

# Bloomberg says investors pricing in climate risk

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US billionaire Michael Bloomberg talks to Paris Mayor Anne Hidalgo during a working session for "Action Day" at the COP21 United Nations conference on climate change in Le Bourget, on December 5, 2015

Global investors are increasingly pricing in the risk of climate change, US billionaire Michael Bloomberg told AFP on Saturday after taking charge of a task force to bring greater clarity to the financial implications of a warming world.

Climate experts warn of huge consequences for the world's economy if humanity fails to curb emissions of climate-altering carbon gases, tipping Earth towards a future of rising seas, floods, storms and droughts.

Speaking on the sidelines of UN climate-saving talks in Paris, Bloomberg said investors were very much aware of the financial implications and were reacting.

"They understand a lot more than people realise," the former New York mayor said, pointing to a proliferation of issuances of "green bonds", created to finance projects with a positive impact on the environment or climate.

"The pension funds are starting to be much more activist in deciding what industries they will invest in and only investing in companies that are environmentally responsive."

Bloomberg was named Friday as chairman of a task force that will draw up international guidelines for companies to follow in disclosing to investors their exposure to climate risks.

The Switzerland-based Financial Stability Board, a watchdog set up to avert a repeat of the 2008 financial crisis sparked by the Lehman Brothers collapse, launched the [task force](#) on the sidelines of the Paris conference, which is seeking a global accord to brake emissions of greenhouse gases.

"The more information you have the better the decisions you can make," Bloomberg said, adding investors had "not totally" taken climate risks into account yet.

"We will wait and see what the market place and the customers want to

do and what the owners do.

"But at least giving people information on a comparable basis reasonably accurately, reasonably quickly, lets people then make informed decisions."

## **Power of the markets**

Bloomberg said he firmly believed businesses would act to the growing threat of global warming, and not have to wait for government guidance or rules.

"Unless you are prepared to believe governments should dictate everything I think we should let the market place do an awful lot of this stuff," he said.

Companies and individuals can be very innovative, Bloomberg argued.

"We solve insolvable problems all the time. Philip Morris banned smoking in their offices—they sell tobacco. Exxon Mobil I think has really been a leader in trying to diversify," he added.

"So those companies are trying to adapt. The world does not end."

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