



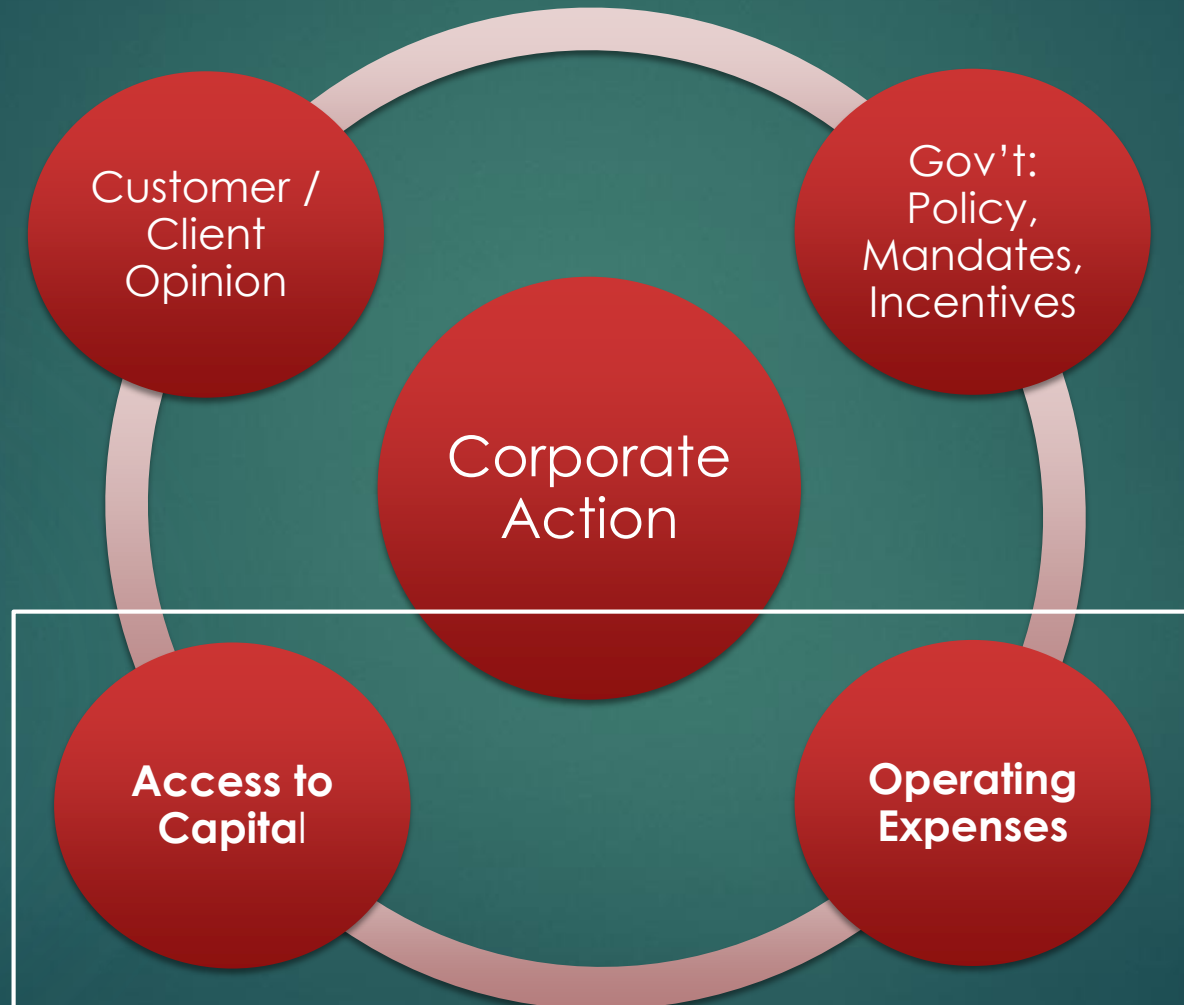
GSD CONSULTING

Climate Hazards: Financial Risk and Liability

AUGUST 14, 2019

CENTRAL COAST CLIMATE COLLABORATIVE / LGSEC MEETING

Motivating Corporate Action



Move the Capital Markets, Move the Private Sector



- ▶ **Task Force on Climate-related Financial Disclosures**

- ▶ Financial Stability Board (Europe, Bank of England leadership)
- ▶ 2017: “voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders”

- ▶ **Climate risks *and* opportunities**

- ▶ Transition risks *and* physical risks
- ▶ Opportunities in resource efficiency / cost savings, low-emission energy source adoption, product and services development, market creation, supply chain resilience

Local Government Implications



- ▶ Physical site risk → local government interdependencies
 - ▶ Level of risk awareness? Level of action?
- ▶ Insight into climate risks of businesses in local jurisdictions
 - ▶ Both public *and* private assets at risk
- ▶ Need to improve engagement between public/private sector on climate risks and action
 - ▶ Challenging for both parties in different ways
- ▶ All of these will impact competitiveness, economic development potential – in addition to credit risk
- ▶ And: Private sector lens misses important things – particularly *equity*

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