

# Adapting Investment to Climate Change

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# The four channels of risks and opportunities



**Physical:** More frequent weather events



**Technological:** Advances in batteries, electric vehicles or energy efficiency, etc.



**Regulatory:** Subsidies, taxes and energy efficiency rules, etc.



**Social:** Changing consumer and corporate preferences.



# The longer an asset owner's time horizon, the more climate-related risks compound



Yet even short-term investors can be affected by regulatory and policy developments, technological disruption or an extreme weather event.

# Portfolio diversification

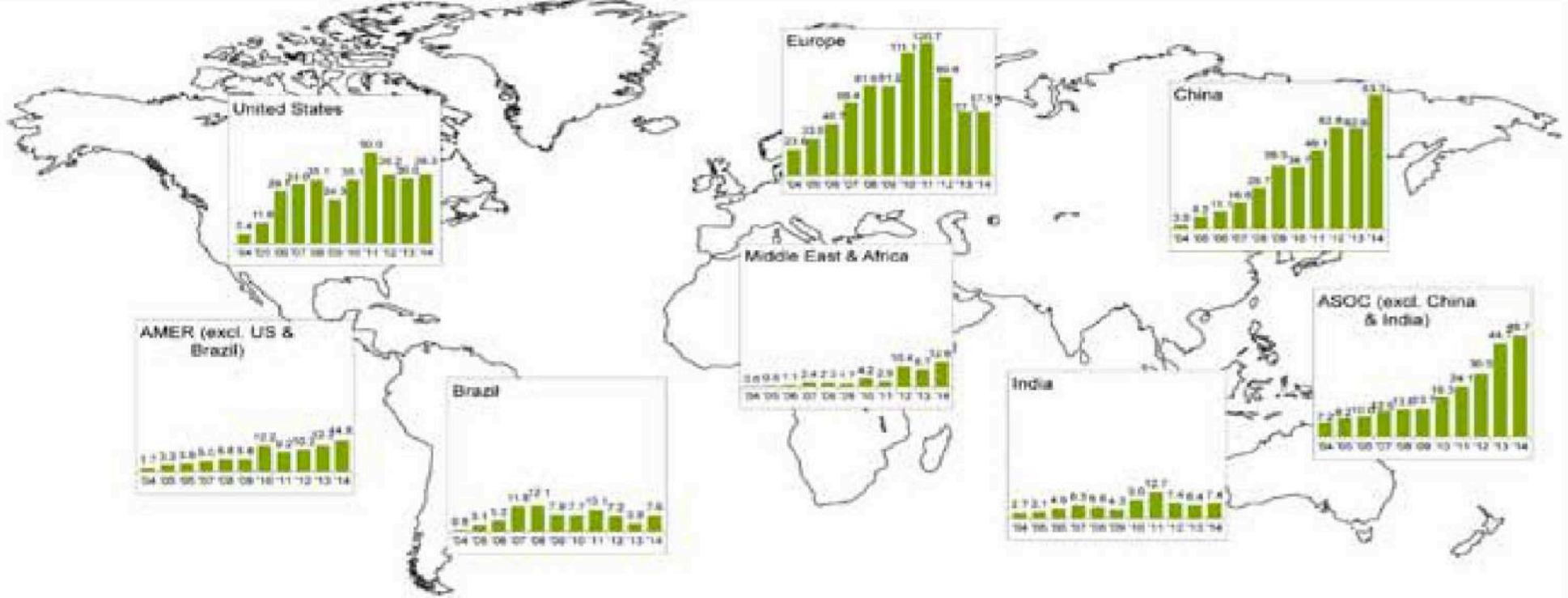


# Investment in mitigation



# Transition to renewable energy sources

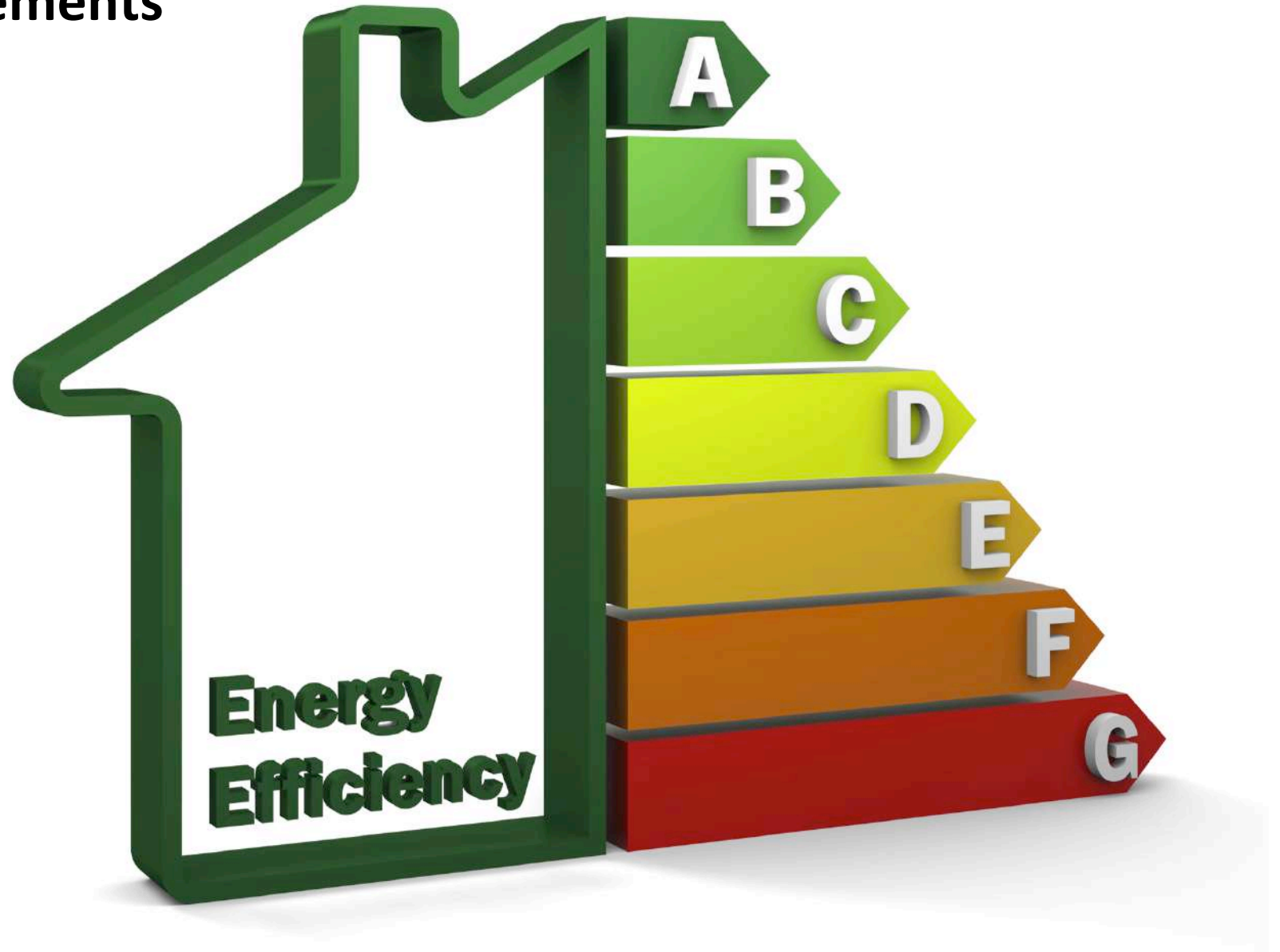
New investment in renewable energy by region (2004-2014)



Source: UNEP, Bloomberg



# Energy efficiency improvements



# Investment in adaptation





# New investments in water and agriculture

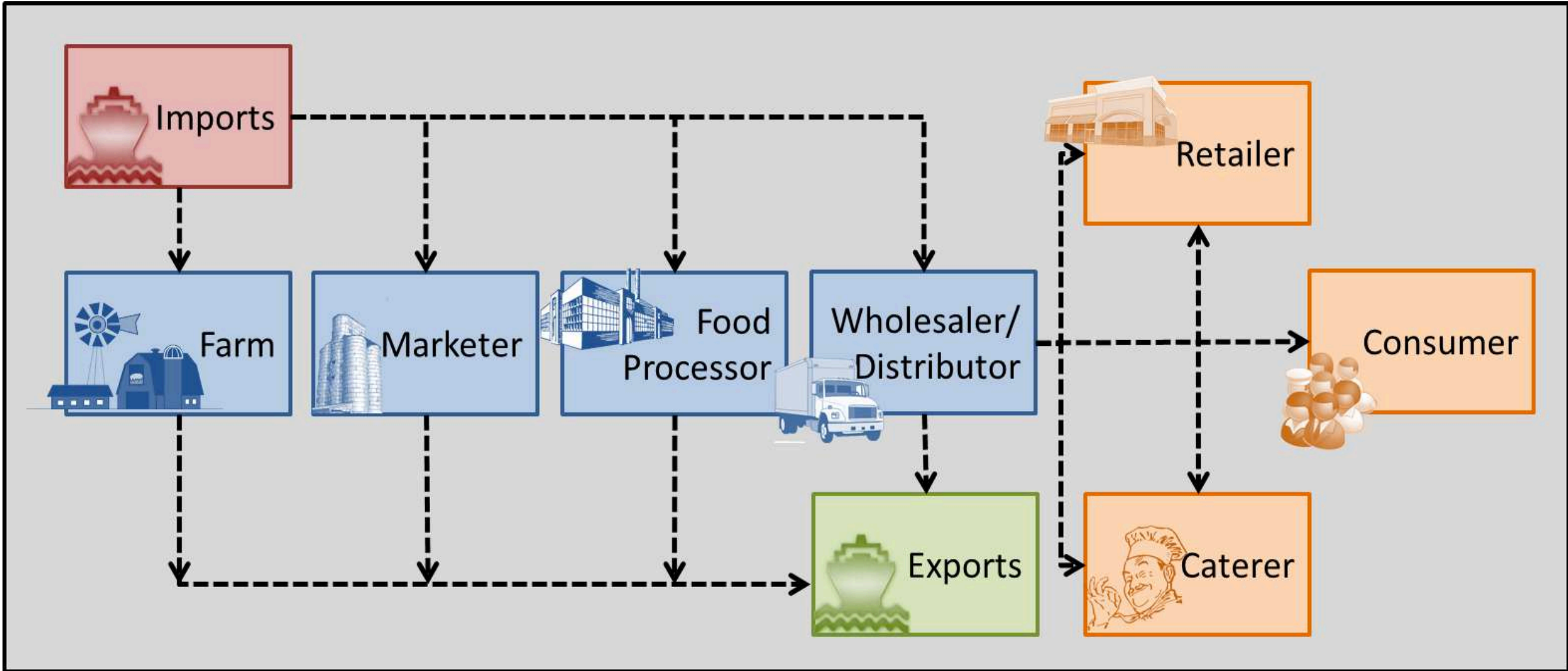




# Green and Circular Economy



# Understanding and securing the whole supply chain





# Building insurance contracts to equitably distribute weather and climate risks across the supply chain



# Actions for investors

- Understand the risks associated with climate change and embed these into asset-allocation policies.
- Evolve and transform portfolio mix (mitigation & adaptation).
- Allocate to sustainable assets.
- Secure the whole supply chain.





**Thank you!**