

It is 'Our' climate crisis: Facing facts & taking action

We are in a pivotal decade. We have a highly sensitive time frame for global warming and biodiversity loss. In the financial community, every day sees updates on the impacts and investment solutions related to this life changing topic.

Yes, many updates are massively positive and we celebrate the putting in place of metrics and targets to counteract these risks and actualities. But, we cannot escape seeing and reading about big climate and biodiversity related catastrophic events; wildfires, rising sea levels, heatwaves, droughts, floods, storms etc. Fluctuating feelings range all the way from hope to despair and frustration as we look into and understand the deep urgent need for consolidated and regulated global action.

Our emissions pathway currently sets us for increases in temperature of more than 3 degrees. Science is clear; a temperature rise this high carries grave risks to the planet and all life it supports. The world last saw temperatures at this increased level about 3 million years. The sea level back then was 10-20m higher than it is now.

Temperature increases of 3 degrees or more will change all life on Earth. It will leave many places uninhabitable due to submersion, desertification, storm and catastrophic event damages. Extreme heat will render outside work/time impossible - not to mention air pollution. At the moment, we wear masks and are deeply relieved to get outside and take them off. Without drastically altering our emissions pathway, masks outdoors will become a reality too.

If we continue as we are, many heavily populated areas will experience severe heatwaves causing hundreds of millions to re-locate. This scale of mass relocation would likely cause mass and extended conflicts. The world may not even be able to support a population as large as we have now. We will see mass biodiversity loss in the oceans and on land. Health and wellbeing, quality of life and many livelihoods and lives will be destroyed. And the effect will not hit us evenly; gender-wise women are hardest hit and in society the poorest communities will suffer most.

This is the reality we face if we continue with business as normal with some minor tweaks. Our current geological period is the Anthropocene: this is the period during which human activity has been the dominant influence on climate and the environment. It wouldn't be a normal human reaction to read this sort of information without feeling overwhelmed. Some push the action and responsibility away onto others due to the scale and pace of the crisis. Others feel fear and loss when thinking about the future that our children and grandchildren face. These are anxious and urgent times. This can sometimes be the reason that people shy away from any action at all. But inertia is the last and worst thing we need in financial services industry right now!

OK, so we know we must act now because it is the right and actually the only thing to do. A duty of care to clients, to each other, to nature, to the planet. The whole lot, like the financial eco-system, is deeply inter-dependent and interlinked - risks and opportunities galore. So, what can the advisory community do?

Active engagement in financial services holds enormous capacity for positive climate, planetary and social action. Financial advisers have the unique chance to facilitate the flow of capital towards transition and sustainability. Huge positive change is possible when Advisers engage, educate and empower their clients to make sustainable choices with finance.

Here are some ideas to actively engage and importantly to stay grounded and motivated in the face of OUR climate crisis.

Self Evaluate. Take some time to take a deep look and make a detailed assessment of all you have to offer including any changes you can make (work and home). Consider your abilities, your education, learning opportunities, skills, interests, your life experiences, your work and social networks, where you live, your assets, job, health, and age.

Explore Opportunities. Explore possible opportunities for engagement and action. Do you currently engage with all your new and existing (annual review) clients on ESG and Sustainability? Could you/your firm specialise? Are you going into enough detail to cover the whole ESG and Sustainable spectrum? What about exploring the views of the differing values of wealth transfer clients or legacy planning clients who will be the next generation of clients? How do you identify your knowledge gaps (or gaps in your firm)? Where can you get information and help to set this up in your firm?

Identify Passions. Reflect on which possibilities for engagement make you come alive and feel passionate. If you follow this, you're less likely to burn out. It's important to enjoy the work so you develop resilience and sustainability.

Connect and share with others. There is a very active community on LinkedIn for all things Finance/ESG/ Sustainability, a wealth of knowledge from multiple credible sources, get reading, connecting, sharing and learning.

At ESG Accord, we believe in good outcomes for people (social), good outcomes for the market (economic) and good outcomes for the planet (environment). We can help you take action:

We provide a packaged compliance framework to firms to enable them to handle all ESG and Sustainability preference and objective related education, questions and outcomes. This includes ESG and Sustainable questionnaires and due diligence. The due diligence framework will help reduce concerns about greenwashing and increase market participation. Remember, this is a PROD issue as well! You can't match a target market without identifying your clients' objectives and preferences. Using our compliance framework will raise 'best practice' and increase your firm's suitability outcomes. Ultimately, we think when dialogue and transparency are increased, both you and your client will be more engaged. Good outcomes for all.

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[Click here](#) for our Compliance Guide to PROD and ESG & Sustainable Finance