A joint Special Session co-organized with “EAEPE Research Area H - Networks” and with the Environment Agency Austria (Umweltbundesamt) on the “Analysis of climate risks in financial markets”.

This session will host contributions addressing opportunities and challenges for climate-related financial disclosure and for implementing the European Commission’s Sustainable Finance Action Plan, including methodological developments to assess the alignment of the financial sector to sustainability (e.g. network-based climate stress-test, climate-financial risk metrics, carbon risk assessment) and the role of central banks and financial regulators in the low-carbon transition (e.g. via ABM, Stock-Flow Consistent models).

In addition, it will present the results of the Austrian Climate Research Program 10th call project “RiskFinPorto – Analysis of Carbon Risks in Financial Markets and Austrian Portfolios” coordinated by the Austrian Environmental Agency (UBA).

The project aims to assess financial actors’ understanding and managing of climate risks in financial markets, focusing on three key challenges for the transition to sustainable finance in the EU, i.e.:

- The level of awareness of the finance sector for the transition to a low carbon economy and society, and the relevance of sustainability practices and instruments in their portfolio’s management strategy;
- The state of disclosure of climate and CO2 risks in the EU and in Austria;
- The analysis of financial risk of CO2-intensive investments in Austrian capital markets, and lessons for the Euro Area market.