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New Investor Toolkit Launched for Managing Climate Risk and Investing in Resilience

The Investor Group on Climate Change (IGCC) is today launching a new guide for investors on climate risk tools and resources and managing for resilience.

The guide - *Investing in Resilience: Tools and Frameworks for Managing Physical Risk* - provides a snapshot of emerging tools and resources to help investors assess and manage physical climate risk, at both the portfolio and the asset level. It lays out some of the key concepts, issues and challenges associated with adaptation and provides a snapshot of emerging resources to help manage for resilience.

Climate change is increasingly recognised as a financial risk for investors, requiring the same levels of governance, oversight and active management as any other dimension of material financial performance. These risks include both the financial costs and opportunities presented by transitioning to a net zero carbon economy, and the physical effects of climate change itself.

“The impacts of climate change are already being felt. This is translating into increased costs for investors at the asset and the portfolio level. These costs are set to escalate as climate change accelerates”, said Emma Herd Chief Executive Officer, IGCC.

“Financial regulators now expect financial institutions and regulated entities to have processes in place for managing climate change risks to their portfolio, this includes physical risk”.

“Investors need new sophisticated tools and resources to actively identify, measure and manage physical risk. The good news is that these tools are emerging”.

“*Investing in Resilience* is an important and practical addition to the wave of new tools emerging to help investors tackle physical risks for assets and increase the resilience of their portfolio”, said Herd.

This guide is the latest in a series of resources that the Investor Group on Climate Change has developed in recent years to assess key climate risks across major industry sectors and identify means of investing in adaptation.

It was initially developed in a workshop, co-hosted with NAB in June 2018, mapping the landscape of emerging tools and resources for managing climate resilience. It has been shaped and framed by investors and the finance community to accelerate the management of resilience across the Australian economy.

Investing in Resilience: Tools and Frameworks for Managing Physical Risk is available [here](#).

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