



Ranking UK retail sectors

OURY PEWZER

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CORRESPONDENCE:

oury@pewzer.org

DATE RECEIVED:

October 19, 2015

DOI:

10.15200/winn.144524.45408

ARCHIVED:

October 19, 2015

CITATION:

Oury Pewzer, Ranking UK retail sectors, *The Winnower* 2:e144524.45408, 2015, DOI: [10.15200/winn.144524.45408](https://doi.org/10.15200/winn.144524.45408)

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A new white paper has been released today by Meteo Protect demonstrating the importance of unseasonal weather on the sales performance of UK retailers, and the growing need to actively manage its financial consequences. The extent to which retail companies are exposed to climate variability is likely to be an eye-opener for many banks, regulators, analysts and investors. As climate variability is increasing, the risk to which they are exposed requires urgent action.

The research report thoroughly investigates the relationship between monthly sales and climate variability. For the first time, for each season, retail sectors are ranked according to their sensitivity to temperature, precipitation, humidity rate and wind speed.

The authors provide retail managers with a methodology to calculate the contribution of weather to sales performance and to evaluate sales at risk caused by climate variability. They also provide analysts with rankings that classify retail sectors according to their sensitivity to climate variability.

To mitigate the exposure to climate risks, the idea that geographical diversification is a natural efficient hedge is wrong, and the scientific evidence exposed in this report is unequivocal. Climate variability is a risk that needs to be managed like any other financial risk. One way to become more resilient to

climate risks is to use weather-index products that are designed to pay in case of unfavorable weather. If companies are resilient to climate variability on an on-going basis, they will, by definition, become resilient to climate change.

The contribution of this research paper is of course not limited to the UK as the methodology is reproducible to other countries and sectors. A must-read for finance executives and business managers ahead of COP21.

[Download the White Paper](#)