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# SUSTAINABILITY IN PRACTICE

A FORUM FOR INVESTMENT LEADERS

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# PHYSICAL CLIMATE RISKS: IMPLICATIONS FOR INVESTORS

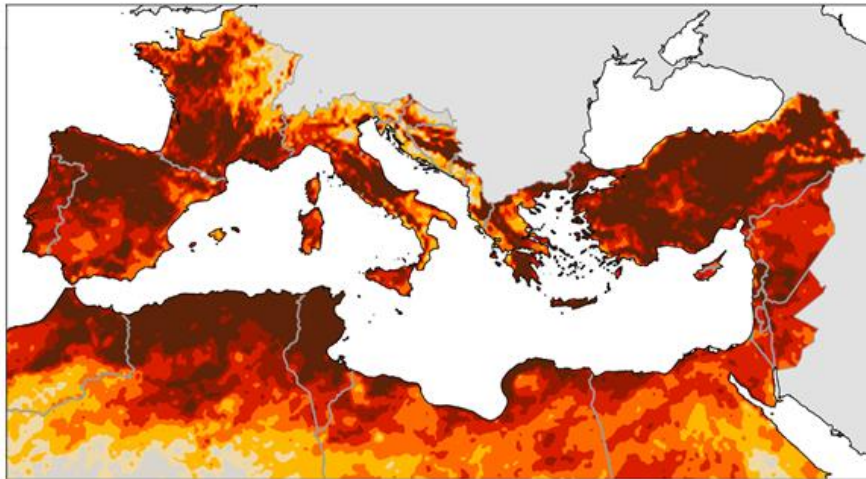
Chris Goolgasian, Director, climate  
research and portfolio manager,  
Wellington Management

Zach Zobel, Scientist, Woodwell Climate  
Research Center

## Mediterranean Drought

Annual Likelihood of Extreme Drought (6-month Drought Annual Probability)

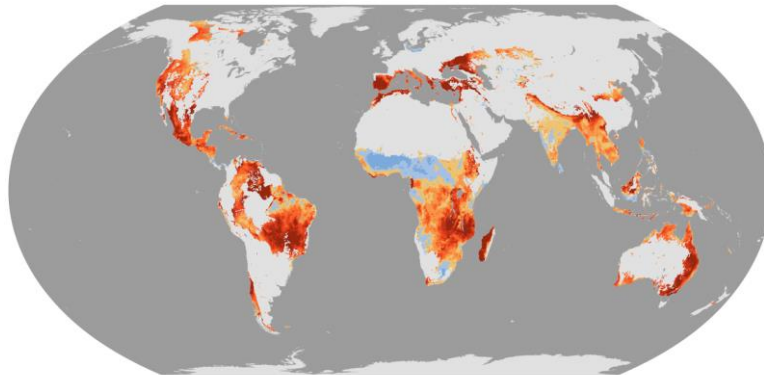
≤ 5    
  ≤ 10    
  ≤ 20    
  ≤ 30    
  ≤ 40    
  ≤ 50    
  50 +    
  Out of Domain



Annual likelihoods of severe drought in 2021-2050 using REMO2015. A severe drought is identified as a 6-month average sc-PDSI value of -4 or less. The sc-PDSI is calibrated in 1971-2000, which serves as a reference period. The sc-PDSI is corrected for CO<sub>2</sub> fertilization from increasing CO<sub>2</sub> concentrations, which enhances plant water retention and decreases drought risk (Swann et al., 2016).

# Wildfires

Percent Change in Annual Average Number of Days (2036-2050)  
Exceeding the Historical (1972-2000) 95th Percentile FWI



Percent Change



## Australia Flooding and Bush Fires

