

**Lindene Patton** – *Chief Climate Product Officer, Zurich Insurance Group Ltd*

- Significant difficulties related to willingness to pay
  - Price signals
  - When to pay?
  - New climatic conditions are more severe than what structures are built to withstand
  - Offer products in a regulatory framework so that rebuilding is required within climate considered building codes
- Deciding who can pay requires understanding what tools are being developed and what is already out there
- Listen to unique demands from different communities to address quality of life
- Impacts are microclimatic and local
- Create virtual images to demonstrate to the public possible effects of climate change as well as tools that allow over-time cost/benefit analysis for property investment

**Colin Enssle** – *Senior Manager, Global Regulatory Analysis & Product Marketing, GE Power & Water*

- Supplier responsibility creates more competition for better products
- Global strategy and planning: look 30 years into future to find out if our technologies will meet changing demands for water in changing economies
- Aqueduct Alliance: Takes business risk around water into a mapping tool x number of years in the future to find out where not to invest
- Education is key to addressing climate adaptation
  - Need a general understanding of how we use our resources
  - Find out what the true costs are → helps set incentives and pricing correctly

**Bruce Karas** – *Vice President, Sustainability & Environment, Coca-Cola Refreshments*

- Understanding water supply and water quality risks
- What are the interconnections between water quality and packaging
- Macro and local risk assessments
  - Educate executives and operational teams
  - How to use a drop of water more than once
- Looking at plant water efficiency
- Water source vulnerability assessment and full hydrogeological assessment to determine in what manner water is used
- Ground every location in local conditions and connect with local communities
- Addressing supply chain (agriculture) impacts on water, not just beverage production impacts

**Rachel Morris** – *Senior Vice President, Senior Client Manager, Bank of America*

- Focus on corporate clients
- Innovation on clean technology, developing debt, and equity

- Environmental leadership in transformational finance, fundraising, operations, employee programs, and governance and policies
- Case study: Solar City

## Discussion/Questions

- What do you think about incentives? Where do you see good responses to them?
  - **Lindene Patton**
    - Motivating behaviors are based on demographics: what they are, who they are, and where they are
    - Strong demand for supply chain insurance for multinationals
    - Traditional and emerged market cap opportunity
    - Insurance companies and banks tend to share risks. We have to work together and figure out how our existing tools have to be adjusted. We have old and traditional ways to split risks, but new deals will need to be cut for new kinds of risk.
  - **Bruce Karas**
    - We have to ask where we will be in 20 years
    - Ultimately all these efforts should supply value to operate
    - We need to have the social license to operate and be above board to help the community sustain itself when resources are strained
    - We need to think of the quality of life for a community and get tools to assess that in ongoing questions
  - **Colin Enssle**
    - Pressure is only recently reversing to be on regulators, tax credit programs and private activity bonds in the water market
- Do you find it is a challenge internally to communicate the sustainability side in your entities?
  - **Colin Enssle**
    - From a revenue perspective it is difficult to engage that conversation but from a strategy perspective it is the right thing to do
    - Company is quarter driven yet planning for climate change means planning for much further in the future
  - **Rachel Morris**
    - It is just as much for internal awareness and measurements as externals
    - There is now a lot of awareness that we have to have financial innovations to finance these solutions and all of our business lines contribute to this goal
    - There is private sector demand
    - Consumer side is less responsive and some products are not as widely accepted as expected
  - **Bruce Karas**
    - It is all about momentum
    - Getting companies to thinking about efficiency rather than time and cost is new
    - The resistance is coming from the financial side
    - Sustainability focus on long-term proposition
    - A lot of uncertainty in the future
- How do you deal with climate change skeptics?

- **Rachel Morris**
  - There are so many unknowns. It is easier when you have tangible projects.
  - It is better for society to keep the focus on diversifying energy sources but we try to keep the conversation around where demand is and go a little outside the box to address that need
  - In some ways it clouds the issue if you debate whether climate change exists. It is better to focus on creating value for shareholders.
- **Lindene Patton**
  - In areas where there is complete refusal to recognize climate change, we talk about resilience and preparedness for severe weather events
  - The challenge in context of climate change is, even when accepted, our financial tool is temporally dissonant from the reality of climate change (dissonance between pre and post financing)
- **Colin Enssle**
  - It is productive to have the conversation. Adaptation means innovation and we have to adapt and innovate to stay alive.