

# Climate-action delay to cost investors more than \$1tn in 15 years



Delays in tackling climate change could cost companies about \$1.2tn worldwide during the next 15 years, according to the UN. That's the preliminary analysis of a UN Environment Finance Initiative project that brought together 20 global fund managers to measure the impact of climate change on 30,000 of the largest listed companies. The group has created a guide for investors to assess how their holdings would respond to different levels of global warming and policy making. "Investors have a central role to play in moving the world to a low-carbon future," said Maurice Tulloch, chief executive officer of Aviva Plc, one of the participants in the project. "This collaboration shows how we can all take better decisions, for our customers and for the environment." Extreme weather events, including floods, tropical cyclones, and extreme hot and cold days are already hitting business operations. Should governments install tougher policy in the push for cleaner technology, emission-intensive companies will increasingly struggle to compete. As well as

Aviva, the investor group included companies such as Manulife Asset Management, M&G Prudential Ltd and DNB Asset Management AS. The work was guided by advisory and modelling firms Carbon Delta AG and Vivid Economics Ltd. Investors are playing an increased role to protect financial stability against climate change. The research work will enable them to better understand climate-related risks and opportunities, in line with the recommendations of the Task Force on Climate-related Financial Disclosures, a part of the Financial Stability Board global regulator, the UN said. The task force is chaired by Michael Bloomberg, the majority owner of Bloomberg LP. To cut investor risks, governments probably need to put in place consistently rising carbon taxes or markets that will spur a shift to cleaner technology, Christopher Hope, a policy modelling expert at the University of Cambridge, told funds managers gathered in London on Friday.