



Fourth Annual GARP Climate Risk Survey Reveals Steady Progress Amid Increased Regulatory Scrutiny

Climate risk staffing and use of metrics, targets, and limits at top firms also increased

JERSEY CITY, NJ, September 13, 2022 – A new global survey from the Global Association of Risk Professionals (GARP) found that climate risk is increasingly becoming part of business-as-usual risk management at top global firms.

Conducted by the GARP Risk Institute (GRI), the [“Fourth Annual Global Survey of Climate Risk Management at Financial Firms”](#) received participation from 62 leading financial institutions around the world, including banks, asset managers, and insurers with USD 43 trillion of assets on their balance sheets, and total assets under management of around USD 46 trillion.

According to the 2022 results, supervisory activity on climate risk continues to intensify. Nearly 90% of firms reported that their regulators have published formal expectations for climate risk management, while nearly 80% said that regulators are now requiring them to report their climate-related risks.

In addition, 67% of firms reported significant increases in staff working on climate risk over the past two years, and more firms than ever are setting their climate risk appetite; 90 percent of surveyed firms now use metrics, around 75% use targets, and just over 50% use limits.

“As demonstrated in our fourth annual Survey, many firms are making progress in climate risk management,” said GRI President Jo Paisley. “It is particularly encouraging that we have seen an increase in the use of metrics, targets, and limits this year — an area that has proven to be stubbornly difficult.”

Other key takeaways included a strong increase in the number of firms looking beyond climate to other forms of environmental risks, such as air pollution and biodiversity loss, and innovations in climate product offerings. These climate-driven products include ESG funds (offered by over 80% of asset managers), as well as green bonds and sustainability-linked loans (offered by over 70% of banks).

Despite the obvious progress, some immediate challenges persist. Firms cited the availability of data (82%), availability of reliable models (72%), and regulatory uncertainty (45%) as their greatest short-term concerns. In addition, most surveyed firms still believe that physical and transition risks are only partially incorporated in market prices.

“We’ve seen improvements across many aspects of climate risk management, with perhaps more evidence of firms focusing on the commercial opportunities of climate change,” said Paisley. “Though there's clearly still work to do, the progress on climate risk management for the firms involved in the Survey has been steady and reassuring.”

To access the full 2022 survey report, visit GARP’s [Climate Risk Resource Center](#).

About the Global Association of Risk Professionals

The Global Association of Risk Professionals is a non-partisan, not-for-profit membership organization focused on elevating the practice of risk management. GARP offers the leading global certification for risk managers in the Financial Risk Manager (FRM®), as well as the Sustainability and Climate Risk (SCR®) Certificate and ongoing educational opportunities through Continuing Professional Development. Through the GARP Benchmarking Initiative and GARP Risk Institute, GARP sponsors research in risk management and promotes collaboration among practitioners, academics, and regulators.

Founded in 1996, governed by a Board of Trustees, GARP is headquartered in Jersey City, N.J., with offices in London, Beijing, and Hong Kong. Find more information on [garp.org](#) or follow GARP on [LinkedIn](#), [Facebook](#), and [Twitter](#).

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