

# Michael Bloomberg leads global push on corporate climate risks

December 4 2015, by David Williams

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Michael Bloomberg, French President Francois Hollande and Paris Mayor Anne Hidalgo at the COP21 climate summit in Paris on December 4, 2015

US billionaire Michael Bloomberg will lead an unprecedented push for corporations worldwide to reveal their financial exposure to climate change to investors, a banking watchdog announced Friday.

Climate experts warn of huge financial consequences if humanity fails to

curb emissions of climate-altering carbon gases, tipping Earth towards a future of rising seas, floods, storms and killer droughts.

Carbon gases, which act like a blanket trapping the Sun's heat around Earth, are emitted from a vast array of human activities such as burning coal, oil and gas—fossil fuels which form the backbone of the energy industry.

The Basel, Switzerland-based Financial Stability Board, a watchdog set up to avert a repeat of the 2008 financial crisis sparked by the Lehman Brothers collapse, announced it would seek to draw up guidelines for companies to disclose the climate risks they face.

A task force, launched on the sidelines of UN talks in the northern outskirts of Paris where 195 nations are trying to broker a climate-saving deal, aims to ensure companies around the world give investors clear, consistent information about the increasing financial risks they face from global warming.

Bank of England governor Mark Carney, a former Goldman Sachs banker and chairman of the Financial Stability Board, warned insurers in London in September that investors faced "potentially huge" exposure to the challenges posed by climate change.

Carney pointed to scientists' calculations that if [global warming](#) is to be curbed the world will not be able to burn most of its fossil fuel reserves without using highly expensive carbon capture technology.



Bank of England governor Mark Carney has said that investors face "potentially huge" exposure to the challenges posed by climate change

## Switching away from fossil fuels

The new task force will help investors to "understand and better manage" the climate-related risks, Carney said in a statement released in Paris.

He said former New York mayor Bloomberg, who also founded financial data company Bloomberg L.P., was the "ideal leader" for the task force because of his experience working on climate change and his commitment to transparent financial markets.

"It is critical that industries and investors understand the risks posed by [climate change](#) but currently there is too little transparency about those risks," Bloomberg said in the statement.

Julian Poulter, chief executive of Asset Owner Disclosure Project, which aims to protect retirement savings and other investments from climate risks, welcomed the initiative.

Climate negotiators are battling in Paris over a promise by developed nations to mobilise \$100 billion (92 billion euros) a year from 2020 to help developing nations shift to clean, yet more expensive, energy sources, he noted.



Scientists say the the world should not burn most of its fossil fuel reserves without using highly expensive carbon capture technology

"But the real story is the trillions of dollars that are already switching away from [fossil fuels](#) to low carbon assets," he said. "Better disclosure of climate and carbon exposure can speed up this transition."

The number of universities, governments and investment funds that have said they will drop at least some fossil fuels from their portfolios has risen to more than 500 from 181 in a little over a year, according to a report released this week by [climate](#) campaigner 350.org.

The total value of the assets to be divested cannot be calculated due to disclosure restrictions, but the companies or portfolios under management are worth \$3.4 trillion (3.21 trillion euros), it said.

The new [task force](#), launched with about 10 people including technical experts and risk analysts, will decide the scope and goals of its work by the end of March.

It will then be expanded to 30 people and will focus on recommending voluntary disclosure principles, aiming to wrap up its work by the end of 2016, the Financial Stability Board said.

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Citation: Michael Bloomberg leads global push on corporate climate risks (2015, December 4) retrieved 2 May 2024 from <https://phys.org/news/2015-12-michael-bloomberg-global-corporate-climate.html>

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