeholders to forestall that crisis.

From your stakeholder's position, define an action plan.



A trade union

Invent remedies

EXTERNAL

generate leaks and wistleblowing

Adaptation guidelines

Regulatory lobbying

Sectoral advocacy

Training session on climate change

investments in the transition

COMPANY MONITORING

Employee collective

Climate adaptation initiatives/policies

including trade union in the board

Sustainability/Climate Committee

INTERNAL

Sketch out a climate financial crisis

Examples

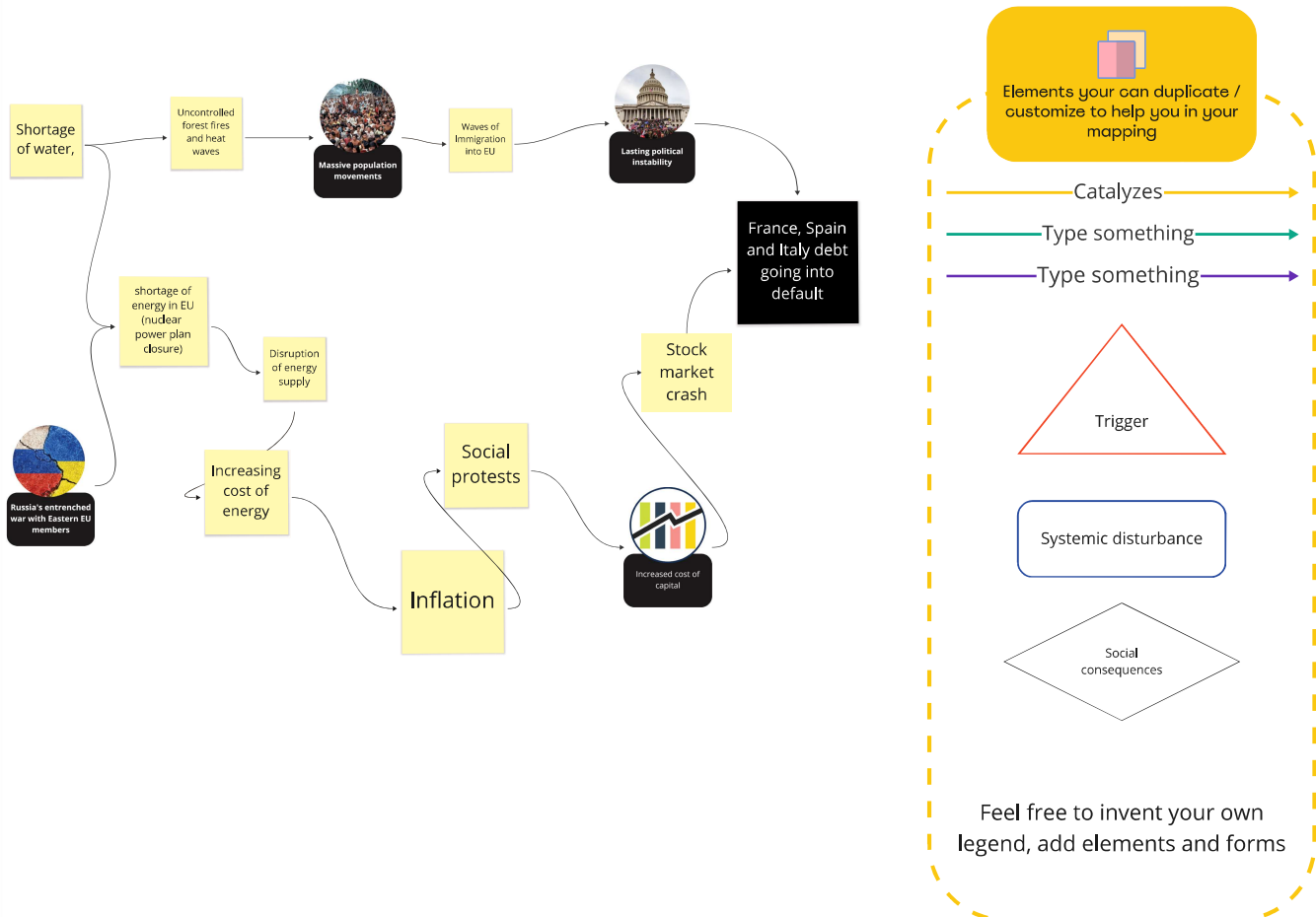
HOW DID WE GET THERE ?

**Imagine the
sequence of
events leading to
the climate crisis**

Items



How did it happen ?



WHAT DOES IT LOOK LIKE?

Sketch out a climate financial crisis

Complete the headlines of the WS Journal which depict the symptoms of that financial crisis

Historical drop in water reserves in 2022

Water is now a luxury good
(Subtitle : 4 billion people will not have access to safe drinking water (hygiene issues))

Cargill has to admit an accounting fraud on corn production.

150% surge in soft commodity prices leads to unprecedented protests worldwide.



Examples

HOW DID WE GET THERE ?

Imagine the sequence of events leading to the climate crisis

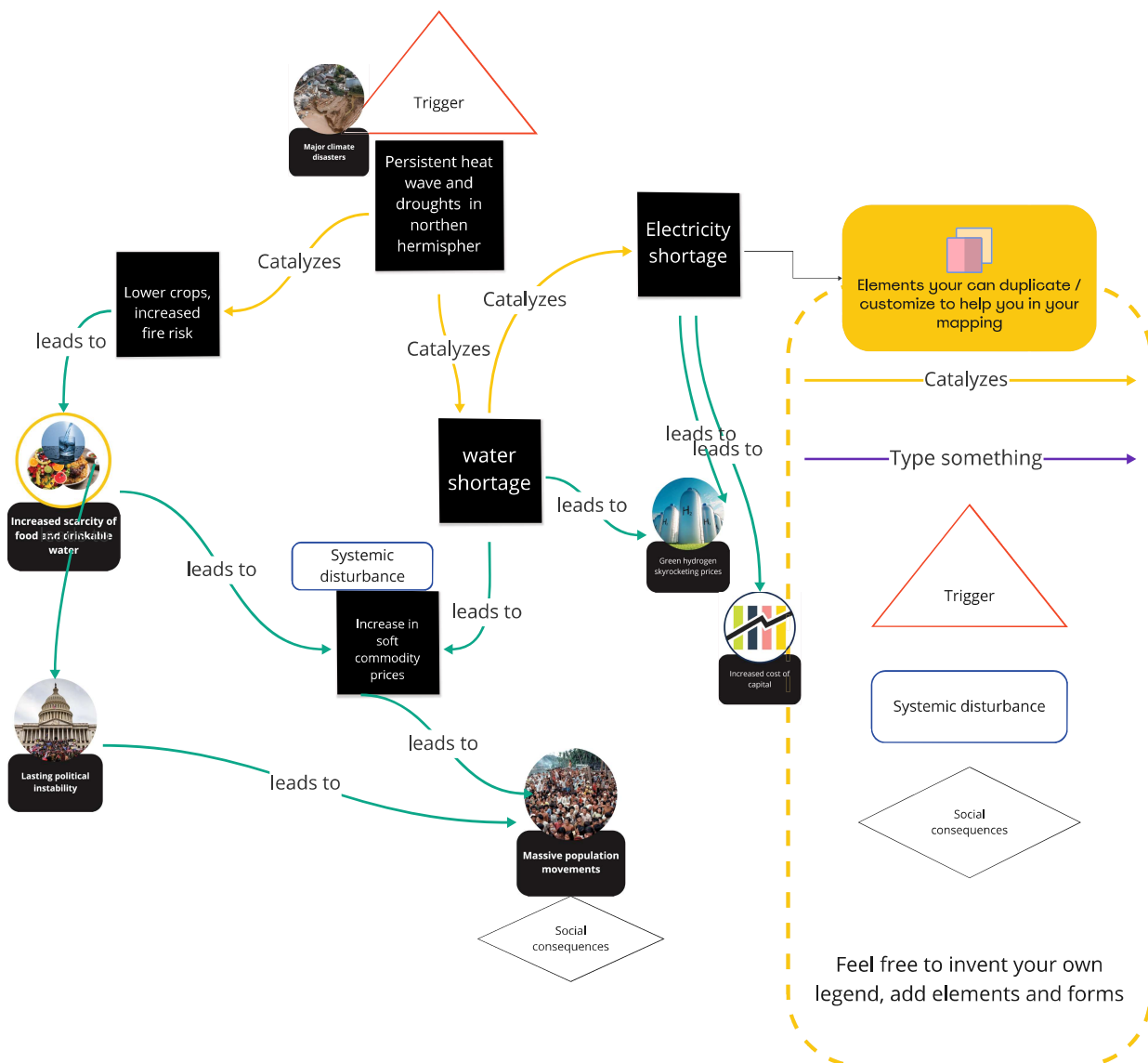
Items



Triple-click to add other ideas

Persistent heat wave and droughts in northern hemisphere

How did it happen ?



INVENT REMEDIES:

Time for stakeholders to forestall that crisis.

From your stakeholder's position, define an action plan.



A top-tier
institutional
investor

Invent remedies

Action plan - short term:

- Funding on desalinizations (and others) projects and infrastructures (storage, distribution, ...)
- Investment in self sufficient water systems (roof rain filters), recycled water systems on a very large scale
- Investing in hydroponics, permaculture, agroforestry projects (less water consuming agriculture models)
- Investing in sovereign bonds, to fund social / safety nets: water "bouclier tarifaire"...
- Investor association / lobbying

Action plan - long term:

- Investment in education
- R&D into rain engineering
- VC in decarbonization projects
- Investing into smart cities projects

Sketch out a climate financial crisis



Asset Value is rapidly decreasing (only in few days/hours) / Global stock exchange falls down

HOW DID WE GET THERE ?

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sequence of
events leading to
the climate crisis**

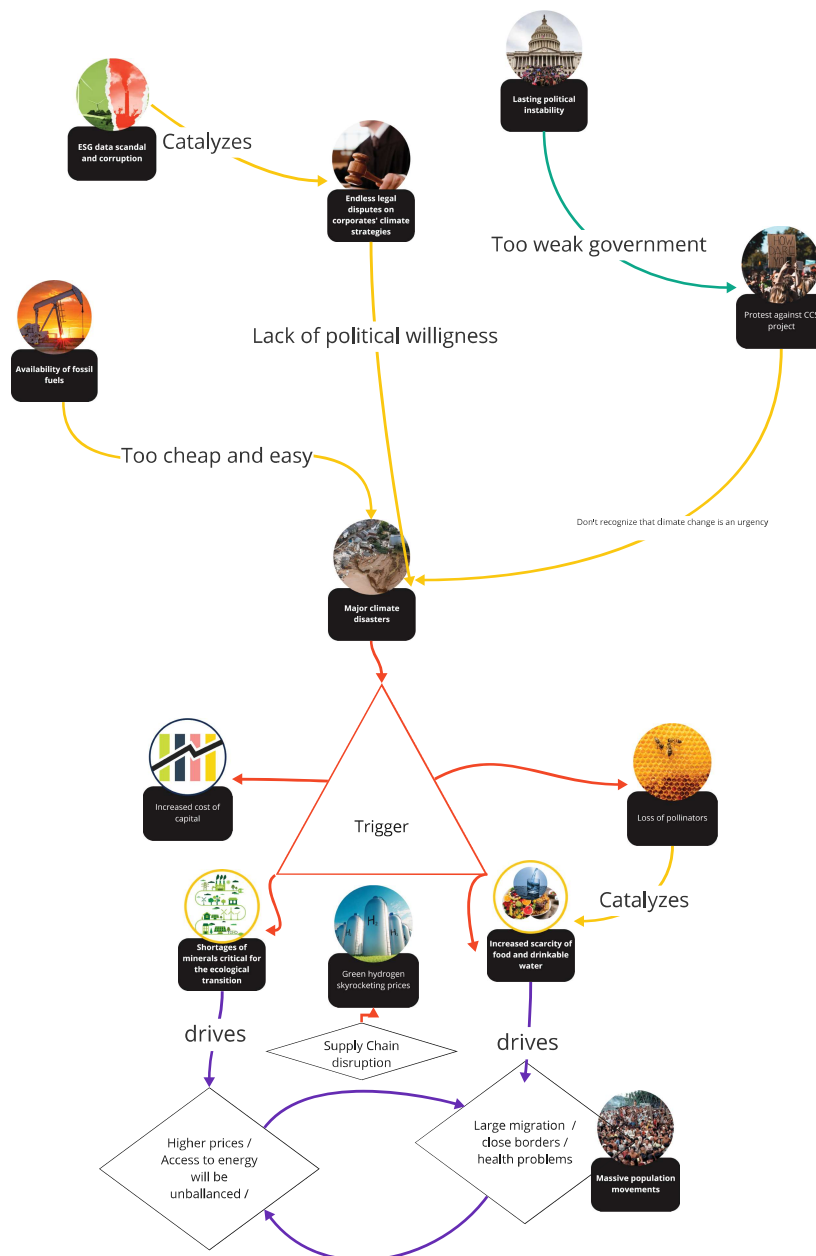


Triple-click to add other ideas

Triple-click to add other ideas

Triple-click to add other ideas

How did it happen?



Elements you can duplicate / customize to help you in your mapping

Catalyzes

Type something

Type something

Trigger

Systemic disturbance

Feel free to invent your own legend, add elements and forms

INVENT REMEDIES:

Time for stakeholders to forestall that crisis.

From your stakeholder's position, define an action plan.



Non-
financial
corporate

Invent remedies

New
business
model

Step n°1

Management designs

Board approves

and then 'New Business Model' is possible

Consume less ressources for a lower impact on environment if only it's beneficial for everybody = market cohesion / Common effort

Development Pillars = Focus

Raising
Capital

Know
How

Supply Chain
Management
/ Securing
ressources

R&T

Push new
technologies

by

Make some
partnership

WHAT DOES IT LOOK LIKE?

Sketch out a climate financial crisis

Complete the headlines of the WS Journal which depict the symptoms of that financial crisis

World trade exchanges steadily decreasing with the multiplication of heat waves and massive fires

The insurance sector not anymore able to price the level of risks with the multiplication of high risk-events

Covid 25 strengthening tensions on access to basic medicines, the entire medical sector hit by a domino effect

High inflation combined
with massive
immigration and tension
on commodities markets



Examples

HOW DID WE GET THERE ?

Imagine the sequence of events leading to the climate crisis

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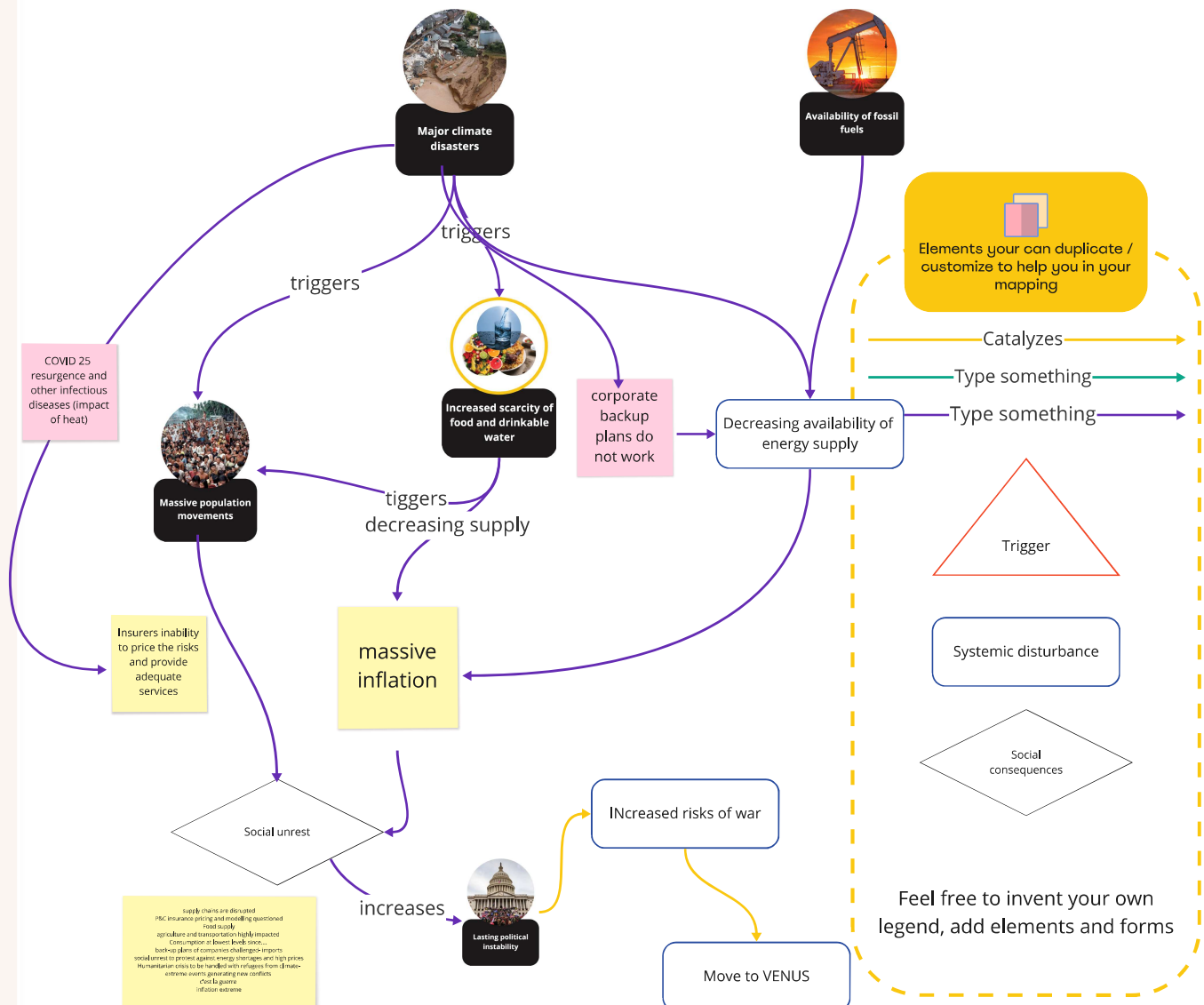


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How did it happen ?



INVENT REMEDIES:

Time for stakeholders to forestall that crisis.

From your stakeholder's position, define an action plan.



Financial
watchdog

Invent remedies

For asset managers

short term:

- promoting through standards and labelling investments that support local provision of water, food and green energy supply and promote circular economy
- stop-speculation on commodities
- coordinating with other financial watchdogs

long term:

- increased transparency on sustainability efforts
- improved SFDR implementation

For insurers

- improve collaboration on risks modelling
- support co-insurance pool
- green conditionality for insurance subscription
- refined coordination with public authorities to maintain affordable insurance for all to maintain premiums within acceptable boundaries

ALL

support blended finance / public-private corporates with general interest objectives

reinforce controls on all actions to ensure real implementation + transparency against greenwashing

for banks

- Green supporting and brown penalising factors to support better factoring in of major systemic risks
- through green supporting factor
- support local provision of water, food and green energy supply and promote circular economy
- watchdogs to step in to prevent bankrupts

Miro board created by



**Adrien
Painturier**