

# Klima-Risiken für Investoren

## SSF Anlass Zürich, 10. Mai 2016

Renat Heuberger  
CEO, South Pole Group

# Global consensus...

COP21/CMP11

Paris, France





**...that Climate Change is real, and that the world can – and will – take responsibility.**



# Post COP21: change on its way

“For the first time, every country in the world has pledged to curb emissions, strengthen resilience and join in common cause to take common climate action”

**Baan Ki-moon**, UN Secretary-General, at the end of COP 21, December 2015





## The Paris Agreement is a Framework...

... on which all  
nations must now  
start acting.



# Every year another heat record

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## Climate change

### 14 of the 15 hottest years on record have occurred since 2000, UN says

World Metereological Organisation's analysis narrowly places 2014 as the hottest recorded since 1850, as global warming continues

Damian Carrington

@dpcarrington

Monday 2 February 2015  
20.01 AEDT



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Cracked ground of near Jaguary dam in Braganca Paulista, 100 km from Sao Paulo. 2014 was the warmest on record, according to US agencies. Photograph: Nacho Cubero/REUTERS

Fourteen of the 15 hottest years on record have occurred since 2000, according to

# Impacts on human settlement: Louisiana, USA



The New York Times

U.S.

## Resettling the First American 'Climate Refugees'

By CORAL DAVENPORT and CAMPBELL ROBERTSON

# Mapping the US energy transition

## Electric generation capacity additions by technology (1950-2015)

gigawatts

60

50

40

30

20

10

0

1950

1960

1970

1980

1990

2000

2010

initial operation year



hydro coal natural gas petroleum nuclear wind solar other

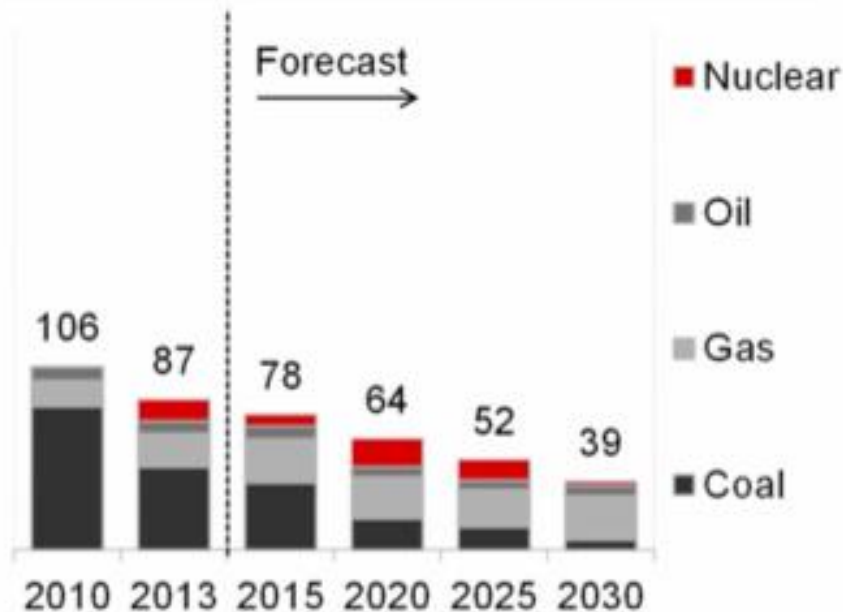
Source: [EIA](#)



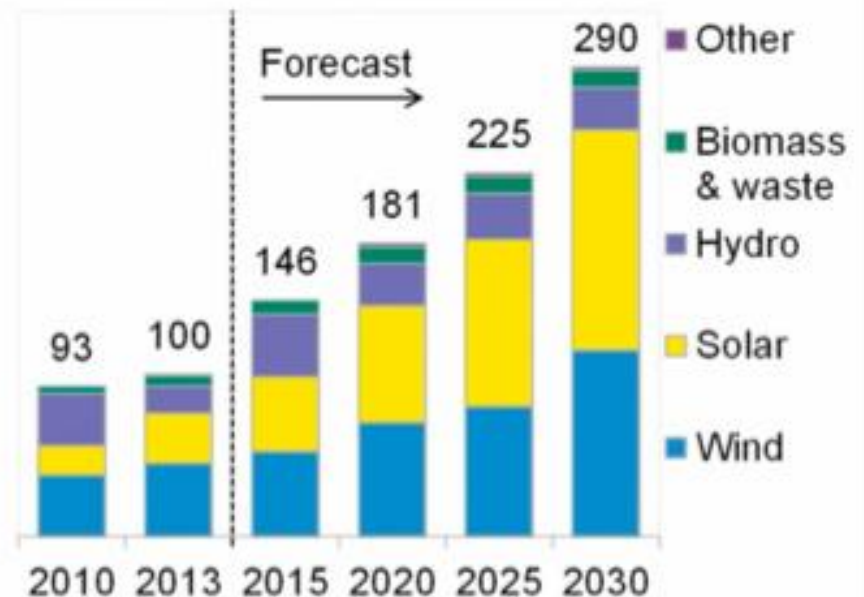
# The transition towards renewable energy has already begun

## GLOBAL POWER GENERATION CAPACITY ADDITIONS 2010 – 2030 (GW)

### FOSSIL FUEL AND NUCLEAR

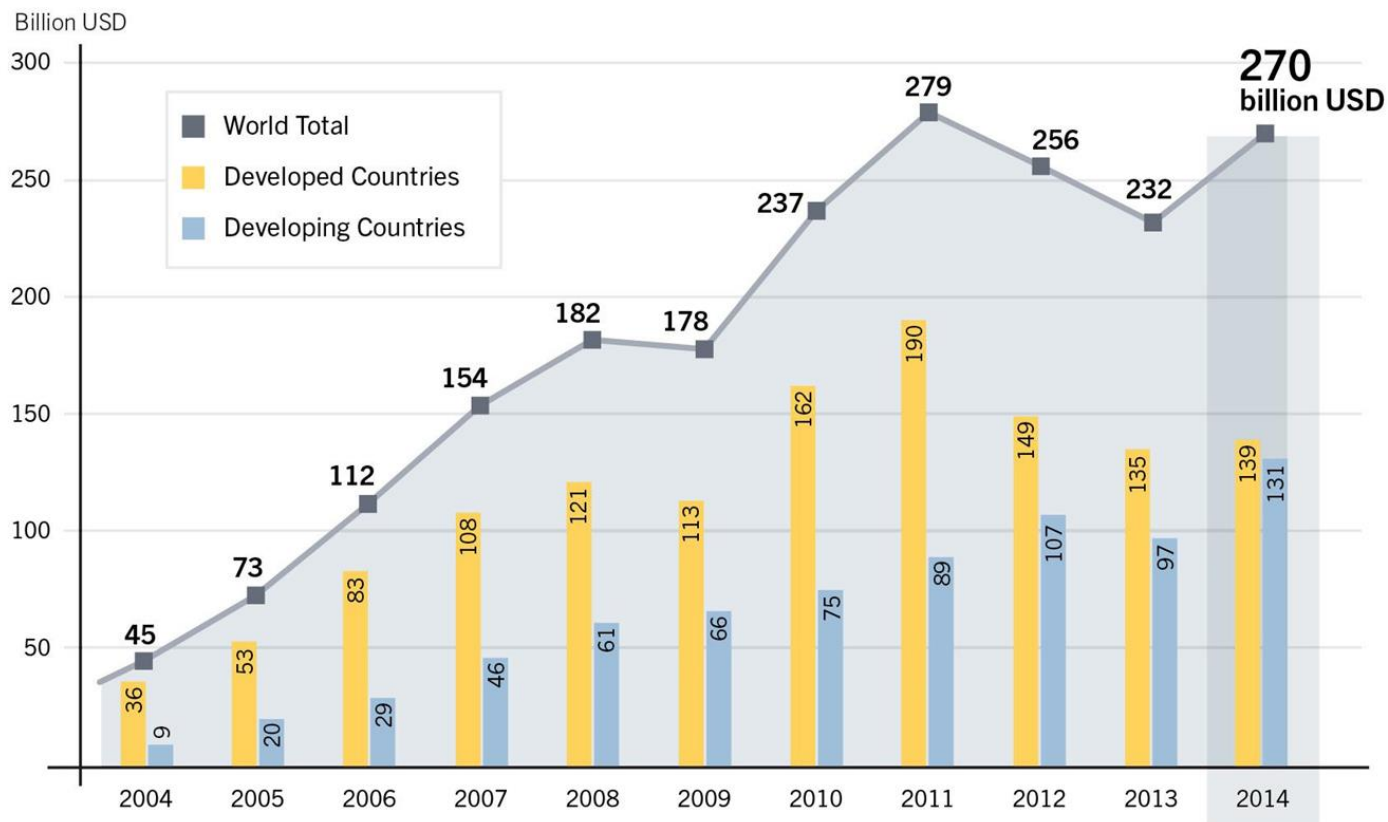


### RENEWABLES



Source: Bloomberg New Energy Finance

# Renewables: where the investments are happening 2004 - 2014



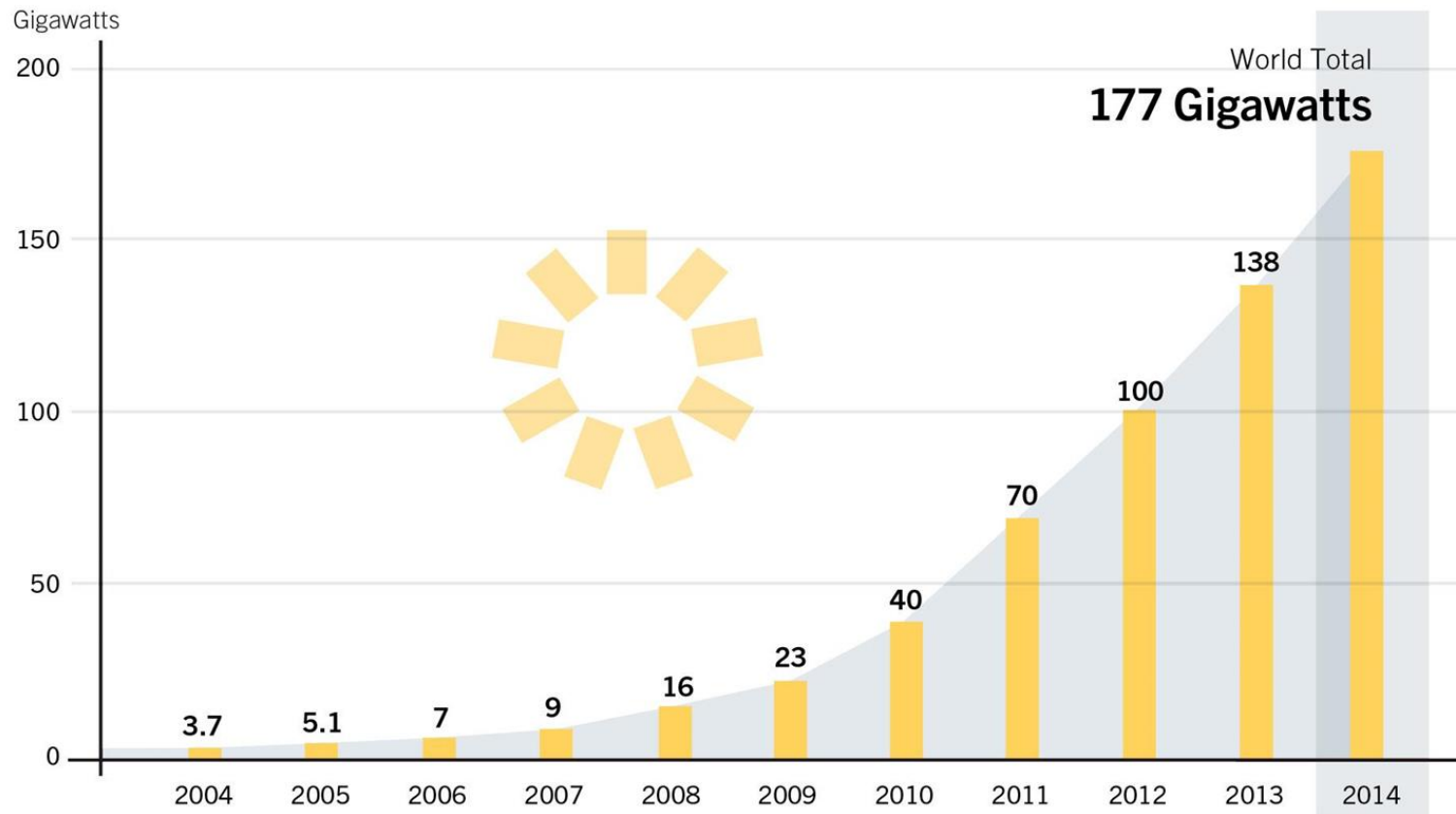
REN21 *Renewables 2015 Global Status Report*



Source: Frankfurt School–UNEP and BNEF

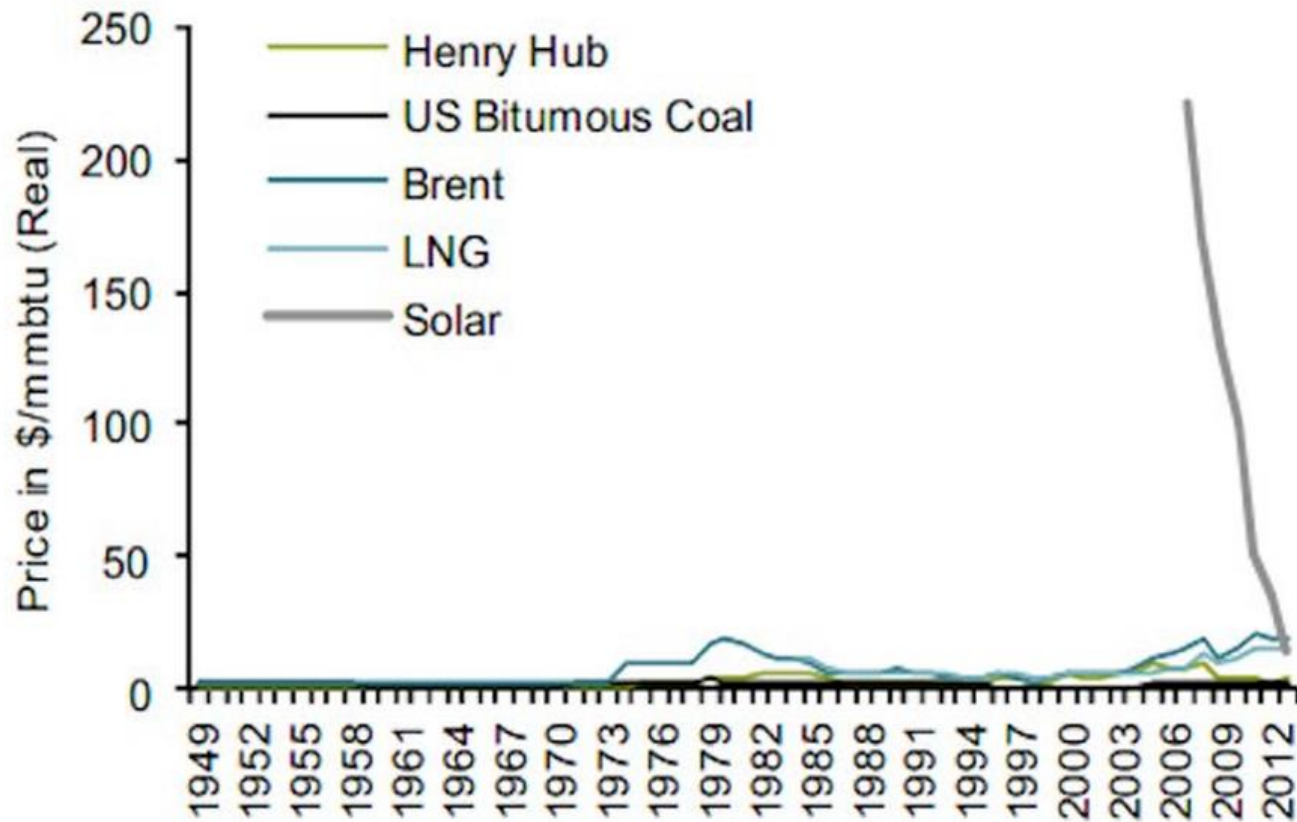


# Renewables: Global solar PV capacity 2004 - 2014



# Energy Disruption: No escape for fossil fuels

## Welcome to the Terrordome... \$/MMBTU by Energy Type

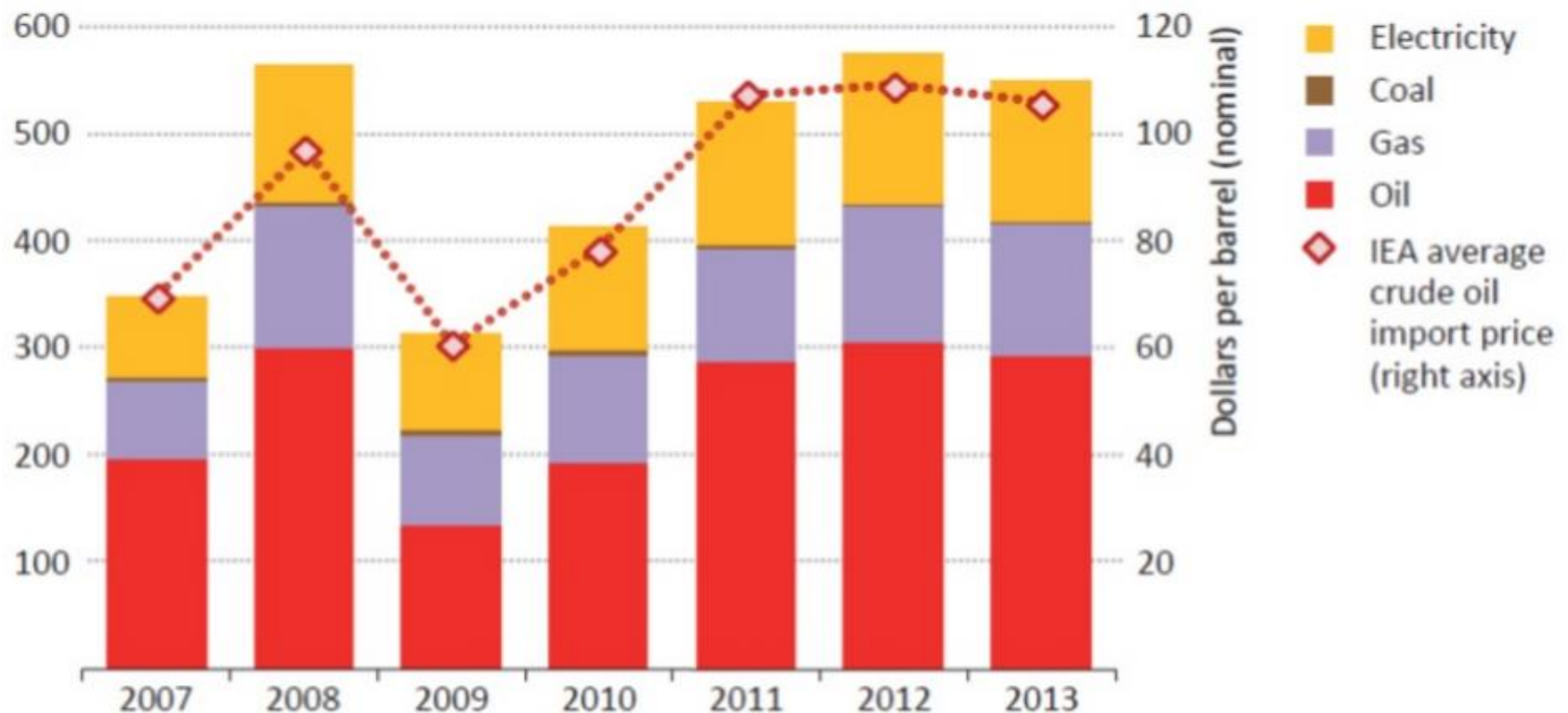


Source: EIA, CIA, World Bank, Bernstein analysis



# The size of global fossil fuel subsidies

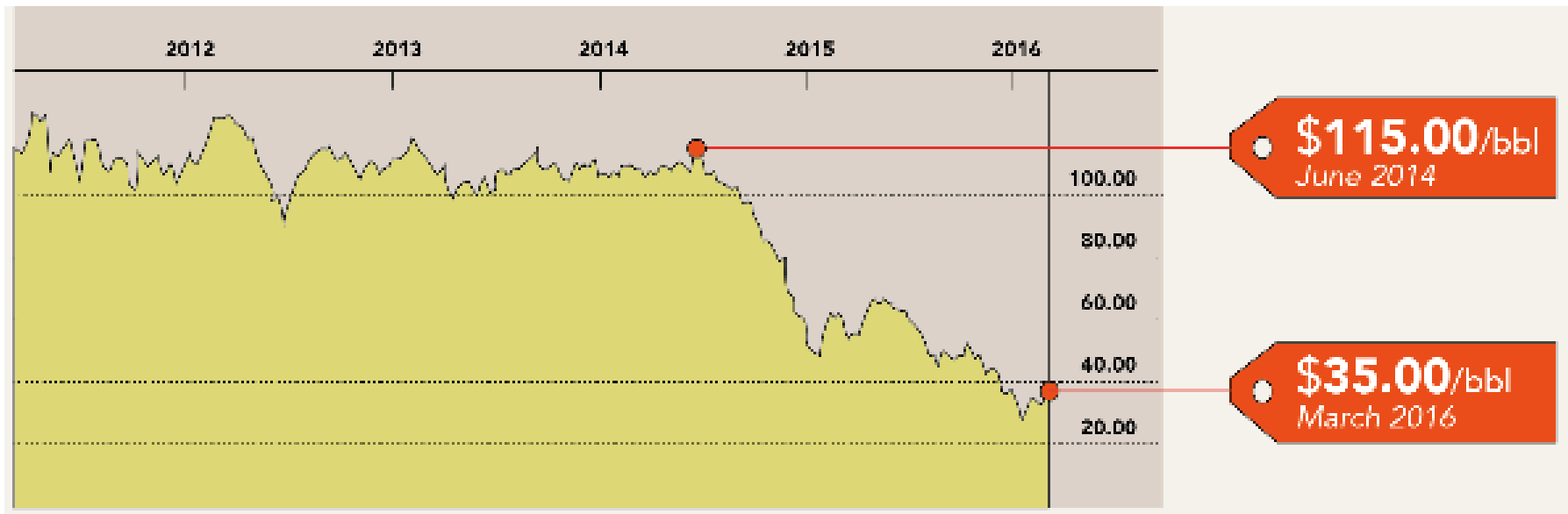
## Billions of dollars (nominal)



Source: IEA World Energy Outlook 2014.

# Falling oil prices with little effect on thriving investments into renewables

Brent crude price in US\$ per barrel



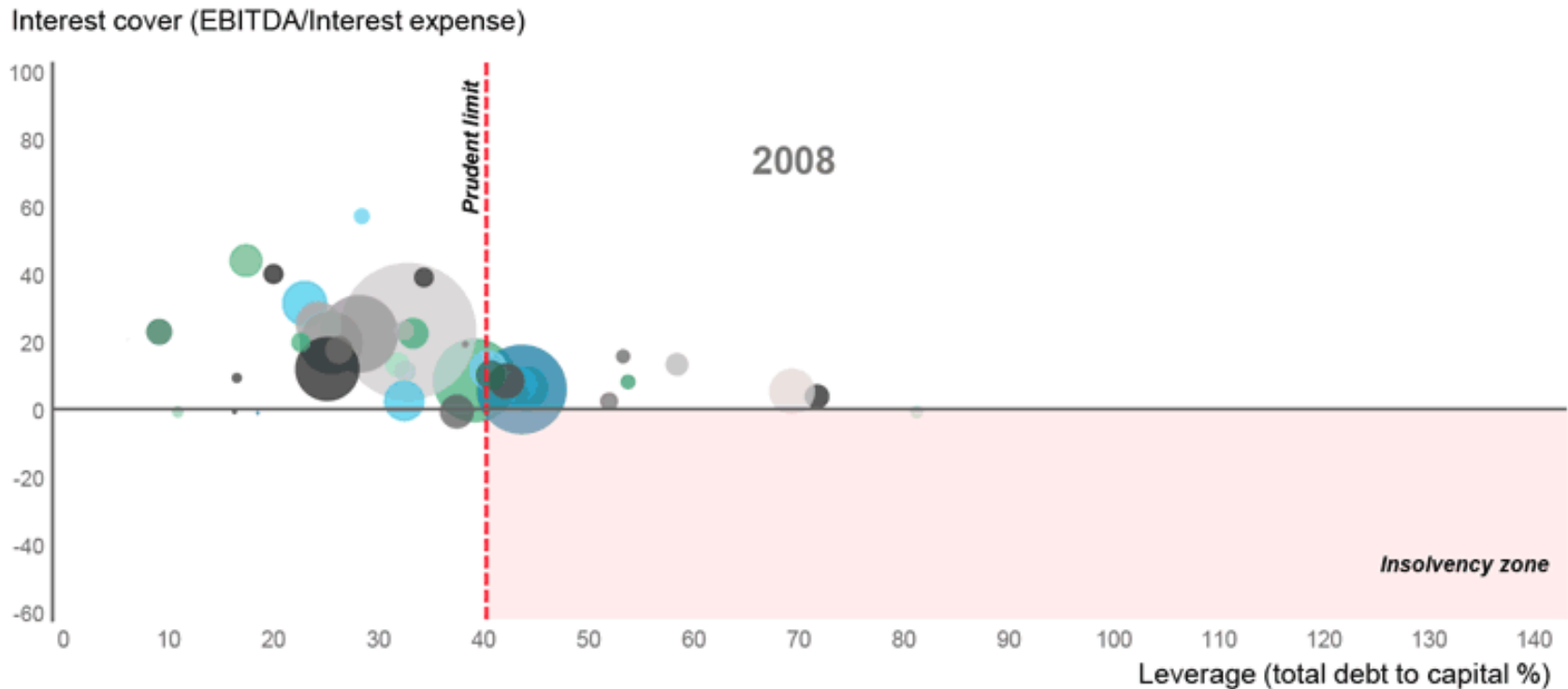
Source: Bloomberg Business



# Stranded assets: Bankruptcy looms

## US INDEPENDENT OIL & GAS PRODUCER SOLVENCY RATIOS

Bloomberg  
NEW ENERGY FINANCE



Note: size of bubbles represents net debt position for each company

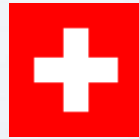
Source: Bloomberg Intelligence; Bloomberg New Energy Finance

# Stranded assets: governments are becoming aware

## Kohlenstoffrisiken für den Finanzplatz Schweiz

### Zusammenfassung

Zürich/Vaduz, 29. September 2015



Bundesministerium  
der Finanzen



## The effects of climate change on financial stability, with particular reference to Sweden

*A report for Finansinspektionen  
(The Swedish Financial Supervisory Authority)*



## Australian Senate



Im Auftrag des Bundesamtes für Umwelt (BAFU)

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Tijd voor Transitie –  
een verkenning van de  
overgang naar een  
klimaatneutrale economie

DeNederlandscheBank

EUROSISTEEM



# Stranded assets: Climate risk as investment risk

“Climate change will threaten financial resilience and longer term prosperity”

**Mark Carney**, Governor of the Bank of England, December 2015



# Stranded assets: national regulators react

A man in a dark suit, white shirt, and a red tie with a small white pattern is speaking at a podium. He has dark hair and is looking slightly to his left. The podium has two microphones in front of him. His right hand is visible, resting on the podium, and he is wearing a gold ring on his ring finger. The background is a solid blue color.

“I require (...) insurance companies to provide detailed and specific disclosures of their investments in the carbon economy including coal, oil and gas. We will make this new information public.”

**Dave Jones**, Commissioner, California Department of Insurance, January 2016

# Momentum beyond COP21

Mandatory investments  
footprinting in France and  
transparency requirements in  
Sweden and California

Portfolio Decarbonization  
Coalition with over 10 AO  
members

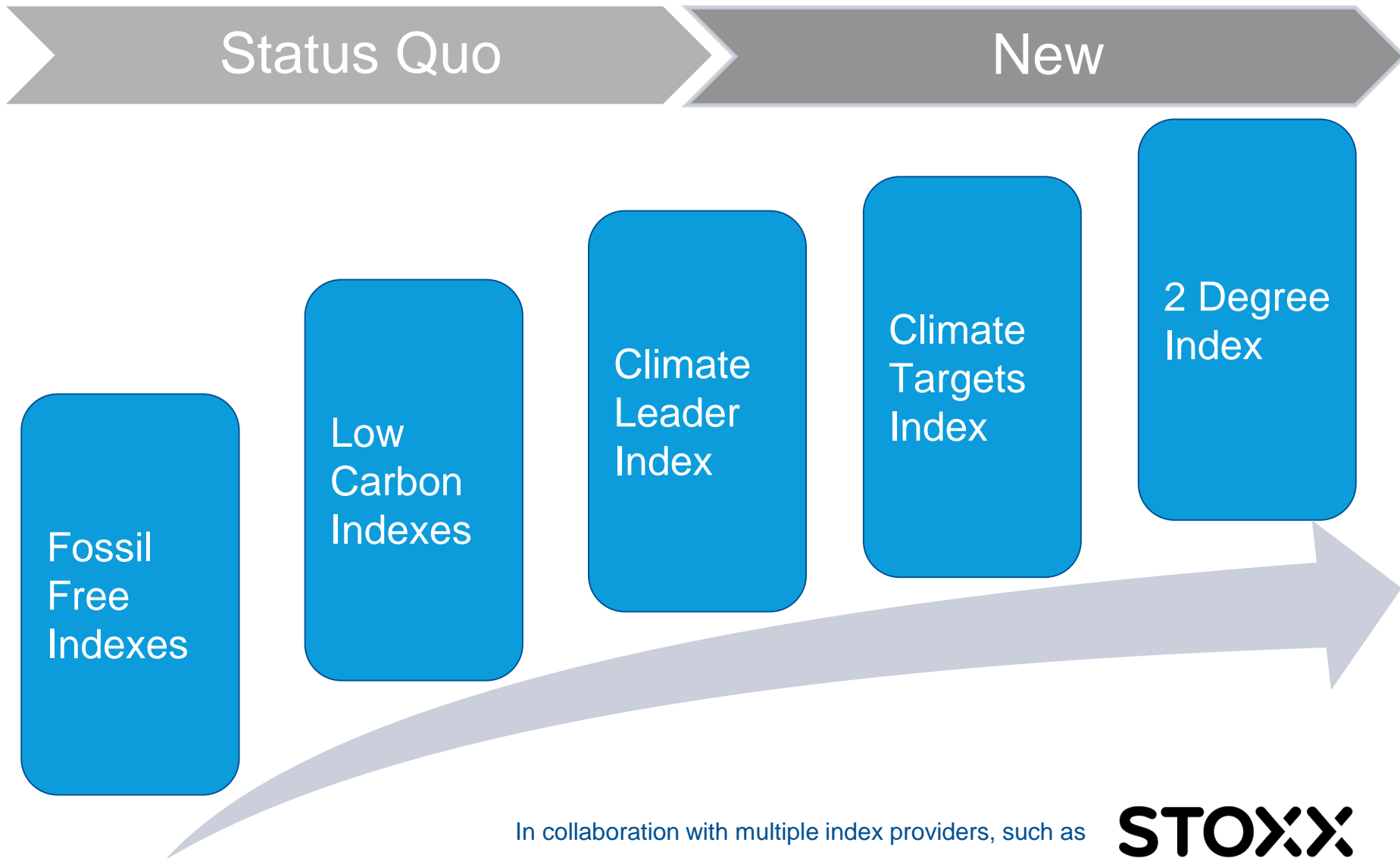
Montreal Pledge with  
100 signatories (USD  
3tn+)

Global Investor  
Statement on Climate  
Change of 350 investors



Low Carbon Investment Registry  
reports USD 24bn of emission  
reducing investments by 45 investors

# Institutional investors: Low-carbon indices on the rise



**STOXX**



# Direct Investments in the Renewable Future





# Challenges for a 2°C World



Invested 2010-  
2014

**\$1.1 trillion**



Needed to support  
NDC pledges

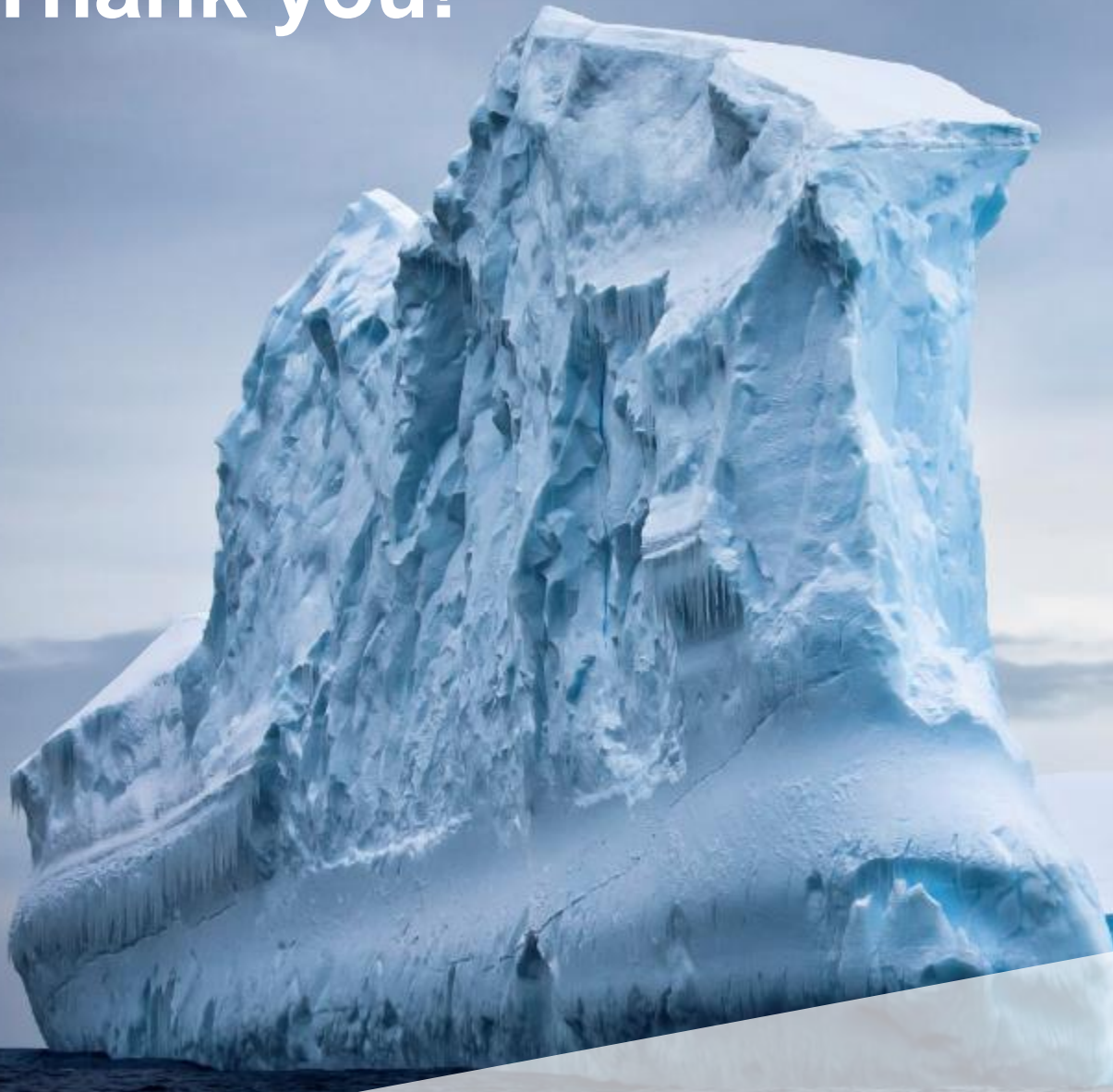
**\$13.5 trillion**



Needed to limit  
to 2°C

**\$16.5 trillion**

# Thank you!



# Contacts

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