

Credit Suisse Supertrends webinar series 2020 Burning questions, cleaner answers



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Christiana Figueres, Former Executive Secretary, United Nations Framework Convention on Climate Change (UNFCCC)

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Burning questions, cleaner answers

As companies around the world seek to mitigate the impact of climate change, many are being forced to adapt, transform or even abandon their normal modes of business. The sixth session of our Supertrends Webinar Series 2020 held on July 22 delved into the urgent issue of climate change and decarbonizing the economy, and the many challenges, as well as opportunities, it presents to governments and businesses.

Sharing her expertise in this area was Ms. Christiana Figueres, Former Executive Secretary of the United Nations Framework Convention on Climate Change. Speaking with Dr. Francois Monnet, Chief Executive Hong Kong Branch and Head of Private Banking North Asia, Credit Suisse, she offered her insights on the state of decarbonization around the world, how the Covid-19 pandemic could impact the fight against climate change, and who the winners and losers will be in this crisis.

Finding the sweet spot with the Paris Agreement

Giving some context to where the world currently stands in the fight against climate change, Ms. Figueres said that the landmark Paris Agreement in 2015 managed to find a “sweet spot” between governments’ own interests with respect to sustainable development, and the global need to address the crisis.

“That is why every country actually bought in and signed the Paris Agreement, because we were able to focus on national interests that coincide with global need, and not to pit them against each other,” she said.

The Paris Agreement’s long-term temperature goal is to keep the increase in global average temperature to well below 2 °C above pre-industrial levels; and to pursue efforts to limit the increase to 1.5 °C. Five years after the agreement was signed, Ms. Figueres believes that countries such as China, Chile, Costa Rica and most of the European Union have done well in reducing emissions.

U.S. and climate change

Ms. Figueres lamented the fact that the U.S. government is still not taking the threat of climate change seriously, and has announced its intention to withdraw from the Paris Agreement.

“It’s actually a very sad situation. The fact that the White House denies climate change is a little bit like denying gravity. It’s even sadder that the White House has not understood that there is a huge technological and economic opportunity, because the 21st century will be the century of clean energies of smart, digitalized energy, production, supply and consumption. And that is the huge space in which there is vast opportunities for very profitable investment, as well as investment to do good,” she said.

However, she noted that 60% of the US economy and many corporations in the U.S. understand the importance of decarbonization, with companies like Apple and Microsoft establishing carbon neutral targets by 2030.

“They understand that decarbonization opens up innovation and ingenuity. So there is quite a bit of economic muscle power in the United States that continues to decarbonize despite the position of the White House.”

Impact of US-China trade war

While she viewed the ongoing tensions between US and China as a negative for decarbonization, she believes that the economic benefits of collaborating on climate change will bring the two superpowers back to the table again.

“I was privileged to witness the depth of the commitment of both governments to work with each other in the three years leading up to the Paris Agreement, because they understood that climate change is the common enemy to both of them, as well as to all other countries,” she said.

“The opportunity to collaborate and the economic social benefits, in addition to the environmental benefits, that come from that collaboration are deep and compelling enough that the United States and China will return to collaboration on climate change.”



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Growing urgency

Ms. Figueres said that global emissions have to be cut by 50% by 2030, from where they are today, to avoid a catastrophe. The good news is that, leaving governments aside, many private sector players understand the urgency of the situation.

“The real economy has really understood this, and that is why decarbonizing companies and decarbonizing portfolios is such a mega trend. The finance community understands the risks that are embedded in not addressing climate change,” she said.

Despite the ticking clock, Ms. Figueres has reason for optimism. “I have that experiential evidence of the fact that we are in a transformation that is definitely massive. It is not perfect, but we are moving in the right direction, not at the speed that we should, but we’re in the right direction.”

She cited the example of the Task Force on Climate-related Financial Disclosures, which aims to develop voluntary climate-related financial risk disclosures for use by companies in providing information to investors and other stakeholders.

There are also 400 to 500 cities that have announced their intention to be carbon neutral by 2050, she added. “The evidence in the real economy of understanding the risk on the one side and of opportunity on the other side, is just growing exponentially. I would argue that this year and next year, what we will really see is a transformation in the real economy, where companies have understood that the equation of risk and reward has been completely turned on its head and that they are better off decarbonizing their portfolios.”

A convergence between Covid-19 and climate change

The trend of decarbonization could be accelerated by the current pandemic sweeping the world. Ms. Figueres argued for a convergence of solutions to deal with both Covid-19 and climate change. In particular, she said that the billions of dollars being spent by governments to prop up their economies should be channelled into companies and activities that are low-carbon.



If we inject the same money that we're going to be using in the recovery packages into low carbon opportunities, shifting our investment portfolios, then we will have answered both the Covid-19 and economic crises as well as the climate crisis at the same time.

Christiana Figueres, Former Executive Secretary, United Nations Framework Convention on Climate Change (UNFCCC)

Winners and losers

The transformation of the global economy due to decarbonization will produce both winners and losers. While the coal industry will be one clear loser, oil and gas companies still have an opportunity to come out on top if they can transform their business models. For instance, oil and gas companies can leverage their existing skillsets in engineering to grow their renewables business, said Ms Figueres.

“Many oil and gas companies have similar engineering skills to what you would need for offshore wind. Those companies that have seen that this an opportunity are transforming their workforce.”



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Diversifying energy sources

Similar to what is happening in her home country of Costa Rica, Ms. Figueres advised governments to include as many clean energy sources in their energy mix as possible. It was also important to have smart energy grids that are connected to each other.

She said: “We need to move towards supplying energy where the demand is, and for that we need smart grids that are connected with each other so that we can send energy from one area of the country to another area.”

Rounding off the insightful session, Dr. Monnet said that the issues brought up resonated with all of us, and reminded the audience of Credit Suisse’s commitment to sustainability and climate change.



For the clients of Credit Suisse, we would like to continue this conversation and draw your attention to our commitment to climate change and decarbonizing the economy. We are so committed that we are launching this sixth super trend with the belief and high conviction level which, is definitely going to accompany us for the next 10 to 20 years.

François Monnet, Chief Executive Hong Kong Branch, Head of Private Banking North Asia, Credit Suisse

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Christiana Figueres

Former Executive Secretary, UNFCCC (2010–2016)
Founding Partner, Global Optimism Ltd.
Convener, Mission 2020



Christiana Figueres is a Costa Rican citizen and was the Executive Secretary of the United Nations Framework Convention on Climate Change 2010–2016.

During her tenure at the UNFCCC, Ms. Figueres brought together national and sub-national governments, corporations and activists, financial institutions and NGOs to jointly deliver the historic Paris Agreement on climate change, in which 195 sovereign nations agreed on a collaborative path forward to limit future global warming to well below 2°C, and strive for 1.5°C in order to protect the most vulnerable. For this achievement Ms. Figueres has been credited with forging a new brand of collaborative diplomacy, for which she has received multiple awards.

Since then Ms. Figueres has continued to serve her one and only boss, the global atmosphere. She sits on multiple boards and is a founding partner of Global Optimism Ltd., a purpose driven enterprise focused on social and environmental change. She convenes Mission 2020 and co-chairs the Global Covenant of Mayors.

She is a graduate of Swarthmore College and the London School of Economics.

François Monnet

Chief Executive Hong Kong Branch,
Head of Private Banking North Asia, Credit Suisse



Dr. François Monnet was appointed Head of Private Banking North Asia effective August 2018, based in Hong Kong. Prior to that responsibility, Dr. Monnet ran the Private Banking franchise for Greater China.

In this role, Dr. Monnet works closely with the respective Market Group Heads and Country CEOs across Credit Suisse's integrated bank to enhance its ability to capitalize on the synergies and business opportunities in Greater China and Japan, drive client interconnectivity across business divisions and markets to further build the bank's strong client franchise in the region. In addition, Dr. Monnet is the Chief Executive of Credit Suisse's Hong Kong Branch.

Previously Dr. Monnet was the Chief Operating Officer for Private Banking Asia Pacific from April 2012. In this capacity, he assumed responsibility for all run-the-bank functions, investments in infrastructure and change management, risk and supervisory controls, pricing and strategy, including the build-up of Credit Suisse's Private Banking digital capabilities across Asia.

Dr. Monnet joined Credit Suisse in 2007 as Head of Private Banking Southeast Asia and Australasia until 2010 when he assumed a new responsibility as Head of Ultra High Net Worth clients for Private Banking Southeast Asia, Australia and Japan. Prior to Credit Suisse, he managed the offshore core affluent client segment in Asia Pacific at UBS, with an additional focus on the Singapore domestic market. He started his banking career at UBS Zurich in Corporate Finance and Mergers & Acquisitions.

Dr. Monnet is a graduate of University of Geneva, holds a Master of Arts in Law and Diplomacy (Tufts/Harvard Universities) as well as a Doctor of Philosophy in Political Sciences from University of Geneva, Switzerland. He is the recipient of an Executive MBA from INSEAD. He is a Chartered Financial Analyst.



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