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Over 70% of surveyed investors see risk, investment opportunity in climate change impact, report states

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Investors Increasingly Focus on Climate Adaptation and Resilience Investment Risks and Returns

MARRAKECH COP 22--(WIRE HOUSE NAME) -- Over 70% of private investors surveyed see both risk and investment opportunity from the impact of climate change, according to a new study released today by the Global Adaptation & Resilience Investment Working Group (GARI). According to GARI, 78% of 101 surveyed investors and other stakeholders thought evaluating the physical risk from climate change was “very important,” while 70% would consider making investments that supported adaptation to climate change or climate change resilience now. These investor reactions were reported in "Bridging the Adaptation Gap," a discussion paper released by GARI at the COP22 Global Climate Summit held in Marrakech on Monday, 14 November 2016.

“Bridging the Adaptation Gap” describes the discussions of over 150 private investors and other stakeholders who met five times in 2016 to focus on (1) Approaches to Measurement of Physical Climate Risk and (2) Examples of Investment in Climate Adaptation and Resilience. The report identifies six different approaches to measuring physical climate risk and reveals that respondents consider transparency and practicality the most important factors in approaches to assess physical climate risk. The paper also catalogs existing infrastructure, corporate, and fixed asset investments that support adaptation and resilience to climate change. Over 60% of respondent investors are considering investments today in resilient infrastructure and in companies whose products address the impact of climate change on water, agriculture, healthcare, energy, and financial services.

“GARI demonstrates that private investors see both the risk to their portfolios from the physical impact of climate change and the opportunity to invest in addressing that risk today,” said lead author Jay Koh, founder and chair of GARI and Managing Director of The Lightsmith Group, an alternative investment firm. “Post-Paris, investors are calling for better ways to measure physical climate risk and for support in making resilient investments.”

Contributing author Emilie Mazzacurati, CEO of Four Twenty Seven, a climate risk and resilience market research firm, added, "In the context of worsening signals from climate science, and the uncertainty on our ability to meet Paris targets, investing in climate resilience is all the more critical. This report demonstrates that private investors are ready to step up to bridge the adaptation finance gap."

“Climate risk is often overlooked. Approaches to measurement of physical climate risk will be key to integrating the notion of climate risk across a range of investment products, and from an understanding of these risks, opportunities for new, more resilient investment will emerge.” says contributing author Stacy Swann CEO of Climate Finance Advisors, a consulting firm advising investors and policy makers. “GARI is an initiative that brought together the constellation of financial actors who are the thinkers and the early adopters in this new investment space.”

About GARI

Founded in 2015, The Global Adaptation & Resilience Investment Working Group (GARI) (www.garigroup.com) is a private sector, private investor-led working group focused on the intersection of investment and climate adaptation and resilience investment. GARI was announced in conjunction with the UN Secretary General's A2R Climate Resilience Initiative at the Paris COP21 global climate talks in 2015 and has convened over 150 private investors and other stakeholders. GARI will launch its next discussion series in spring 2017.

About The Lightsmith Group

The Lightsmith Group (www.lightsmithgp.com) is a global alternative investment firm headquartered in New York that focuses on generating superior returns aligned with environment, social and governance standards.

About Four Twenty Seven

Four Twenty Seven (www.427mt.com) is an award-winning market research and advisory firm that brings climate intelligence to economic and financial decision-makers. Founded in 2012 and based in the San Francisco Bay Area, Four Twenty Seven helps Fortune 500 companies, investors and government institutions understand how to quantify and monetize climate change impacts on operations as well as social factors that affect their value chain.

About Climate Finance Advisors

Climate Finance Advisors (www.climatefinanceadvisors.com) is an advisory and consulting firm in the Washington DC area that works with public policy makers at the national and international level, as well as investors, bankers, fund managers, and project developers on issues related to climate finance, green banks and funds, and climate risk. Climate Finance Advisors has expertise in blended finance and development finance, and in structuring sustainable, resilient and climate smart investments.

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