

INVESTING IN A NEW CLIMATE

A WORKSHOP FOR PENSION FUND INVESTORS

CLIMATE INVESTMENT STRATEGY BEYOND DIVESTMENT

June 3, 2015

Generation Investment Management, Bank of America Tower, 48th Floor, 1 Bryant Park, NYC

9:15-9:30 am **Registration and Coffee**

9:30-9:35 am **Welcome**
Alicia Seiger, Deputy Director, Steyer-Taylor Center for Energy Policy and Finance

9:35 – 9:50 am **Setting the Stage: Global Trends in Climate Finance**
Tom Heller, Executive Director, Climate Policy Initiative and Professor Emeritus, Stanford University

9:50 - 11:00 am **Navigating Climate Portfolio Risk**

Divestment from fossil fuels is a movement with some early traction, but still largely grounded as a moral decision – arguably outside the purview of most investment portfolio managers. However, a prudent fiduciary must consider risks to investment portfolios from climate change, future climate policy, and the future value of fossil fuel and related investments. Divestment and implementation of ESG principles are likely inadequate tools for managing risks associated with fossil fuels and climate change that run across sectors and geographies. This session will explore portfolio strategies to actively manage climate risk by 1) defining the extent and nature of the risk, 2) identifying the sources of exposure across a portfolio and 3) designing strategies to limit those risks.

Conversation starters

Stefan Heck, Consulting Professor, Stanford Precourt Institute for Energy, Stanford University

Donna Bebb, Research Fellow, Stanford Steyer-Taylor Center for Energy Policy & Finance

11:00 – 11:15 pm **Networking Break**

11:15 - 12:15 pm **Integrating Climate Change into Pension Fund Governance**

What governance constraints must pension funds consider when integrating climate change considerations into their long-term investment strategy? How high on the priority list must the consideration of such risks be placed? What are the lessons to be learned from those who have taken the lead in stepping up to this challenge?

Conversation starters

Tom Reicher, Senior Counsel, Cooley LLP

Hugh Lawson, Trustee, Rockefeller Brothers Fund; Global Head of Institutional Client Strategy, Goldman Sachs Asset Management

12:15 - 1:45 pm

Lunch

Resource Revolution: How to Capture the Biggest Business Opportunity in a Century

Global, unavoidable risk? Or opportunity of a lifetime? A Stanford Professor and former McKinsey Partner will discuss prospective disruptive changes and capital deployment potential.

Stefan Heck, Consulting Professor, Stanford Precourt Institute for Energy, Stanford University

1:45 – 2:45pm

Seizing Climate Investment Opportunity

Investment models designed to capitalize on clean energy and resource innovation opportunities have been and continue to be a work in process. This session is devoted to a frank exploration of institutional investors' experiences to date and where the future lies in public equity, private equity, fixed income and direct investment strategies for pension fund investors.

Conversation starters

Ashby Monk, Senior Advisor to the Chief Investment Officer of the University of California

Hans Mehn, Partner, Generation Investment Management

Stephan Dolezalek, Managing Director, VantagePoint Capital Partners

2:45 – 3:00 pm

Networking Break

3:00 – 3:45 pm

Breakout Groups (To be finalized based on group interest)

Track 1: Is this an opportunity for new levels of fund activism and direct investment? What are the emerging models for pension fund engagement? Are low-carbon energy infrastructure investments well suited for long-duration funds given the current rate environment?

Track 2: Strategies for hedging climate risk – is there a logical path to replacing potential losses with probabilistic gains?

Track 3: ESG or more than ESG? Is simply paying more attention to the environmental side of ESG an adequate response to the level of risk posed? Are current ESG practices consistent with a level of system risk deemed by some to be the equivalent of the credit bubble phenomenon?

3:45 - 4:00 pm

Closing

4:00 - 5:30 pm

Break

5:30 - 7:30 pm

Private Reception co-hosted by The Risky Business Project

51st Floor of Bank of America Tower

Investing in a New Climate Discussion

Welcome – Dan Reicher, Executive Director, Stanford Steyer-Taylor Center for Energy Policy and Finance

Robert Rubin, Former US Treasury Secretary

Tom Steyer, Founder Farallon Capital Management

Curtis Ravenel, Global Head, Sustainable Business & Finance, Bloomberg LP (moderator)