Climate Hazards: Financial Risk and Liability
AUGUST 14, 2019
CENTRAL COAST CLIMATE COLLABORATIVE / LGSEC MEETING
Motivating Corporate Action

- Customer / Client Opinion
- Gov’t: Policy, Mandates, Incentives
- Access to Capital
- Operating Expenses
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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