

Modelling uncertainty and investment decision for adapting to climate change

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Tackling climate change is one of the biggest challenges of today. From quantitative point of view, this is a complex program because of the numerous heterogeneous economic actors involved, all facing various uncertainties: uncertainty related to economy as it is usually considered, but also uncertainty in the transition scenario to a greener world, uncertainties related to the short-term and long-term consequences of climate change. In this presentation, I will give a couple of use-cases and quantitative models in which these issues are addressed: a) large credit portfolio encompassing both transition and physical risks, b) companies' business model evolution according to intensity reduction strategy and carbon tax costs.