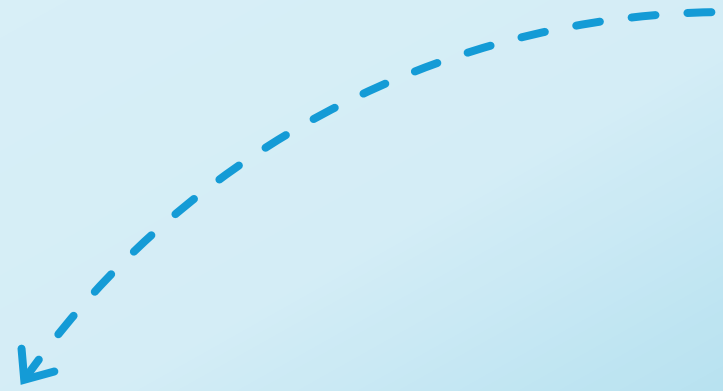




An introduction to **carbon insurance**

George Beattie and Aditya Sanghvi



Poll

Have you heard about
carbon credits before?

The climate is **changing**

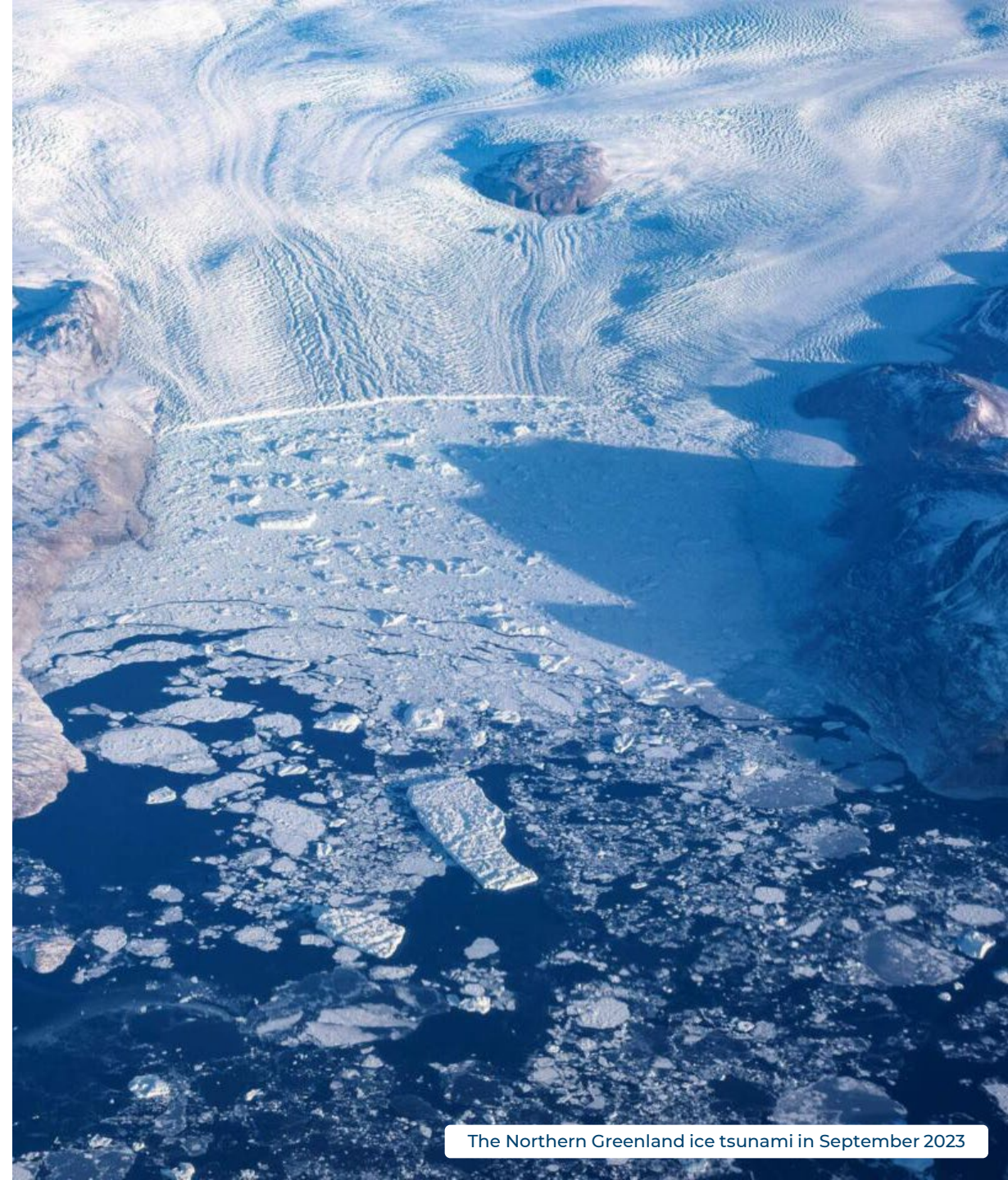
Future generations face increasing average temperatures

| Born in | 1970 | 1980 | 1990 |
|-------------------------|-------|-------|-------|
| Increase in temperature | 1.0°C | 0.8°C | 0.6°C |

During their lifetime, a child born in 2020 will witness...

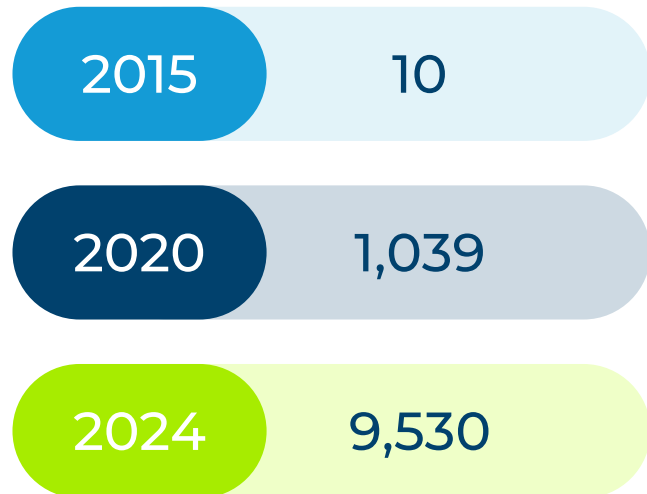
- **Twice** as many wildfires
- **Three times** as many floods and droughts
- **Seven times** as many heatwaves

... compared to someone born in 1960



Corporates are **taking action**

More companies are making climate commitments



Poll

Are you aware of your own
company's climate-related ambitions
or targets?

The **carbon markets** are enabling climate action

Reduce

Compliance carbon market (CCM)

Heavily regulated by governments

–

Eligible companies must buy allowances for the carbon they emit

–

Highly liquid market

–

Valued at almost a trillion dollars

Offset

Voluntary carbon market (VCM)

Guided by non-governmental standards

–

Fuelled by corporate net zero commitments

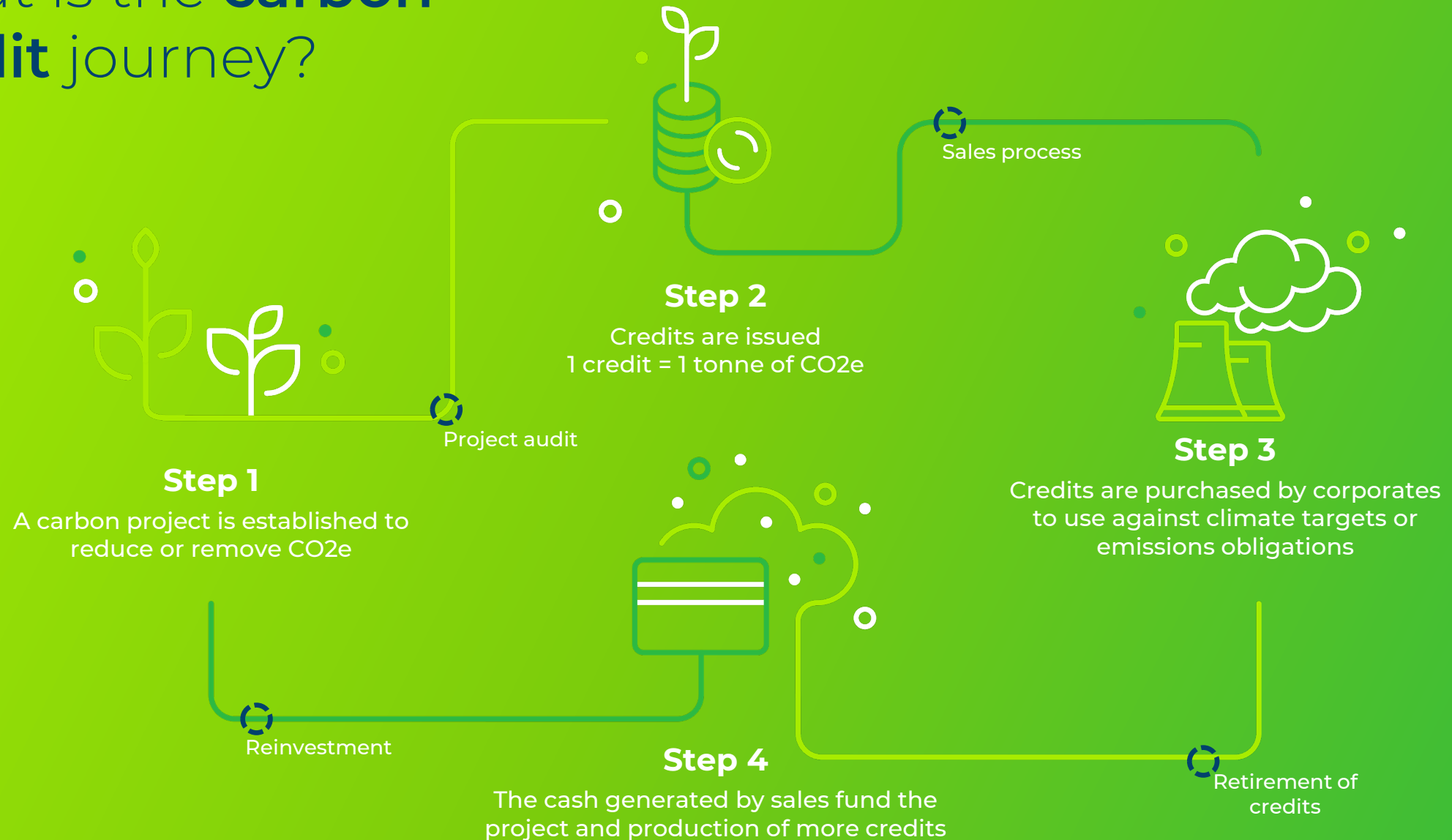
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Carbon credits used to offset unabated emissions

–

Valued at 2 billion dollars today

What is the **carbon credit** journey?



What are the **types of carbon projects?**

Nature-based

- Conservation
- Afforestation and restoration
- Coastal ecosystems
- Soil carbon



Hybrid

- Enhanced rock weathering
- Ocean and river alkalisation



Technology-based

- Bioenergy with carbon capture and storage
- Biochar
- Direct air capture



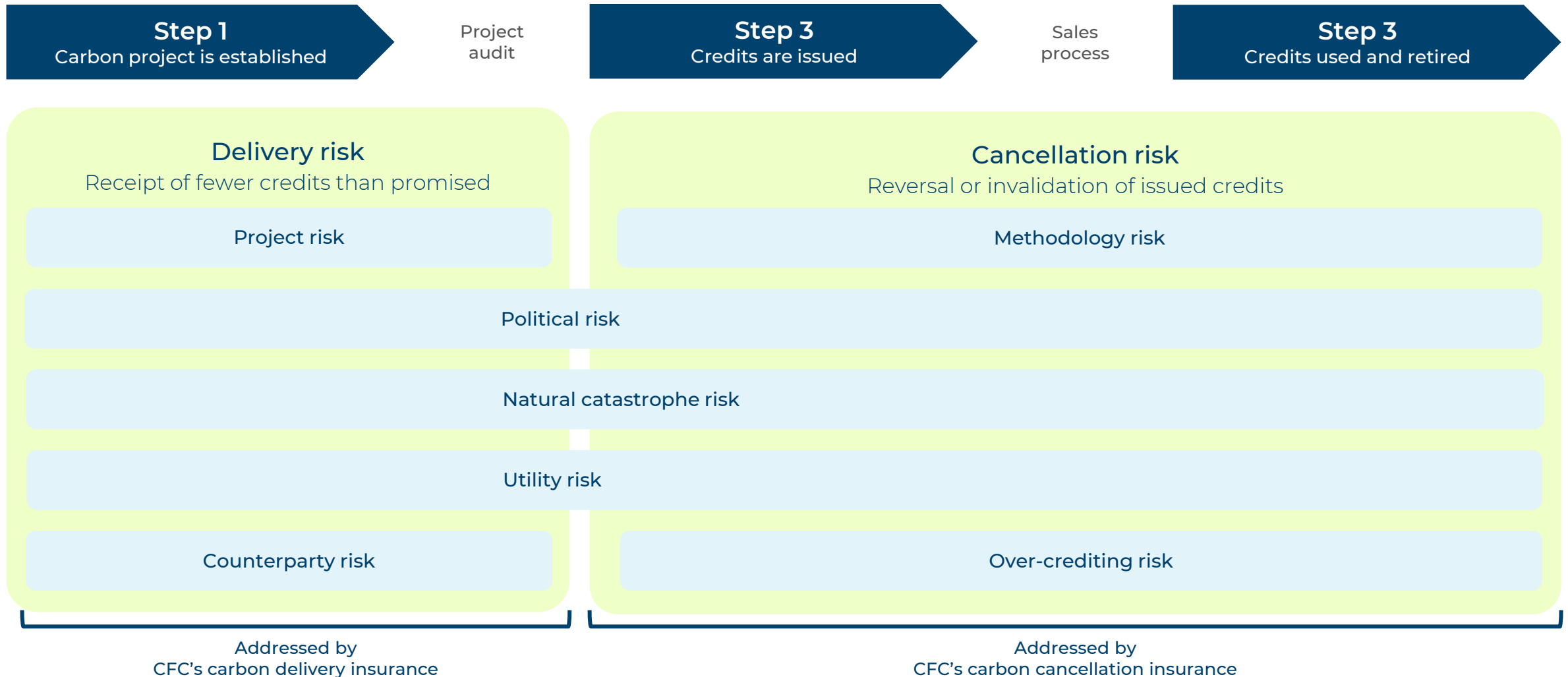
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Poll

Do you now feel more confident in
what a carbon project is?

What risks are **carbon projects and credit owners** exposed to?



Our solutions

Our insurance **solutions**



Delivery

Function

Insures carbon credits against delivery risk arising from any cause.

Who is it for?

Any entity buying forward voluntary carbon credits.



Cancellation

Function

Insures carbon credits against cancellation risk arising from any cause.

Who is it for?

Any entity that owns or retires carbon credits.



Lending

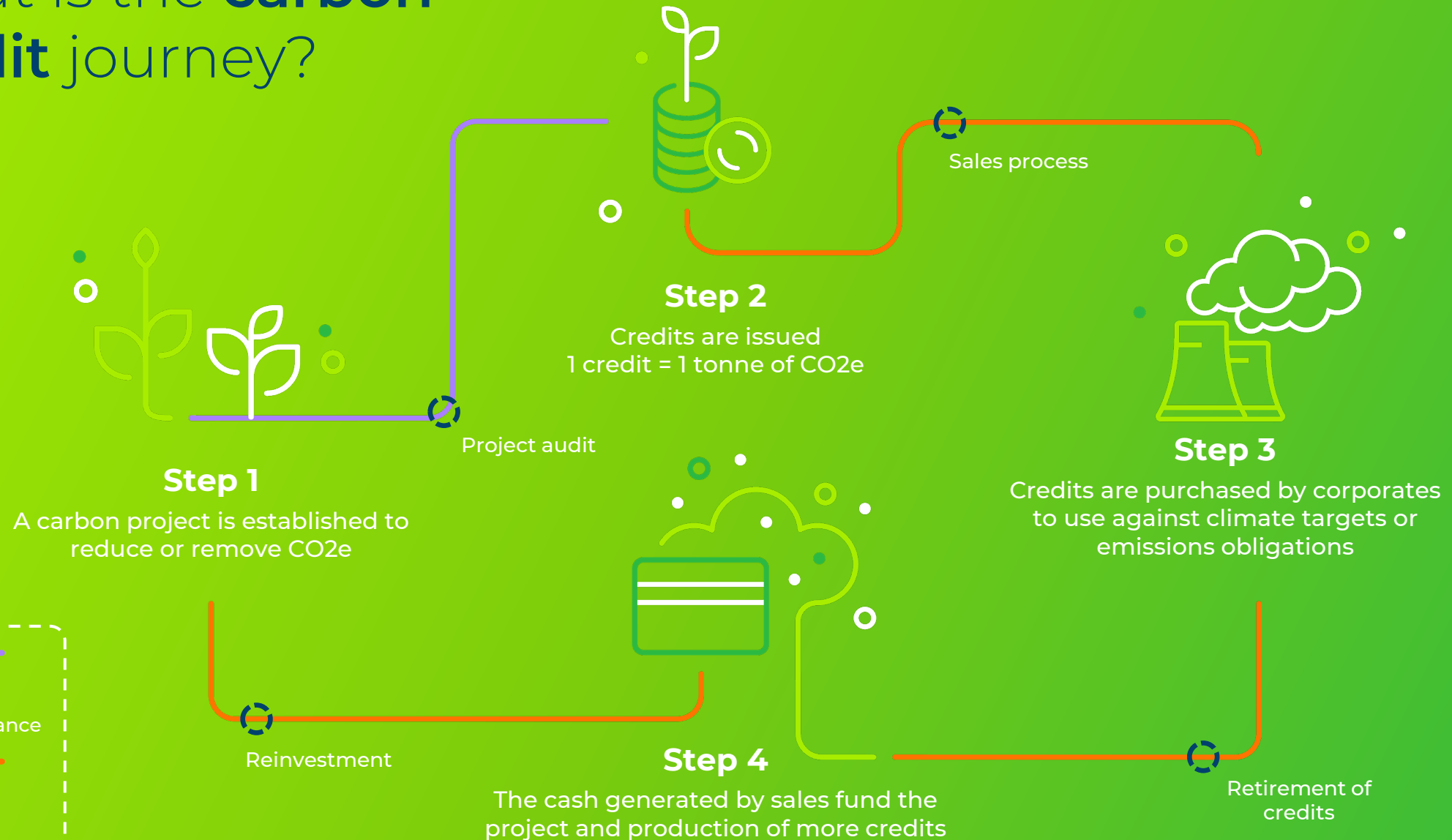
Function

Insures lenders against non-repayment on loans to project developers.

Who is it for?

Lenders, like investment banks.

What is the **carbon credit** journey?



Target audience

Clients with **climate targets or ambitions**

Clients interested in **carbon investments / lending**

Clients developing their **own carbon projects**

Clients involved in **commodity trading**

Poll

Has your understanding of CFC's
carbon products improved?

We only need **four data points** to send you an indication

1

Project ID

2

Name &
address /
website

3

Number
of credits

4

Price per
credit



An unmissable opportunity in the **carbon market**



In CFC's report you'll learn:



1. How the carbon market works
2. The opportunities and the risks associated with it
3. How insurance will play a pivotal role





Any **questions?**

carbon@cfc.com