

# Investor expectation to TCFD reporting

Sustainability Hub seminar 25th April 2018, Oslo



## Main message on climate risk reporting

**YES**

- Apply TCFD to your best ability
- Improve over time
- Contribute to standardisation

**Don't**

- Oversell the final results
- Secretive on data, assumptions and uncertainty

# 1: Develop company specific transition risk scenarios

Challenges existing scenario literature



- Focus on energy sectors
- Global industry sector focus
- Range of different emission trajectories
- Not suited for company level assessment

First go at dedicated scenario development



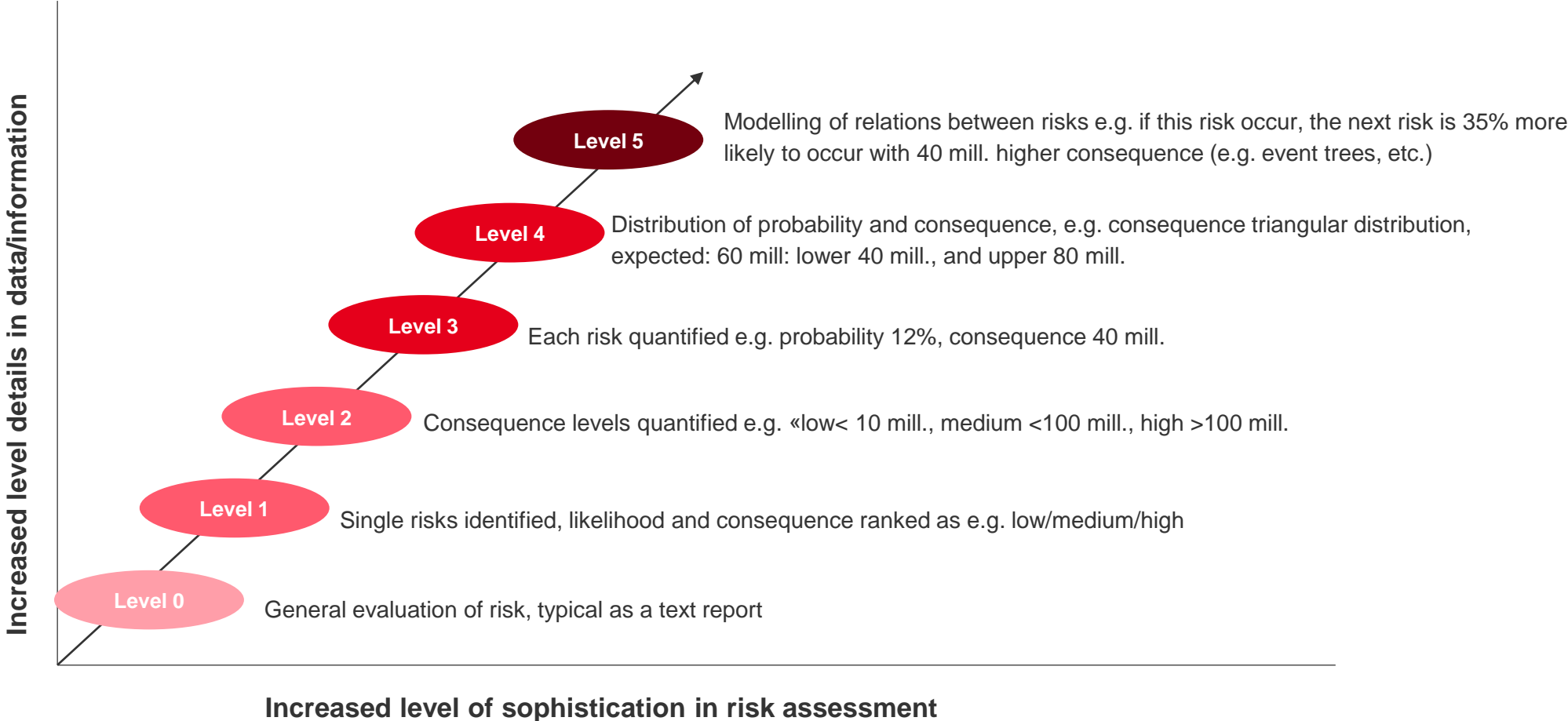
## Key steps

- Utilize existing transition risk literature as a overall frame
- Supplement existing literature with industry knowledge
- Develop company scenarios using a “what if” approach

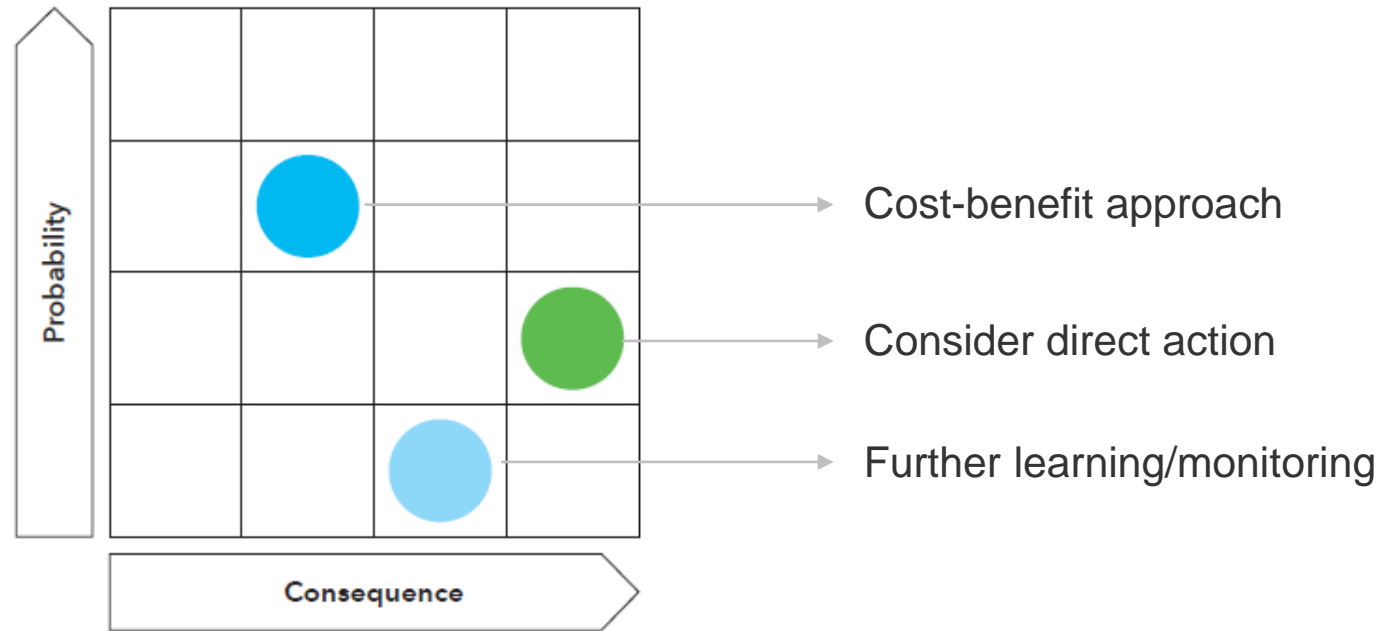
## Aim to:

- Assess how key performance indicators are impacted in different scenarios
- Try to capture dynamics between and within sectors
- Consider geographic and temporal characteristics
- Mature scenarios over time, from pure qualitative to quantitative

# 2: Don't overreach, mature risk assessment over time



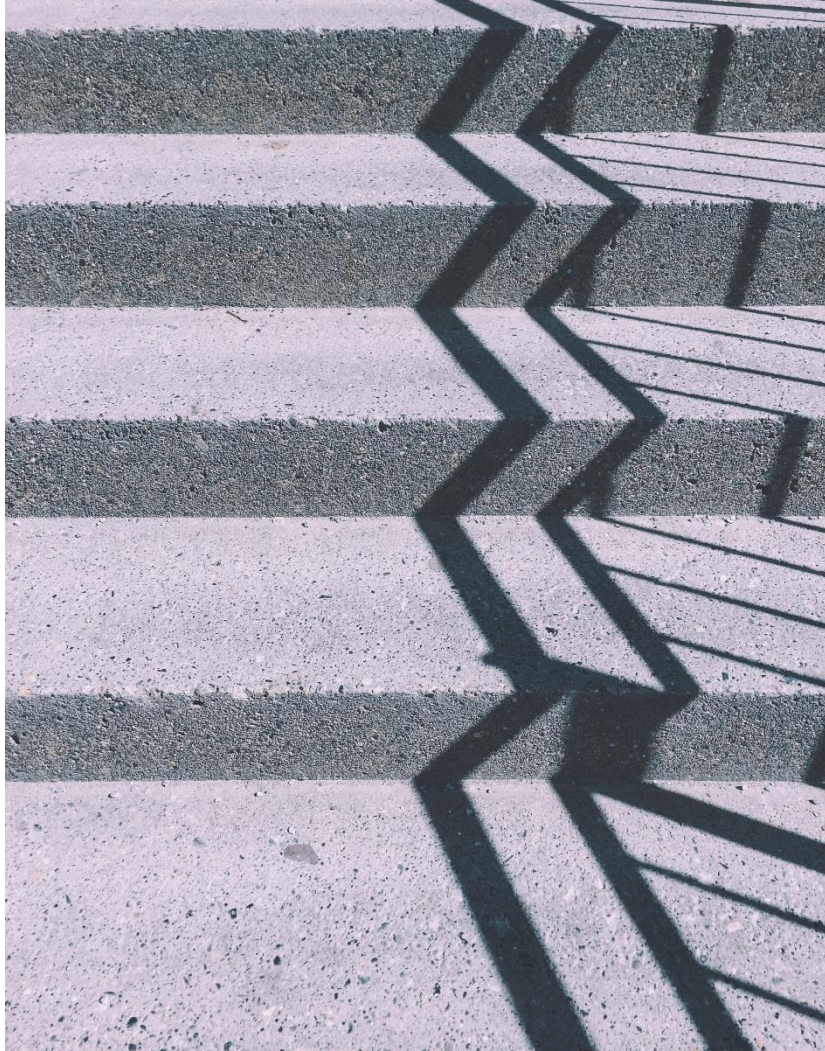
### 3: Understand and communicate uncertainties



- Strong background knowledge
- Medium strong background knowledge
- Weak background knowledge

- Concept introduce a third dimension classifying degree of confidence in assessment.
- Degree of background knowledge can be defined based on e.g. IPCC methodology.
- Give recommendation to risk management (e.g. ERM implementation) and strategy development.





«The journey of a  
thousand miles begins  
with one step»

Lao Tzu, ancient Chinese philosopher and writer

# KLP og Norsk Klimastiftelses samarbeidsprosjekt rundt klimarisiko



Norsk  
klimastiftelse

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NOREGS GRØNE TANKESMIE

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