



BANK OF ENGLAND

# Speech annex

---

## **Driving different decisions today: putting climate scenarios into action**

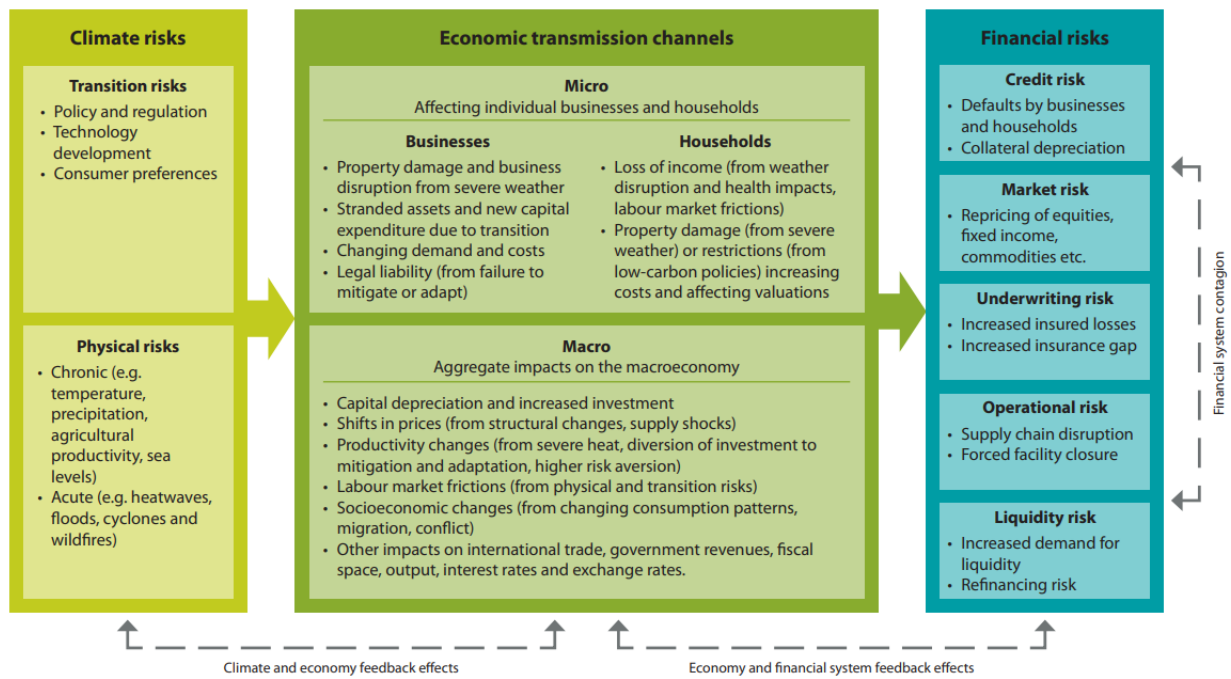
Speech given by

Sarah Breeden, Executive Director, Financial Stability Strategy and Risk and member of the Financial Policy Committee

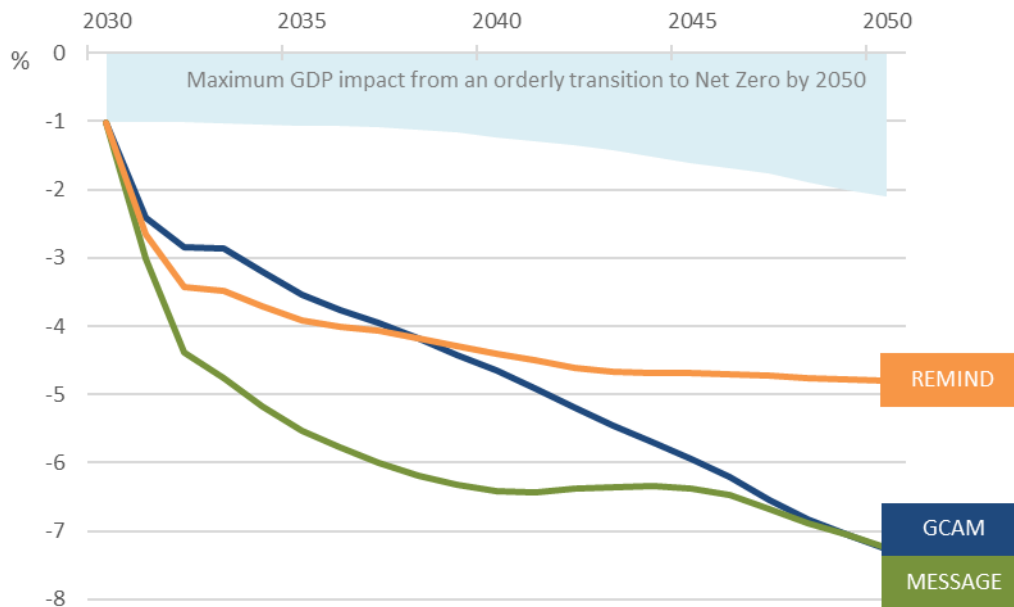
MIT Golub Center for Finance and Policy 8<sup>th</sup> Annual Conference: Financial Policy and the Environment

20 October 2021

**Figure 1: Transmission channels<sup>1</sup>**



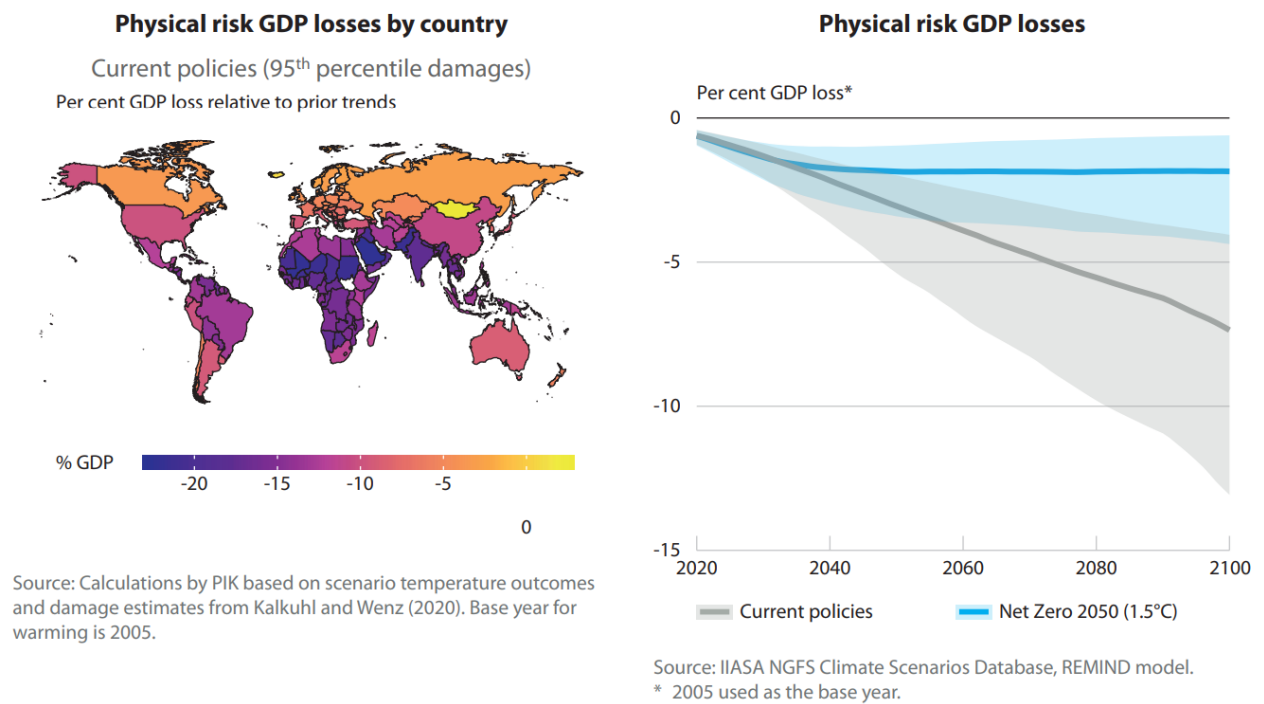
**Figure 2: GDP impact from delaying the transition across models**



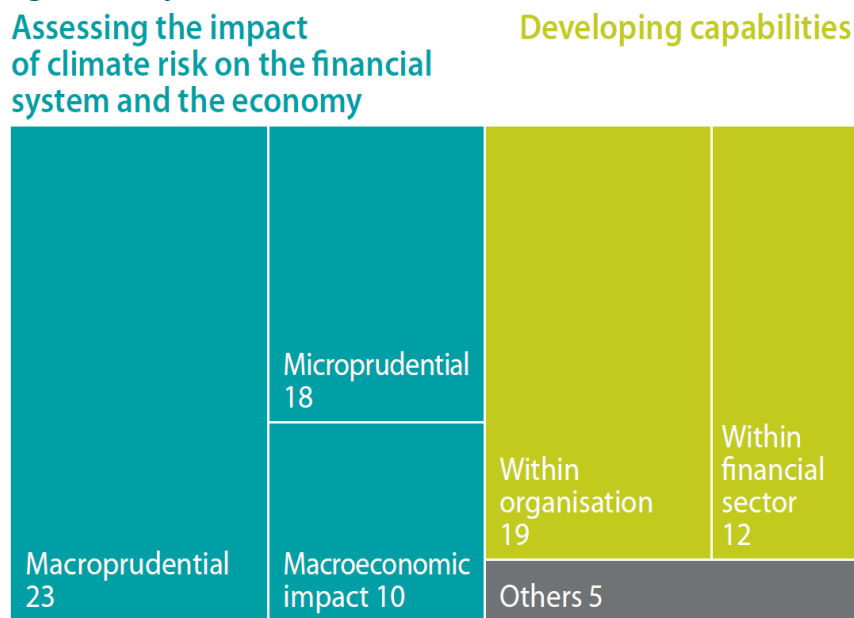
Based on the NGFS scenarios "delayed transition" and "Net Zero 2050". GDP impacts are modelled with NiGEM, using transition pathways from three integrated assessment models: GCAM, MESSAGE-GLOBIOM, REMIND-MAGPIE.

<sup>1</sup> ['NGFS Climate Scenarios for central banks and supervisors'](#)

**Figure 3: Physical risk GDP losses**



**Figure 4: Objectives of climate scenario exercises<sup>2</sup>**



<sup>2</sup> Many members attributed more than one objective to their exercises, hence why the total number of objectives (87) is larger than the total number of members (30).

**Figure 5: Scope of climate scenario exercises**

