a ton is not a ton...
Make voluntary carbon more effective.

Finance can help... yes, that finance.

People are working on Scale & integrity
Language of finance

Risk

Likelihood of Effect

Effect/impact

No Worries Mate

Australia
VaR (Value at Risk): the Formal Language of Finance

**Inputs: (what/how)**
VaR constrains 2 risk dimensions to “normalize risk management”

- 95% likelihood of event
- 1 year duration
- X$’s at risk of loss

Example: A portfolio can have a risk budget of say $10,000 and a manager adds or subtracts other investments.

**Outputs: Capabilities**
4:15 report @ JP Morgan: “Give me the entire’s bank $’ at risk position 15 minutes after close of business.”

BIS (Bank for International Settlements) central bank of central banks uses similar
SDG Formal Language = Effect measured (natural / economic / social etc.) for duration

Dimensions of Risk/Uncertainty

1. **Expectation** of effect (likelihood probability)
2. Effective **Outcomes** / impacts (good/bad, direct indirect)
3. **Time**/Duration (time or period of effect)

Climate Effect = CO2e

- 1 Ton reduction
- 95% likelihood
- 100 year duration
1 effective ton of CO2e removal =

3rd party assessment of Risk factors (likelihood & impacts)

- Technical
- Political
- Fiscal
- Physical
- Regulatory
- ....

- Acknowledge risk (carbon default event)
- Overcollateralize to meet obligations/requirements
- 2 forest credits @50% likelihood of failure in 100 yrs = 1 effective ton?