BIG DATA & ALGORITHMIC FINANCE

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Irene Monasterolo is Professor of Climate Finance at Utrecht University's School of Economics (NL) and a Non-resident Fellow with the Global Economic Governance Initiative at the Boston University Global Development Policy Center. She is a visiting research fellow at Boston University and at the International Institute for Advanced Systems Analysis (IIASA). She was visiting researcher at the Sustainable Finance Initiative at Stanford University (USA), and at the Sant'Anna School of Advanced Studies in Pisa (IT).

Irene's research is contributing to understand under which conditions finance could be a driver or a barrier to the achievement of the climate targets. She has co-developed the CLIMAFIN tool to price forward-looking climate risks, in particular those stemming from a disorderly low-carbon transition, in the value of financial contracts and investors' portfolios, to inform decision making under deep uncertainty. In addition, she has developed the EIRIN macroeconomic model to analyze the implications of climate policies on green investments, financial stability and inequality. In particular, her research has focused on how to exploit synergies across policies (fiscal, monetary, prudential), financial instruments and development finance institutions to scale up the climate ambitions and build resilience to climate risks.

TECHNOLOGICAL GREENNESS AND LONG-RUN PERFORMANCE
Irene MONASTEROLO, Stefano BATTISTON, and Maurizio MONTONE.

Firms' investments in green technology are crucial for investors' alignment to the Net Zero target. However, it is still unclear whether firms that invest in green technologies are rewarded by the market, particularly in the long run. Using a science-based technological measure of greenness, we find that the adoption of sustainable technologies is associated with better future financial and operating performance. Firms with greener technologies do not just appeal to investors' pro-social preferences but also represent better firms. The results are especially strong in countries characterized by higher financial development, and for firms with better climate-related disclosure.

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