

Principles for Climate-Related Financial Risk Management for Large Financial Institutions

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Thank you for the opportunity to comment on the draft principles intended to support large financial institutions in managing climate-related financial risks. This comment responds to questions #1 and 2, as listed in the Request for Comment, by pointing to ways that the draft principles could better address challenges raised by climate-related financial risks, and other aspects of climate-related financial risks that the Board should consider.

As a professor at the Nelson Institute for Environmental Studies at the University of Wisconsin Madison, I am a social scientist whose research focuses on environmental governance, particularly of industrial expansion, including oil and gas pipelines. One of my recent publications shows that **private-sector financial institutions may not be able to self-regulate adequately** in order to avoid long-term severe financial risk. Moreover, beyond direct material impacts from climate change, which the draft principles discuss, climate change-related **risks also include stranded assets, and social activism** in response to fossil-fuel infrastructure.