

Assessing climate risk with big data

Key words: climate change, investors, risk management

CARBON DELTA
the environmental fintech



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Aim

To bring the financial sector on a 2°C path by establishing Climate Value-at-Risk as the de-facto global standard for climate risk assessment and reporting

EIT Community connection

EIT Climate-KIC Accelerator programme, EIT Climate-KIC European Venture Competition 2016 winner, EIT Climate-KIC partner starting 2017

The project

The idea

Carbon Delta is an environmental fintech start-up that identifies and analyses the climate change risk faced by companies. To help investors understand and quantify climate change risks within their portfolio, Carbon Delta has developed a software model to assess Climate Value-at-Risk – or how much of a company's market value could be affected by climate change.

Inspiration

While working as the IT manager for an asset management firm, I learned about the Carbon Bubble Theory: companies relying on fossil fuel are valued based on the available reserves. However, the burning of these reserves would far exceed a global warming of 2°C, thus implying a stranded asset risk. It immediately occurred to me that although the risk is real, there was no tool for investors to act on. I realised that somebody needed to provide a climate change data service for asset managers.

Unique selling points

We employ Big Data technologies to automate the quantitative analysis of company climate risks, and we have an unmatched universe of covered companies that can be expanded at marginal cost due to our automated methodology.

EIT Community support

The EIT Community has supported our vision with networking opportunities, visibility, brand building, financial support, and mentoring. They've also connected us with students to conduct research projects.

Teamwork

Carbon Delta consists of three co-founders: I am the CEO, David Lunsford is Head of Development, and Dr Elke Schaper is Head of Software Engineering. Our skillsets are complementary, and we carefully structure our responsibilities to ensure everything is covered and nothing overlaps unnecessarily.

Venture development

With the acquisition of our first clients, we are in the middle of market entry. While our product will be continuously expanded and improved, the current version is market ready. Therefore, we are now looking to increase our sales and gradually penetrate an increasing number of markets.

The nominee

The beginning

I became interested in climate change in 1992, when the concept was introduced to me in introductory lectures on meteorology. I have followed the issue with great interest ever since.

Entrepreneurial flair

Experience, general knowledge and interest in a broad range of fields, commitment and endurance, able to empower and excite people.

Learning from experience

Engage early and go to as many events as possible. Focus on the business model, and work continuously on your business plan.

Best memory

Acquiring clients and winning the EIT Climate-KIC European Venture Competition 2016.

Ideal advisor

Michael Bloomberg. He runs the financial industry's number one platform, providing access to a large variety of financial data for investors. We are striving to create a similar market impact, but focused on climate risk data.



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