



GREEN COUNCIL
環保促進會

Training Course: Introducing the Task Force for Climate related Financial Disclosures (TCFD)

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Introducing the Task Force for Climate-related Financial Disclosures (TCFD)

23 November 2021

ABOUT CDP



CDP is a global environmental impact non-profit working to secure a thriving economy that works for people and planet.



CDP runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts.



With the world's most comprehensive collection of self reported data, the world's economy looks to CDP as the gold standard of environmental reporting.



Its network of investors, purchasers and policymakers around the globe, use our data and insights to make better-informed decisions.

Today's Learning Outcomes



- Become familiar with the background, purpose, and structure of the TCFD.
- Learn the guidelines and recommendations of the TCFD.
- Understand the alignment between the TCFD recommendations and the CDP reporting process.
- Take first steps to prepare your organization to release a TCFD-aligned report.
- Know where to look for additional resources.

Agenda

Time (GMT+8)	Topic	Speaker
2:10-2:25	Introduction & State of play	Ms. Elim Kwok
2:25-2:50	Concepts and components of the TCFD	Ms. Elizabeth Lo
2:50-3:00	Q&A	
3:00-3:10	Break	
3:10-3:55	Developing a TCFD roadmap through CDP	Mr. Fredrik Andersen
3:55-4:15	TCFD in Hong Kong	Mr. Fredrik Andersen
4:15-4:30	Getting started with your TCFD report	Ms. Elim Kwok
4:30-5:00	Q&A	

How relevant do you think TCFD reporting is to your job position?

Introduction & State of Play

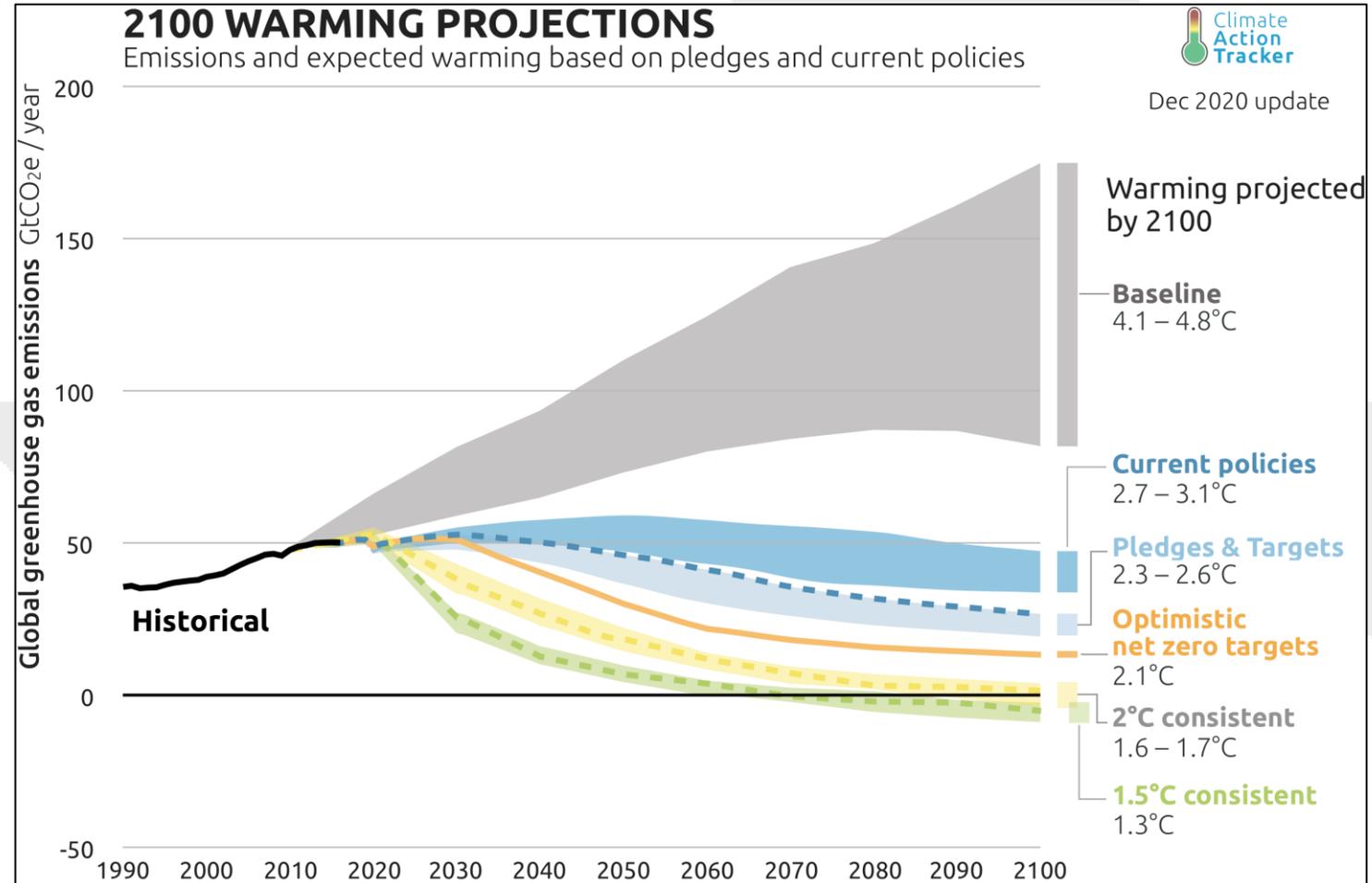


Ms. Elim Kwok

Corporate Engagement
CDP Hong Kong

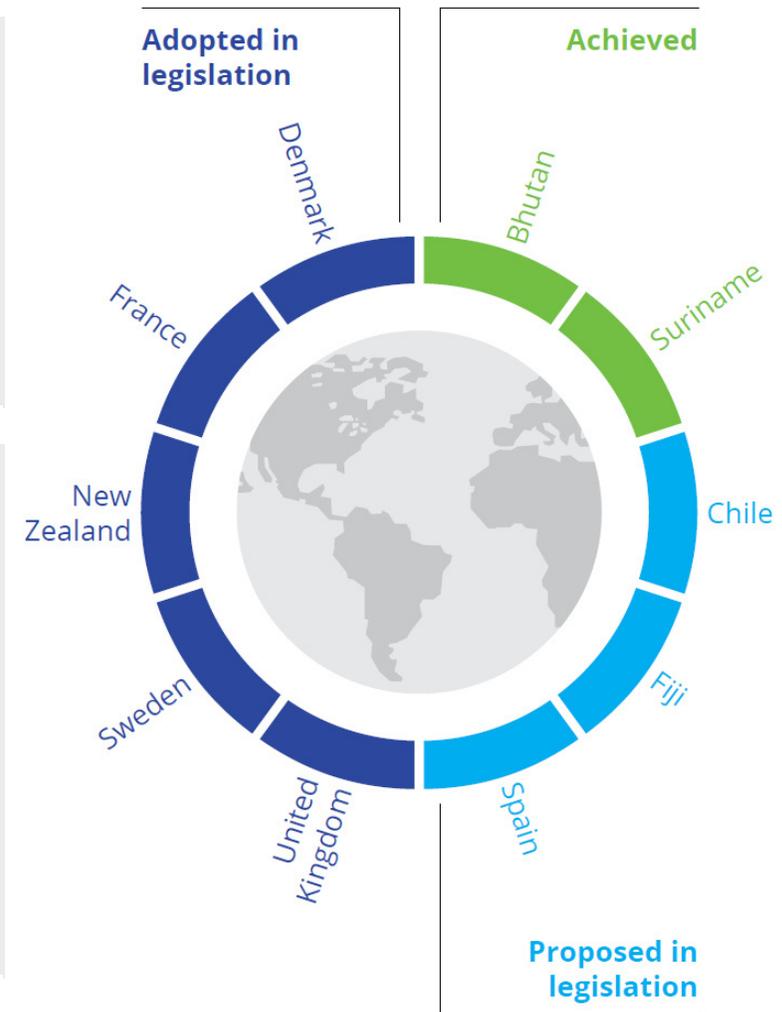
Global state of play - emissions

- Carbon emissions continue to rise
- Projected warming of over 4°C of warming by end of the century
- Double the global temperature increase sought by the Paris Agreement
- Annual 7.6% reduction in emissions is required from 2020
- Transition risks to limit warming to 1.5 include policy and regulation, technological advancements and reputational impacts.



The race to net zero emissions

- ▶ >130 countries are now considering or committed to working towards net zero GHG emissions by 2050
- ▶ 140 countries had submitted a new or updated NDCs as of October, 2021
- ▶ 100 countries are looking into carbon pricing as a way to achieve their NDCs



Source: World Bank

Coordinated policy action – Sustainable Finance



Source: Climate Action in Financial Institutions

Climate Risks to Financial Institutions

Credit Risk

1. Market value of properties taken for collateral
2. Lending to customers adversely affected by climate change drivers

Operational Risk

1. Disruption to bank property and operation
2. Higher insurance costs affecting bank profitability

Market Risk

1. Volatility in commodity prices
2. Policy changes – carbon tax / low carbon technologies

Liquidity Risk

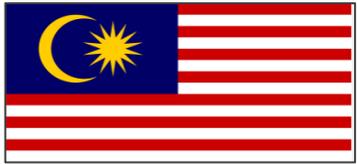
1. Policy changes / technology breakthroughs
2. Increased focus on ESG risks by credit rating agencies

Reputational Risk

1. Market expectations on climate-resilient financial operations
2. Reputation risk for assets associated with adverse social / environmental impact

TCFD Trends and Significance

Strengthening Market Demand for TCFD Reporting



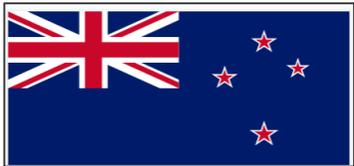
Expanding on expectations set by BNM for financial institutions to effectively manage climate and environmental risks includes **improving disclosures in line with the recommendations of TCFD.**

Source: <https://www.ngfs.net/sites/default/files/medias/documents/icw-bnm-final.pdf>



Monetary Authority of Singapore has released a consultation paper on the proposed guidelines on **environmental risk management for banks, asset managers and insurers.**

Source: <https://www.mas.gov.sg/-/media/MAS/News-and-Publications/Consultation-Papers/2020/Consultation-Paper-on-Proposed-Guidelines-on-Environmental-Risk-Management-for-Banks.pdf>



New Zealand first In the world to Require climate risk reporting.... the new regime will be on a comply-or-explain basis, based on the TCFD framework, which is **widely acknowledged as international best practice.**

Source: *Scoop Independent News, September 15 2020*



The UK Government is making TCFD aligned disclosure **mandatory** across the economy by 2025

<https://www.gov.uk/government/publications/uk-joint-regulator-and-government-tcf-taskforce-interim-report-and-roadmap>

Strengthening Market Demand for TCFD Reporting



Hong Kong SAR will introduce **mandatory** TCFD-aligned disclosures across all relevant sectors by 2025

Implementing Agency / Policy	Description of Policy	Year of implementation
HKEx Listing Rules	HKEx has a mix of mandatory and comply-or-explain ESG listing requirements	2020
Securities and Futures Commission (SFC)	Changes to Fund Manager Code of Conduct obligations to incorporate some of the TCFD elements	2021
Hong Kong Monetary Authority (HKMA) Supervisory Policy Manual	The manual provides guidelines reflecting HKMA's expectations regarding climate risk management in the shape of non-statutory guidelines.	2022

HKEx requirements against TCFD recommendations

Governance		Strategy		Risk Management		Metrics and Targets	
Disclose the organization’s governance around climate-related risks and opportunities.		Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.		Disclose how the organization identifies, assesses, and manages climate-related risks.		Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
Governance recommended disclosure		Strategy recommended disclosure		Risk Management recommended disclosure		Metrics & Targets recommended disclosure	
a) Describe the board’s oversight of climate related risks and opportunities.	HKEx: 13i, 13ii, 13iii	a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.		a) Describe the organization’s processes for identifying and assessing climate-related risks.	HKEx: 14 – Materiality, A4.1	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	HKEx: 14 – <ul style="list-style-type: none"> Quantitative Consistency Boundary
b) Describe management’s role in assessing and managing climate related risks and opportunities		b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	HKEx: 13ii	b) Describe the organization’s processes for managing climate related risks.	HKEx: A4.1, B5.3	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	HKEx: A1.1, A1.2
		c) Describe the resilience of the organization’s strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.		c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization’s overall risk management.		c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	HKEx: A1.5, A2.3

 - mandatory requirement aligned with TCFD

 - comply-or-explain requirement aligned or partially aligned with TCFD

Integrating climate change in overall business strategies

Financial Accounting, TCFD and ESG



Source: Adapted from CDP, CDSB, GRI, IIRC and SASB. *Statement of Intent to Work Together Towards Comprehensive Corporate Reporting*. September 2020

Financial Accounting, TCFD and ESG



ENTERPRISE RISK MANAGEMENT

Source: Adapted from Committee of Sponsoring Organizations of the Treadway Commission (COSO), TCFD



Governance & Culture

1. Board oversight of climate-related risks & opportunities
2. Management role in assessing climate-related risks & opportunities



Strategy & Objective-Setting

1. Climate-scenario analysis – risks & opportunities over short, medium and long term
2. Impact assessment - business strategy and financial planning
3. Vulnerability assessment & resilience of business strategy over different climate scenarios



Performance

1. Climate risks and opportunities metrics in line with strategy and risk management process
2. Disclosure of GHG emissions: Scopes 1, 2 & 3
3. Performance v/s targets



Review & Revision

1. Process to identify climate-related risks
2. Process to management climate-related risks
3. Process to identify, assess and manage climate-related risks in overall risk management



Information, Communication, & Reporting

1. Standalone TCFD-aligned report
2. Integrated TCFD and financial accounts report



Concepts and components of the TCFD



Ms. Elizabeth Lo

Corporate Engagement

CDP Hong Kong

Climate Action, the Paris Agreement, and CDP



G20
Finance Ministers



Source: United Nations, FSB, TCFD



TCFD Recommendations

Overview

- Voluntary
- Report climate-related financial disclosures in the annual financial filings (mainstream report)
- Financial sector & high risk non-financial sectors
- Transition risks & physical risks (and opportunities)
- Forward-looking information & scenario analysis
- Short-term, medium-term & long-term
- Qualitative & quantitative disclosures



Priority sectors



Financial sector group

Banks
Insurers
Asset Owners
Asset Managers

Non-financial sector group

Energy
Transportation
Materials and Buildings
Agriculture, Food and
Forest Products

TCFD Recommendations

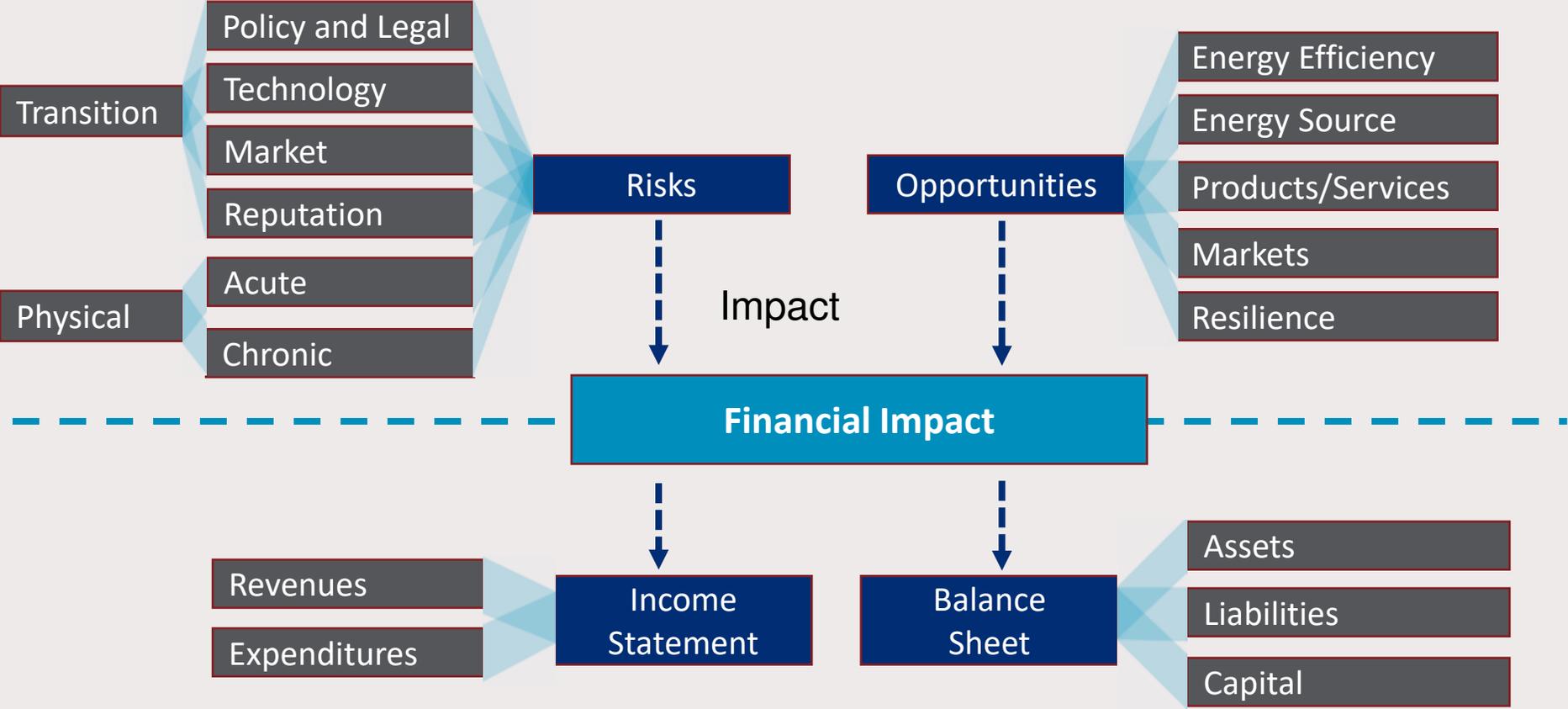


Governance	Strategy	Risk Management	Metrics and Targets
<p>Disclose the organization’s governance around climate-related risks and opportunities.</p>	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.</p>	<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>
<p>Governance recommended disclosures</p>	<p>Strategy recommended disclosures</p>	<p>Risk Management recommended disclosure</p>	<p>Metrics & Targets recommended disclosures</p>
<p>a) Describe the board’s oversight of climate related risks and opportunities.</p>	<p>a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>a) Describe the organization’s processes for identifying and assessing climate-related risks.</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>
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Linking climate data and financial data

Figure 1

Climate-Related risks, opportunities, and financial impact

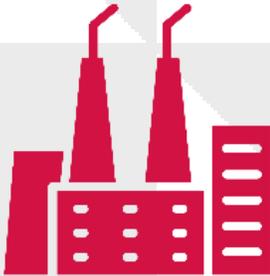
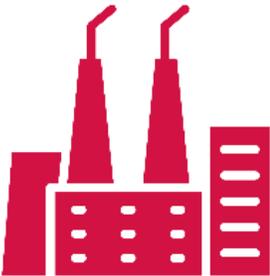


Materiality



Financial materiality: To the extent necessary for an understanding of the company's development, performance and position...

Environmental & social materiality: ...and impact of its activities



Company impact on climate can be financially material

Primary audience: capital markets

Primary audience: others

Source: CDSB

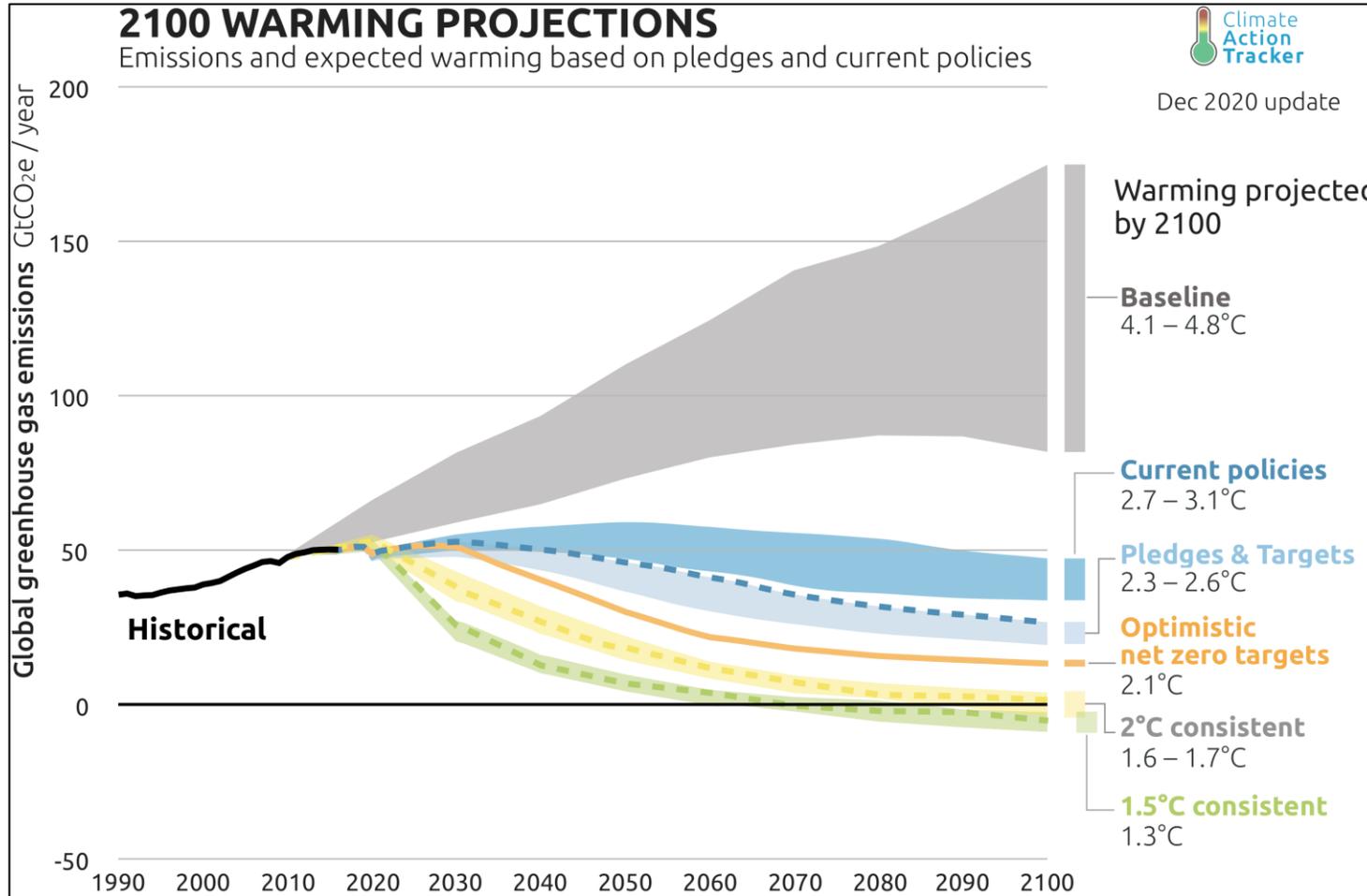
Scenario analysis: a tool for forward-looking disclosure

Scenario analysis – a tool for developing strategic plans that are flexible or robust against a range of plausible future states.

- Explore **alternatives** that may significantly alter the basis for “business-as-usual” assumptions.
- A scenario describes a **pathway** of development leading to a particular **outcome**.
- Scenario analysis is a **tool to enhance critical strategic thinking** and should be understood as narratives based on multiple scenarios.
- What is important is not credibility of the results of analysis, but the **responses to the expected futures**.

Scenario analysis is not intended to be a prediction of future performance.

Climate scenarios



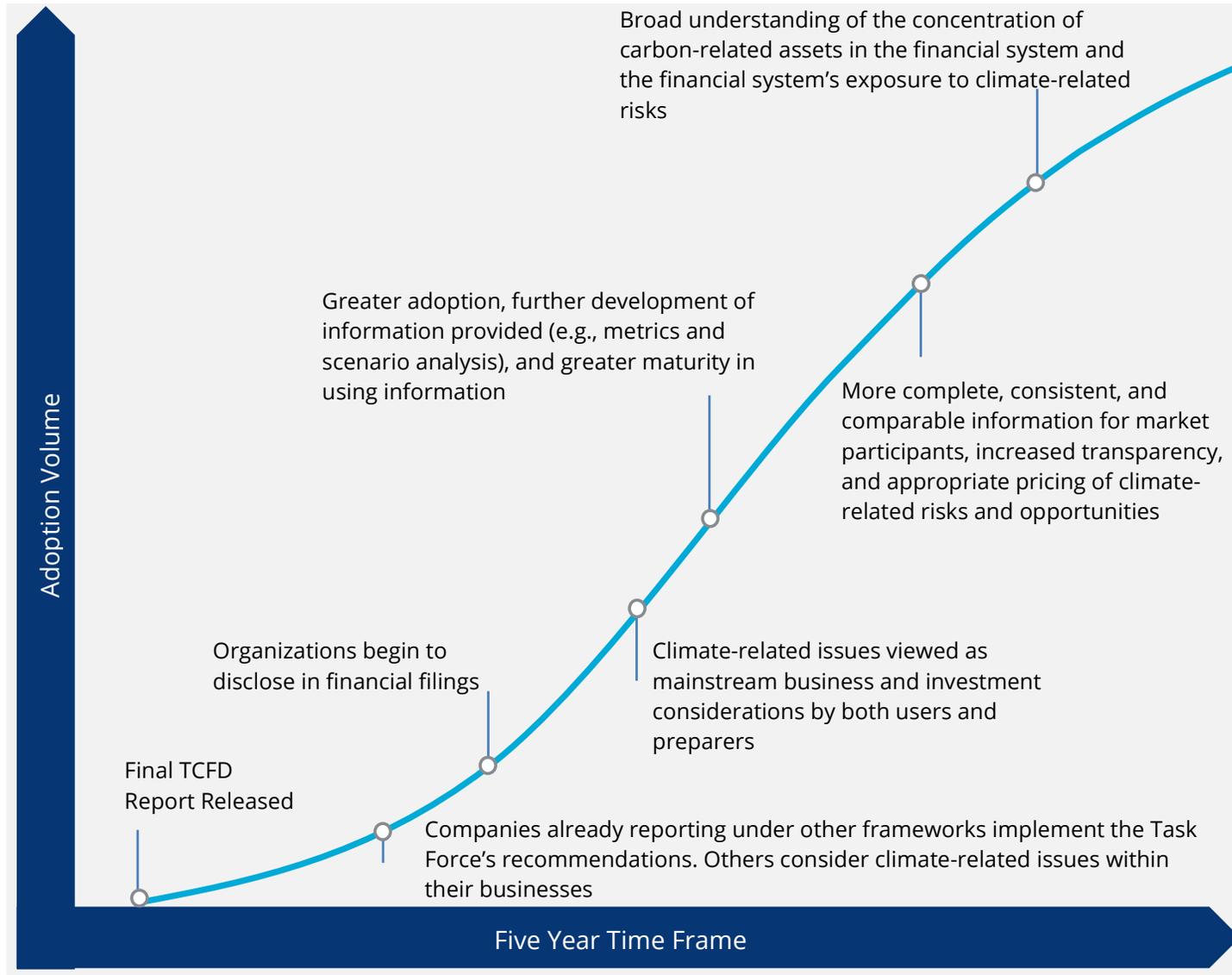
	1.5°C	2°C	2°C IMPACTS
EXTREME HEAT Global population exposed to severe heat at least once every five years	14%	37%	2.6x WORSE
SEA LEVEL RISE Amount of sea level rise by 2100	0.40 METERS	0.46 METERS	.06M MORE
ECOSYSTEMS Amount of Earth's land area where ecosystems will shift to a new biome	7%	13%	1.86x WORSE
CROP YIELDS Reduction in maize harvests in tropics	3%	7%	2.3x WORSE
CORAL REEFS Further decline in coral reefs	70-90%	99%	UP TO 29% WORSE

Types of Climate-related Risks

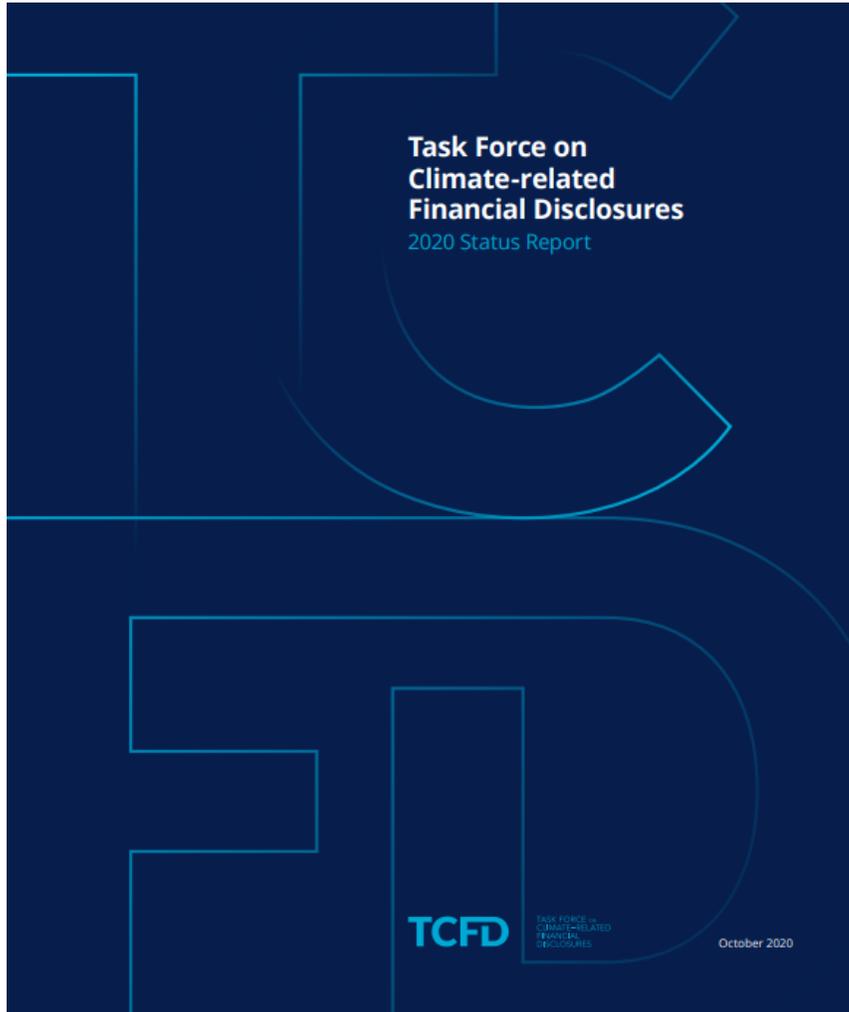
	Transition risk	Physical risk
1.5°C scenario	<ul style="list-style-type: none">• An “orderly” transition.• Increase of international and national climate policy, including carbon tax.• Significant changes in the energy mix and infrastructure.• New green technologies.	<ul style="list-style-type: none">• Increased temperature and changes in wind patterns leading to increased wildfire.• Sea level rise of 0.40m leading to increased flooding and storm surges in coastal areas.
3.4°C scenario	<ul style="list-style-type: none">• A “disorderly” and rapid transition.• Some international and national climate policy (no change).• Slower changes to the energy mix and infrastructure.• Price of raw materials increases.	<ul style="list-style-type: none">• Significant melting of ice in the Arctic.• Reduction in crop yields from extreme temperatures.• Sea level rise of above 0.50m leading to more significant flooding and storm surges in coastal areas.

❗ The assumptions and outcomes will also differ depending on the time horizons.

TCFD Implementation Path (illustrative)



TCFD 2020 Status Report



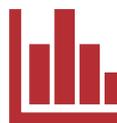
Key findings (full report available [here](#))



Nearly 60% of the world's 100 largest public companies support the TCFD, report in line with the TCFD recommendations, or both.



Disclosure of climate-related financial information has increased, but continuing progress is needed.

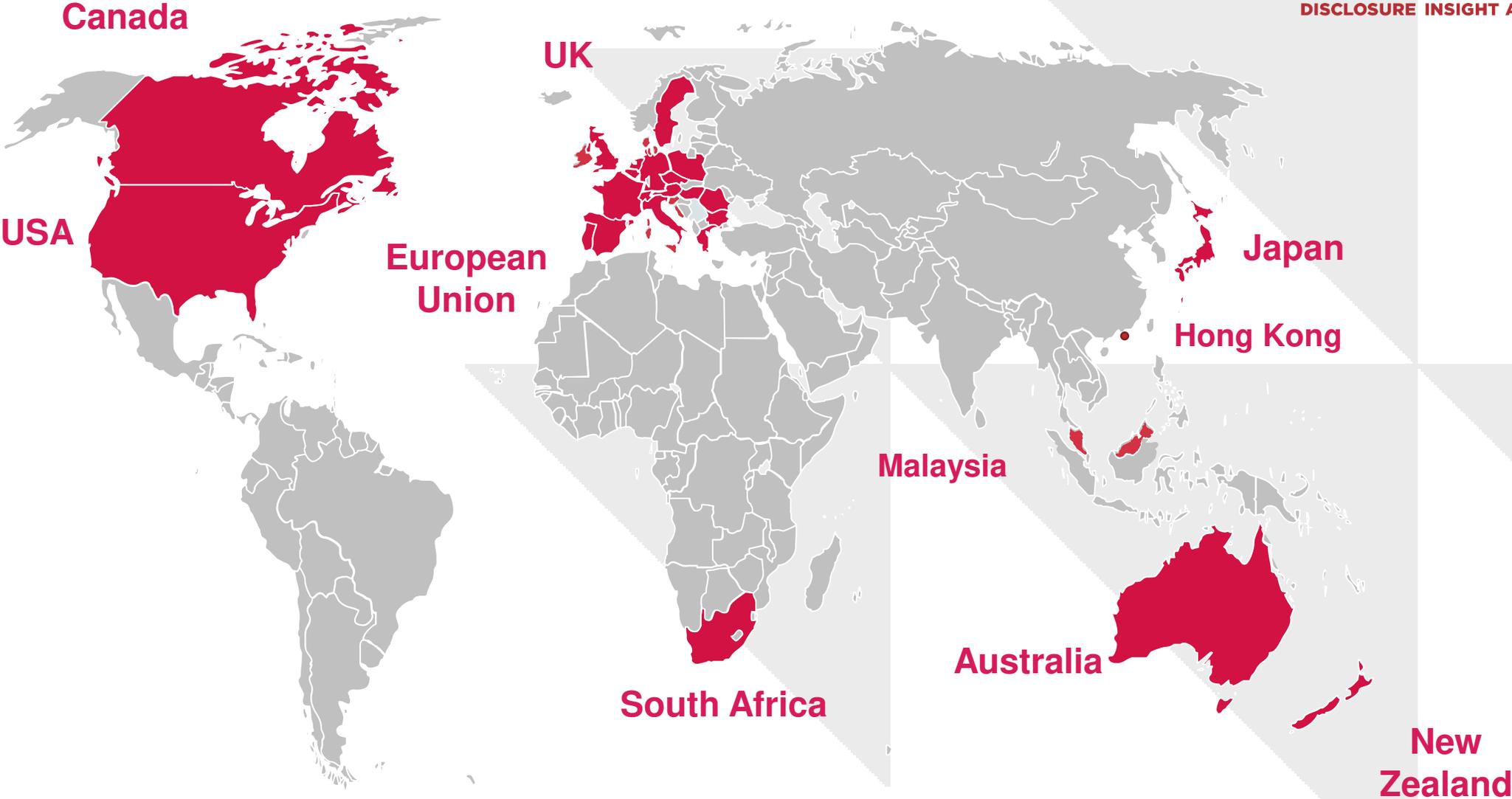


Of companies using scenarios, the majority do not disclose information on the resilience of their strategies.



Expert users find the impact of climate change on a company's business and strategy as the "most useful" for decision-making.

Application and adoption of TCFD Guidelines



Q&A



Break



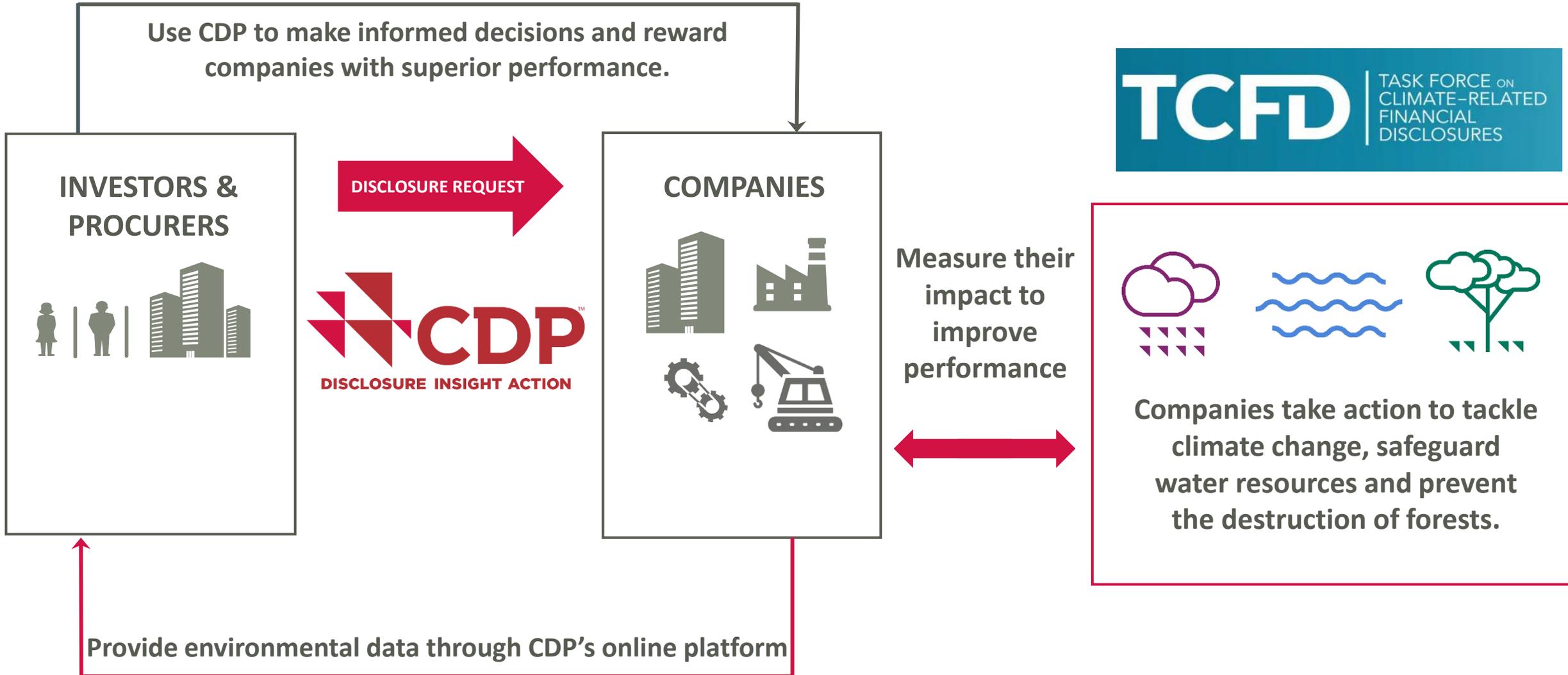
Developing a TCFD roadmap through CDP



Mr. Fredrik Andersen

Regional Engagement Lead
CDP

How CDP Work With Companies and Investors



By the Numbers



13,000+ companies responded through CDP in 2021



590+ investors with US\$110 trillion in assets



200+ supply chain members with over US\$5.5 trillion in purchasing power

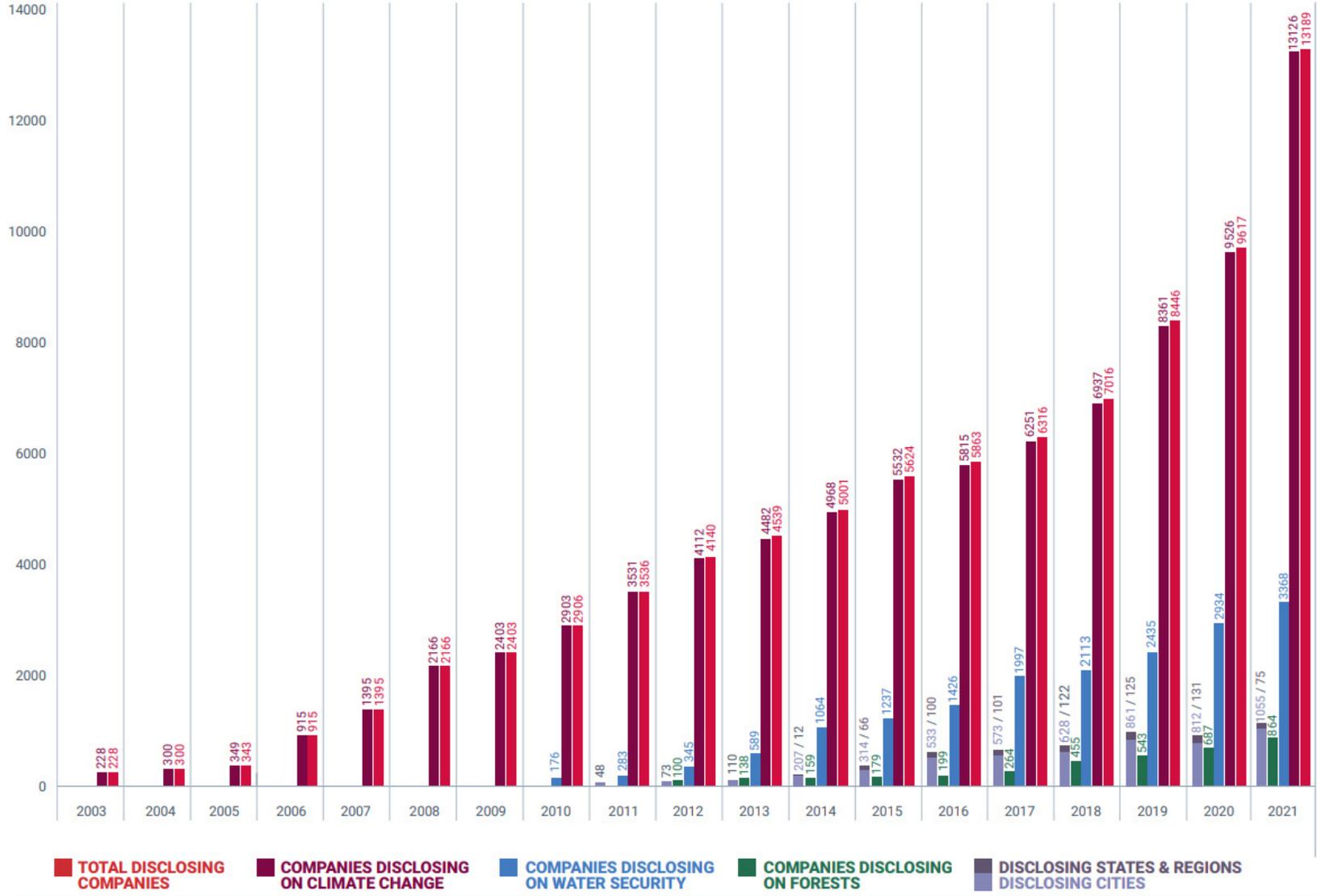


64% of global market capitalisation disclosed in 2021

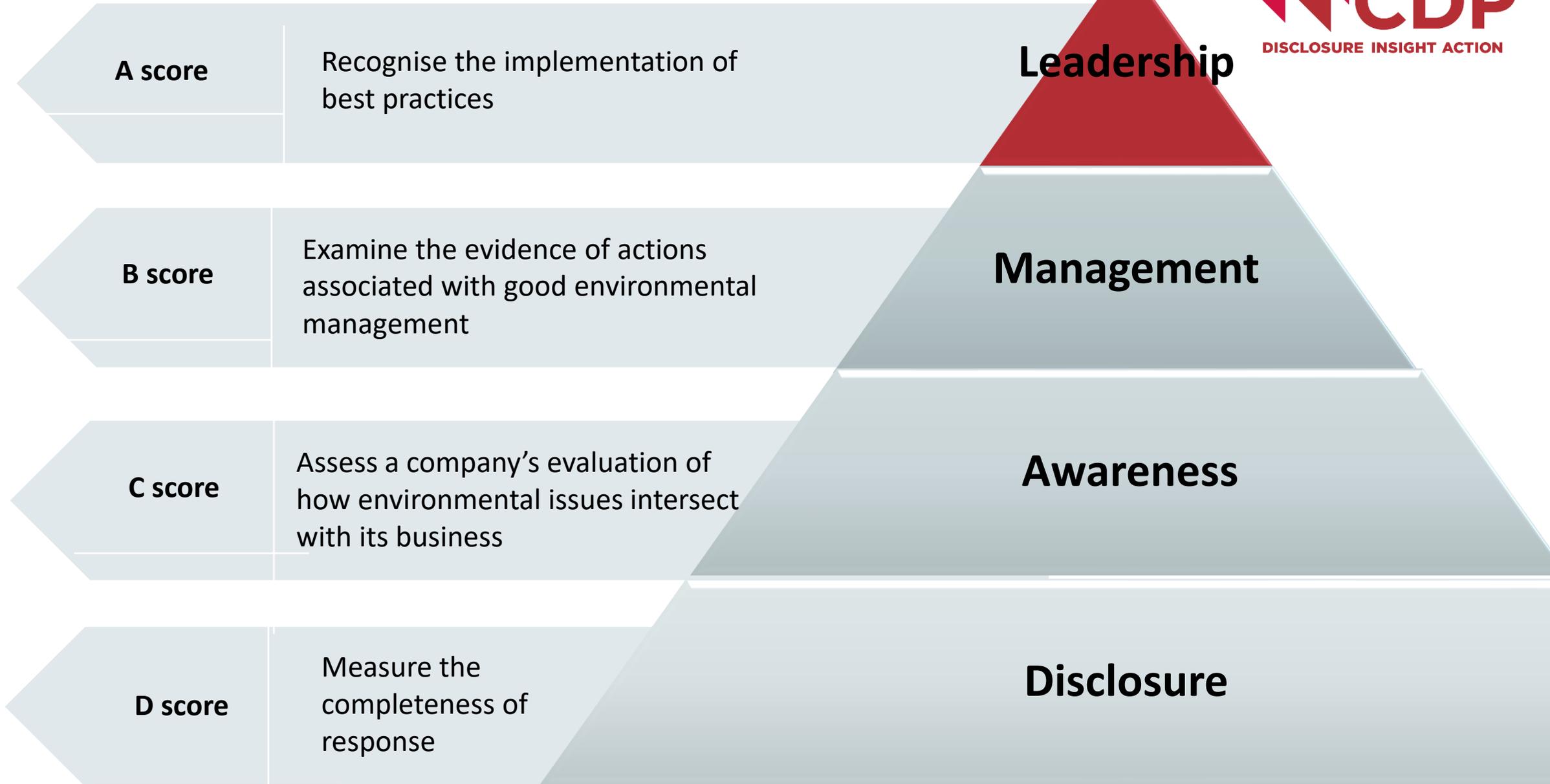


1,000+ cities disclosed environmental information

Record numbers of disclosures in 2021



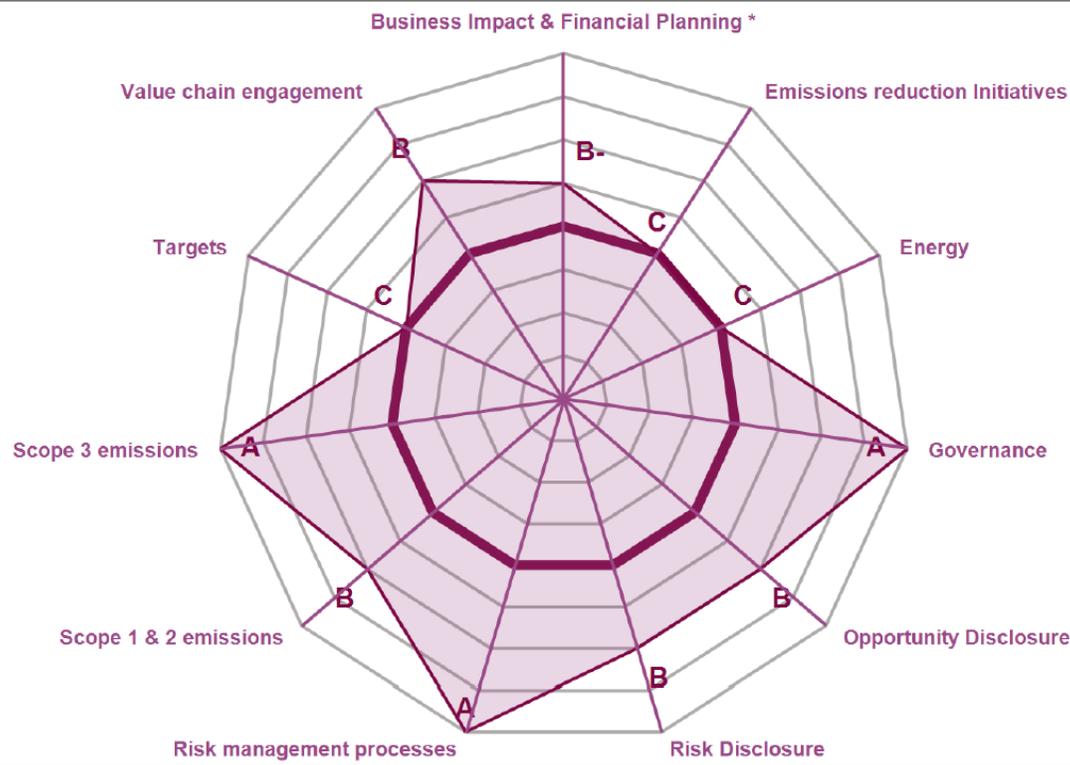
Benefits of Reporting through CDP - Benchmarking



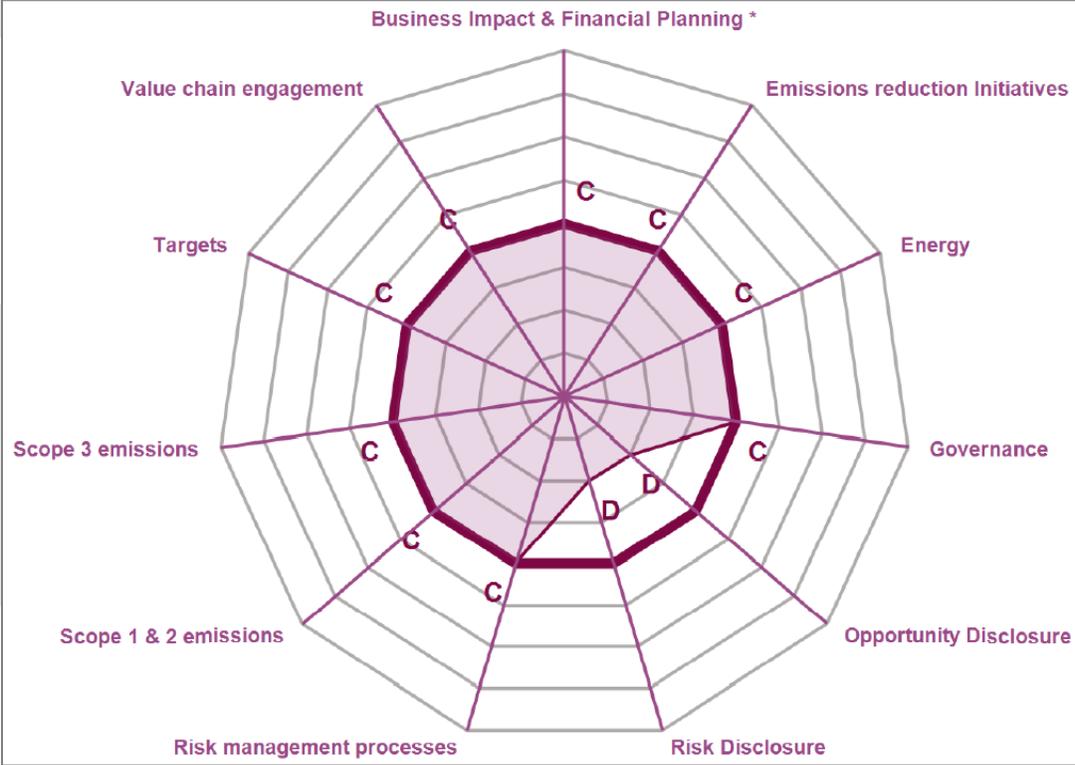
Benefits of Reporting through CDP - Score Feedback



Company X – **B** score



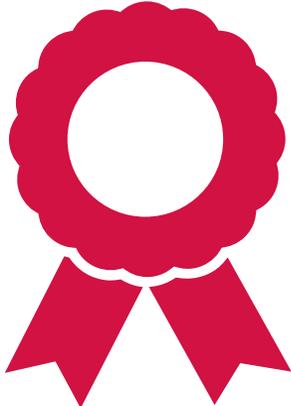
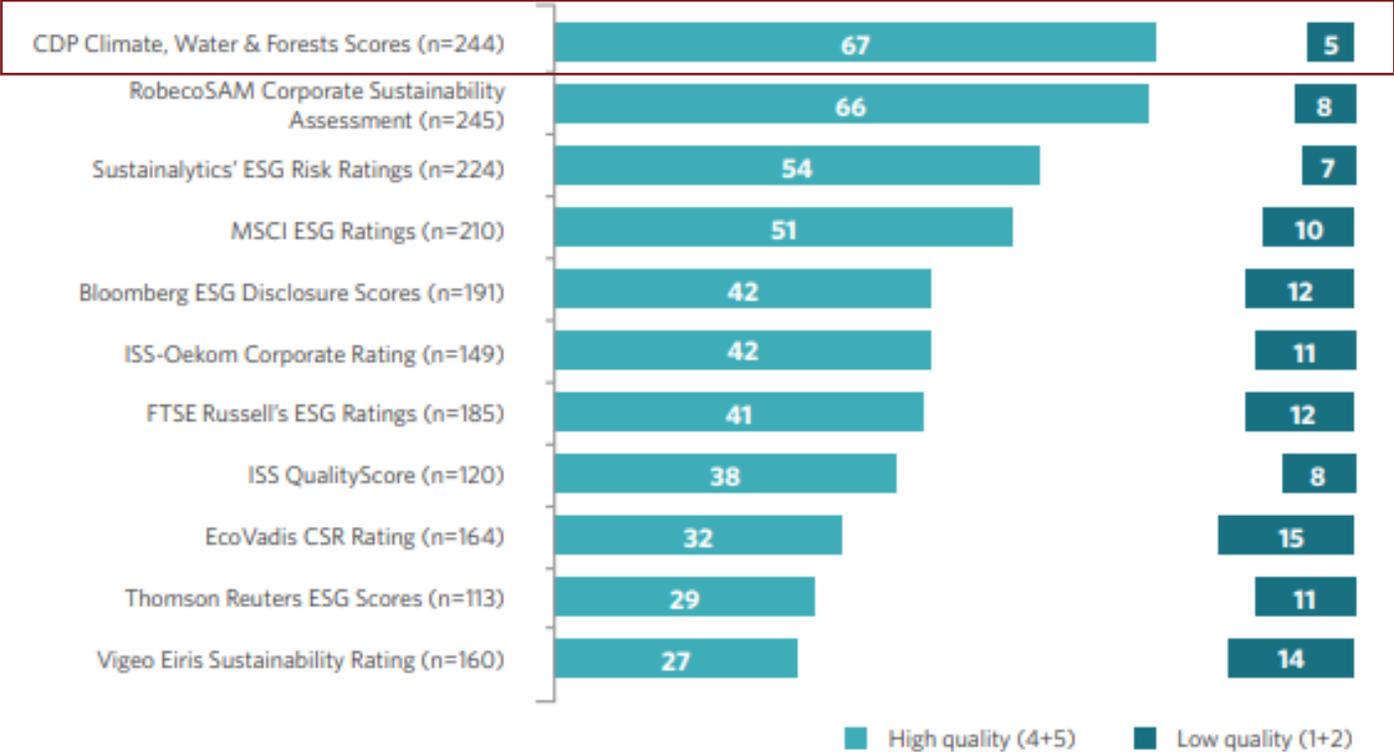
Company Y – **C** score



CDP Rated #1 for Quality



Expert Survey: ESG Ratings Quality



Source: Rate the Raters 2019 / Rate the Raters 2020: SustainAbility, an ERM Group Company

ESG ratings credibility / quality, bars indicate % of respondents who selected a rating as high quality (4+5)

CDP is Feeding Into the Wider Ecosystem



Benefits of Disclosing to CDP



- ▼ Protect and improve your company's reputation
- ▼ Boost your competitive advantage
- ▼ Get ahead of regulation
- ▼ Uncover risks and opportunities
- ▼ Track and benchmark progress

Developing a TCFD Roadmap Through CDP



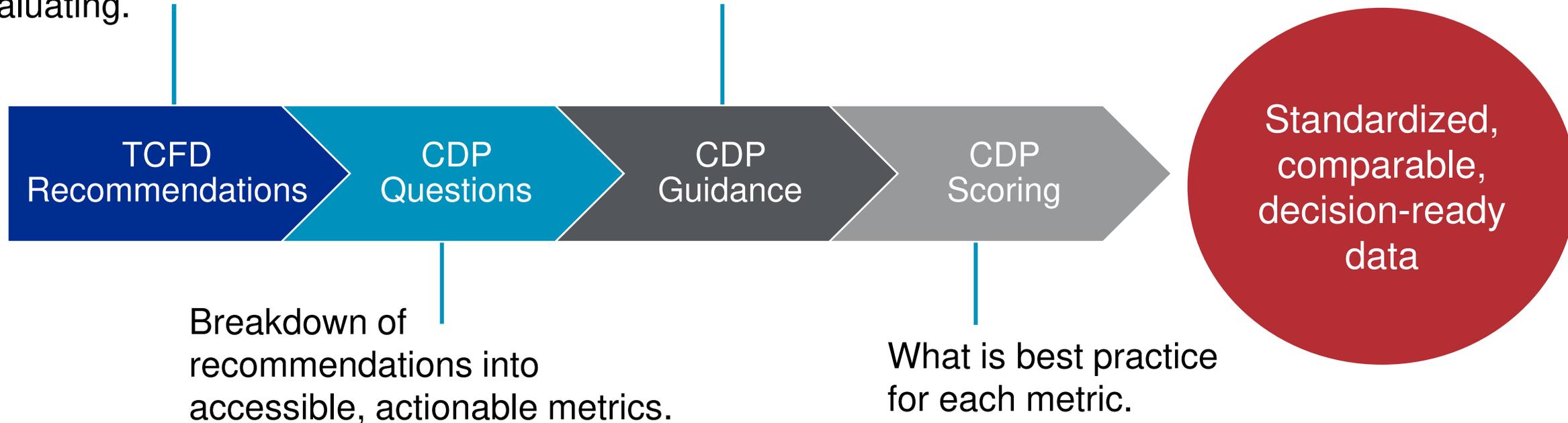
The TCFD Recommended Disclosures

Governance	Strategy	Risk Management	Metrics and Targets
<p>Disclose the organization’s governance around climate-related risks and opportunities.</p>	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.</p>	<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>
Governance recommended disclosures	Strategy recommended disclosures	Risk Management recommended disclosure	Metrics & Targets recommended disclosures
<p>a) Describe the board’s oversight of climate related risks and opportunities.</p>	<p>a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>a) Describe the organization’s processes for identifying and assessing climate-related risks.</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>
<p>b) Describe management’s role in assessing and managing climate related risks and opportunities</p>	<p>b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.</p>	<p>b) Describe the organization’s processes for managing climate related risks.</p>	<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>
	<p>c) Describe the resilience of the organization’s strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.</p>	<p>c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization’s overall risk management.</p>	<p>c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.</p>

Turning TCFD Recommendations Into Questions

What investors and companies *should* be evaluating.

How to provide complete, comparable, information for each question.
Resources to take action on metrics.

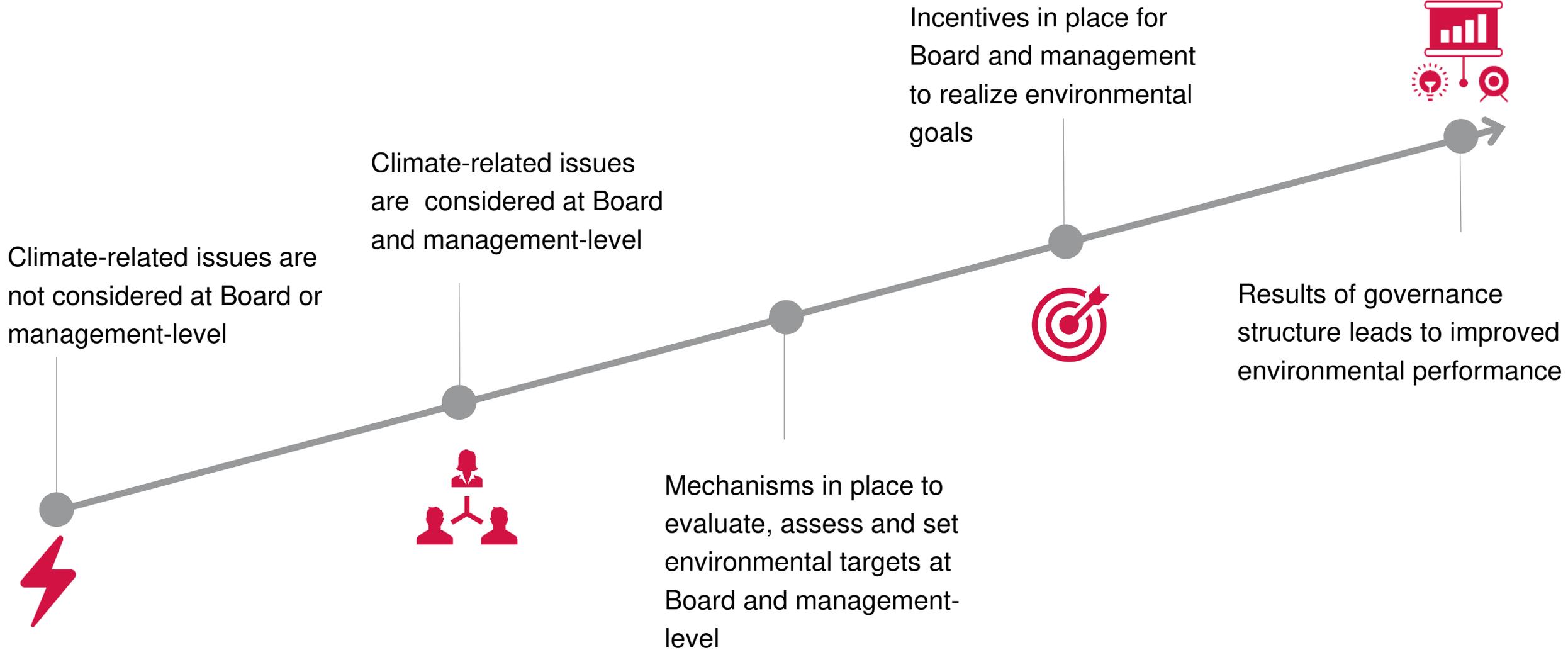


CDP Alignment Against the TCFD Recommendations

Governance		Strategy		Risk Management		Metrics and Targets	
Disclose the organization's governance around climate-related risks and opportunities.		Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.		Disclose how the organization identifies, assesses, and manages climate-related risks.		Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
Governance recommended disclosure		Strategy recommended disclosure		Risk Management recommended disclosure		Metrics & Targets recommended disclosure	
a) Describe the board's oversight of climate related risks and opportunities.	C1.1b	a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.	C2.1a, C2.2b, C2.3, C2.3a, C2.4, C2.4a	a) Describe the organization's processes for identifying and assessing climate-related risks.	C2.1, C2.2, C2.2a, C2.2b, C2.2c, C2.2f	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	C4.2, C4.2a, C4.2b,
b) Describe management's role in assessing and managing climate related risks and opportunities	C1.2, C1.2a	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	C2.3a, C2.4a, C2.5, C2.6, C3.1, C3.1c, C3.2a, C3.3, C3.4, C3.4a	b) Describe the organization's processes for managing climate related risks.	C2.1, C2.2, C2.2c, C2.2d, C2.2f	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	C6.1, C6.3, C6.5
		c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	C3.1a, C3.1d, C3.2, C3.2a	c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.	C2.1, C2.2	c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b

Governance

Trajectory to leadership



Governance recommendations

Disclose the organization's governance around climate related risks and opportunities.

Recommended Disclosures

a) Describe the board's oversight of climate-related risks and opportunities.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

CDP questionnaire:

(C1.1) Is there board-level oversight of climate-related issues within your organization?

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

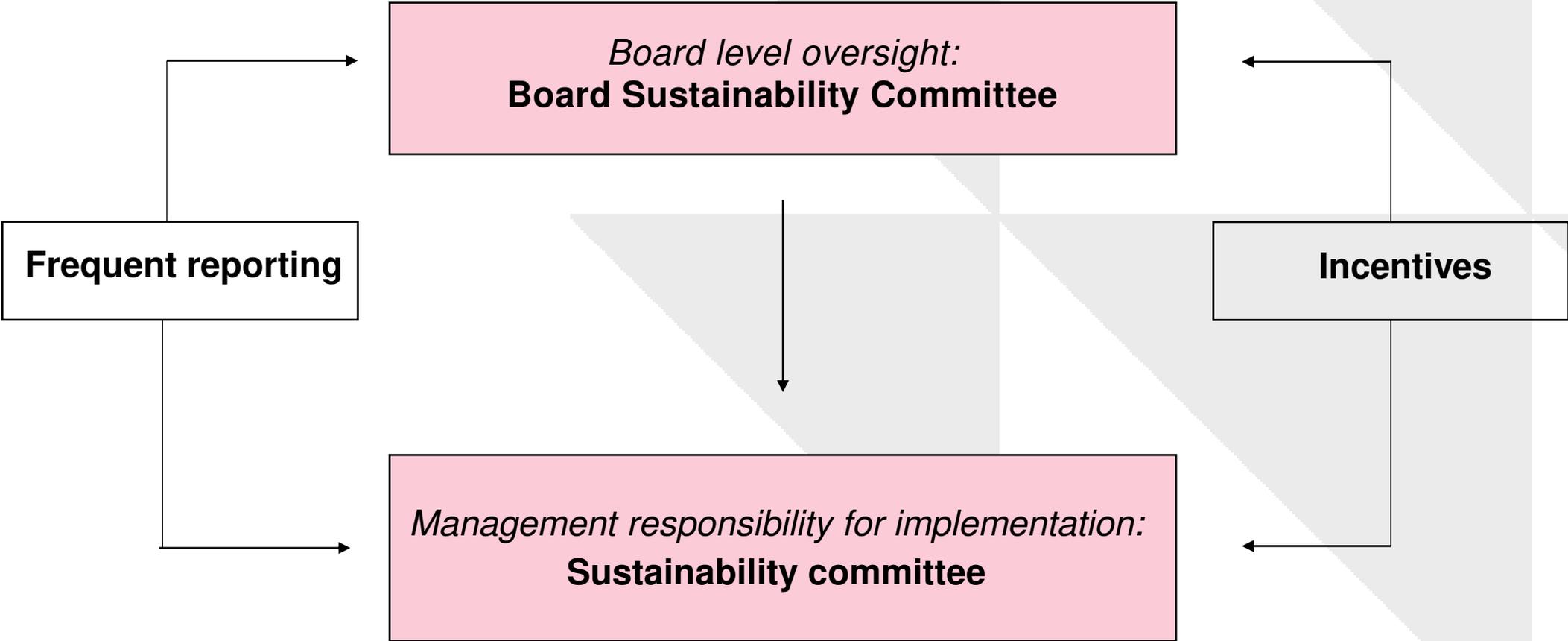
(C1.1b) What are their responsibilities?

Response details

- ▼ Frequency with which climate-related issues are a scheduled agenda item
- ▼ Governance mechanisms which incorporate climate change considerations
- ▼ Incentives for achieving climate-targets

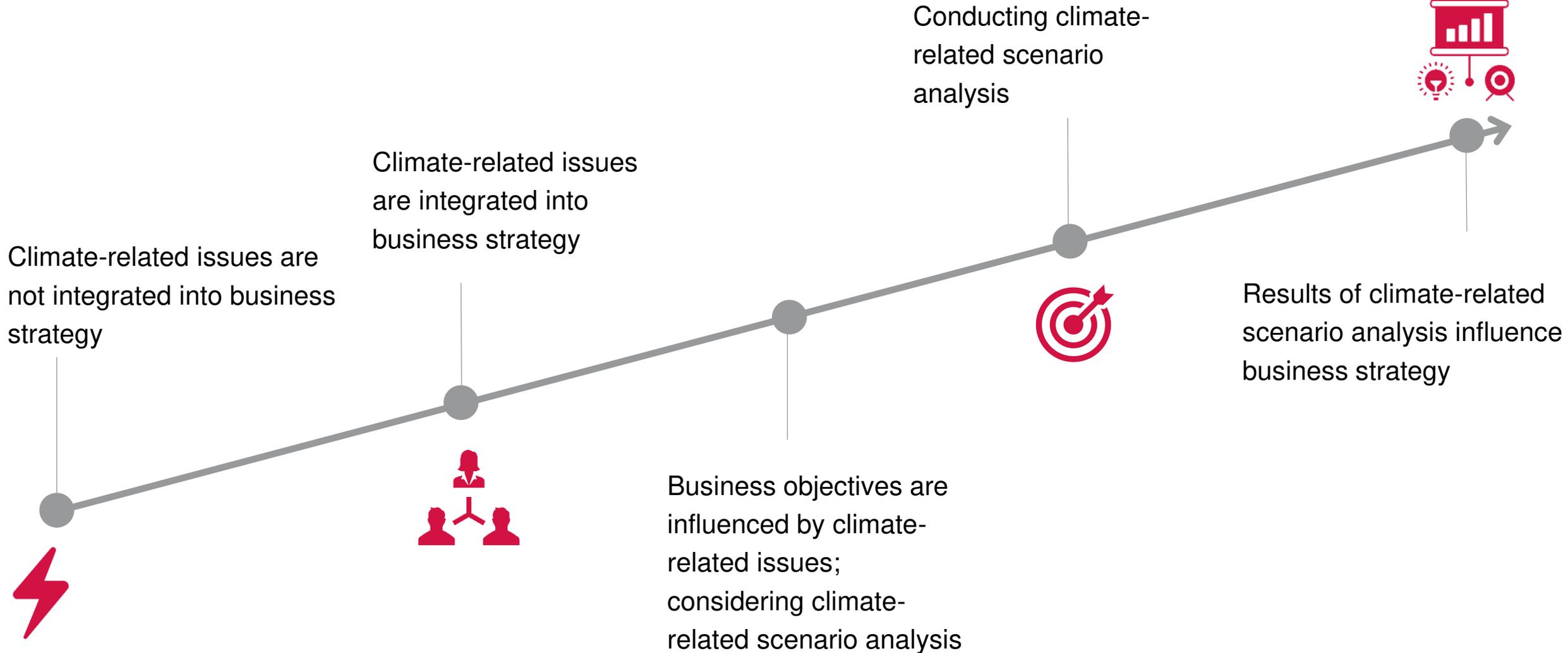
Governance example

City Developments Limited



Strategy

Trajectory to leadership



Strategy recommendations

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Recommended Disclosures

a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.

b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

CDP questionnaire:

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

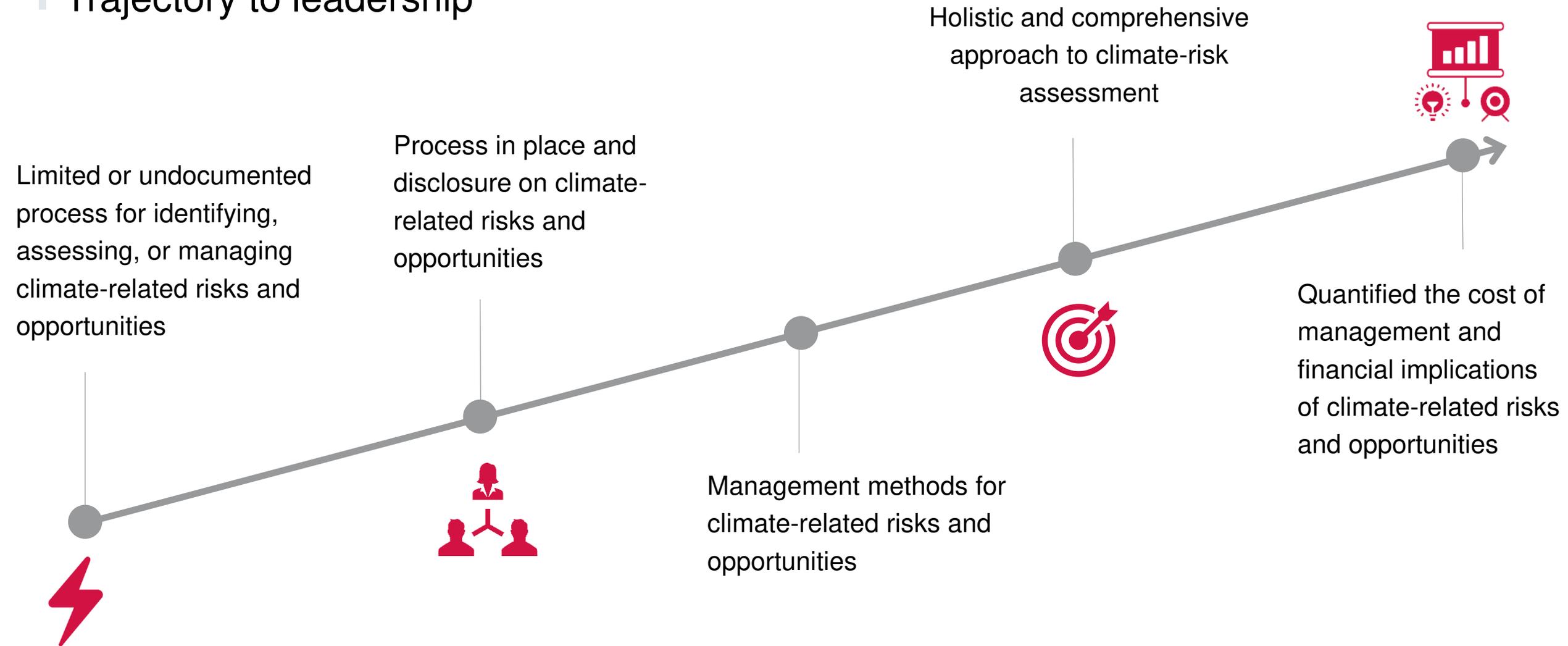
(C3.3 & C3.4) Describe where and how climate-related risks and opportunities have influenced your strategy and financial planning

Response details

- ▼ Time horizons
- ▼ Magnitude of impact
- ▼ Use of scenario analysis
- ▼ Low-carbon transition planning

Risk management

Trajectory to leadership



Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Recommended Disclosures

- a) Describe the organization's processes for identifying and assessing climate-related risks.
- b) Describe the organization's processes for managing climate related risks.
- c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.

CDP questionnaire:

(C2.2) How are processes for identifying, assessing and managing climate-related issues integrated into your overall risk management.

(C2.2a) Frequency and time horizon for identifying and assessing climate-related risks

(C2.2b) Details on process(es) for identifying and assessing climate-related risks.

(C2.2c) Which risk types are considered

(C2.2d) Processes for managing climate-related risks and opportunities

Risk management - example



74%

have process in place for assessing and managing climate risks.



It is essential to have a comprehensive and holistic approach to climate risk assessments

84%



conduct climate risk assessments annually or more frequently

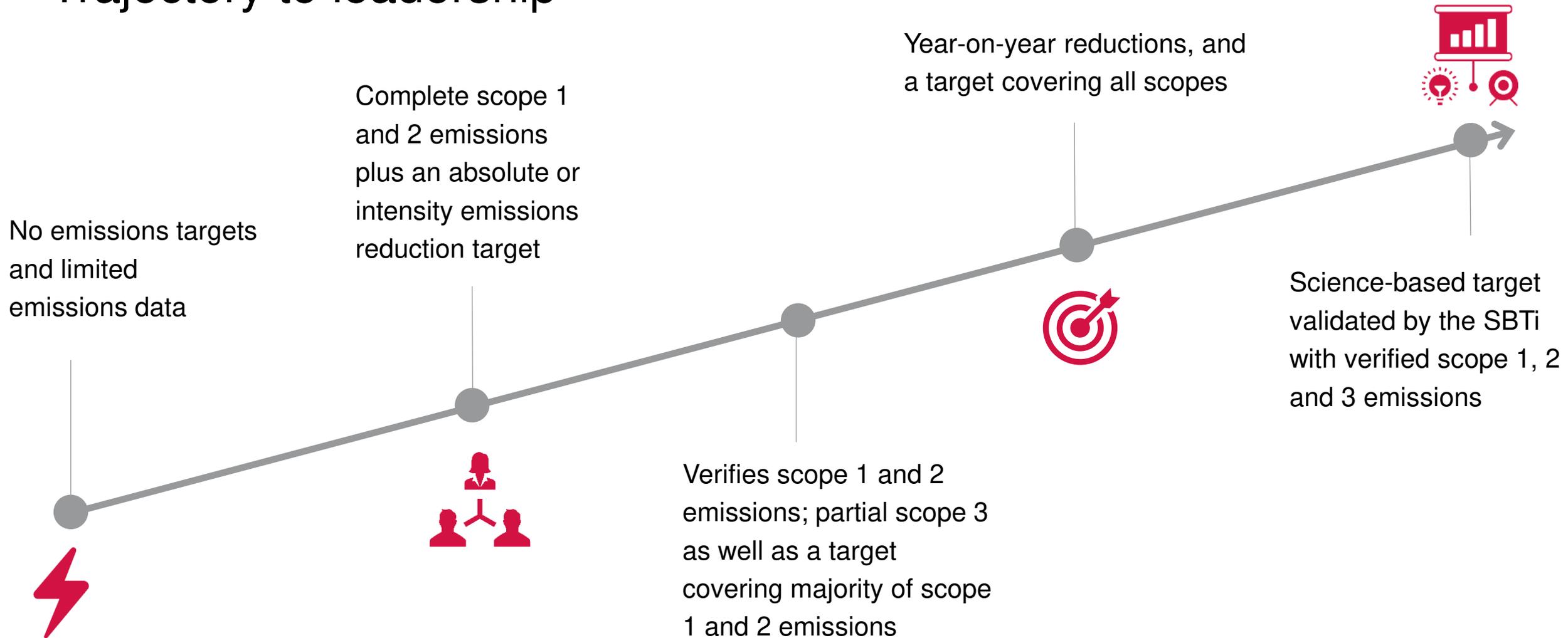


**Only
25%**

include all stages of their value chain in the risk assessment.

Metrics & targets

Trajectory to leadership



Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities where such information is material.

Recommended Disclosures

a) Disclose the metrics used by the organization to assess climate-related risk and opportunities in line with its strategy and risk management process.

b) **Disclose Scope 1, Scope 2, and, if appropriate, Scope 3** greenhouse gas (GHG) emissions, and the related risk.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.



CDP questionnaire:

(C4.1a) Absolute emissions targets

(C4.1b) Emissions intensity targets

(C4.2) Other climate-related targets (renewables, energy usage, supplier engagement)

TCFD-alignment of key standards and frameworks



Recommended disclosure	CDP	GRI	SASB	IR
Governance				
a) Describe the board's oversight of climate-related risks and opportunities	Full	Reasonable	Very limited	Reasonable
b) Describe the management's role in assessing and managing climate-related risks and opportunities	Full	Reasonable	Very limited	Moderate
Strategy				
a) Describe the climate-related risks & opportunities the organisation has identified over the short, medium, and long term	Full	Reasonable	Moderate	Reasonable
b) Describe the impacts of climate-related risks & opportunities on organisation's businesses, strategy and financial planning	Full	Reasonable	Moderate	Reasonable
c) Describe the resilience of organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Full	None	Moderate	Very limited
Risk Management				
a) Describe the organisation's processes for identifying and assessing climate-related risks	Full	Reasonable	Moderate	Reasonable
b) Describe the organisation's processes for managing climate-related risks	Full	Reasonable	Reasonable	Reasonable
c) Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management	Full	Moderate	Full	Moderate
Metrics and Targets				
a) Describe the metrics used by the organisation to assess climate-related risks & opportunities in line with its strategy and risk management process	Full	Reasonable	Reasonable	Very limited
b) Disclose Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Full	Full	Moderate	Very limited
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Full	Moderate	Reasonable	Very limited

CDP Goes Beyond the TCFD Recommendations



CDP questionnaire
C0 Introduction
C1 Governance
C2 Risks and opportunities
C3 Business strategy
C4 Targets and performance
C5 Emissions methodology
C6 Emissions data
C7 Emissions breakdown
C8 Energy
C9 Additional metrics
C10 Verification
C11 Carbon pricing
C12 Engagement
C15 Signoff

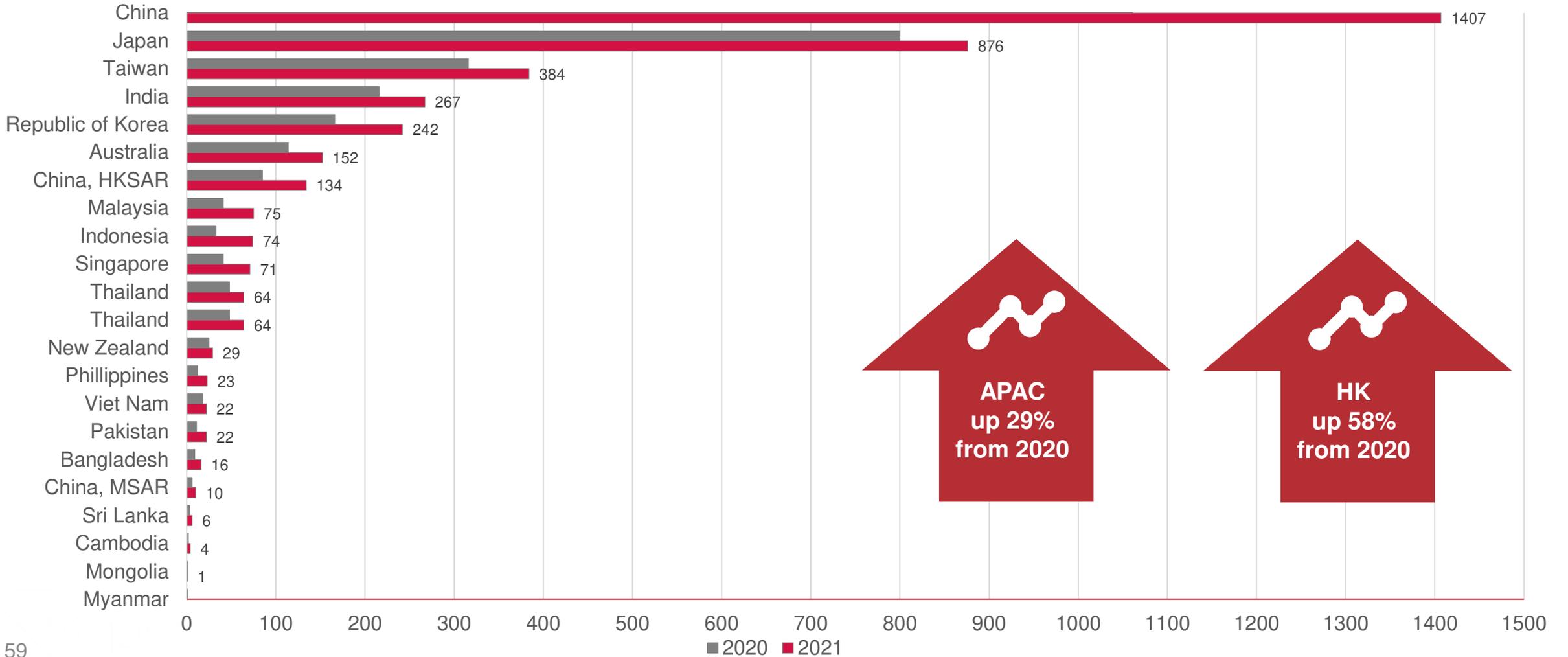
TCFD recommended disclosures



TCFD in Hong Kong

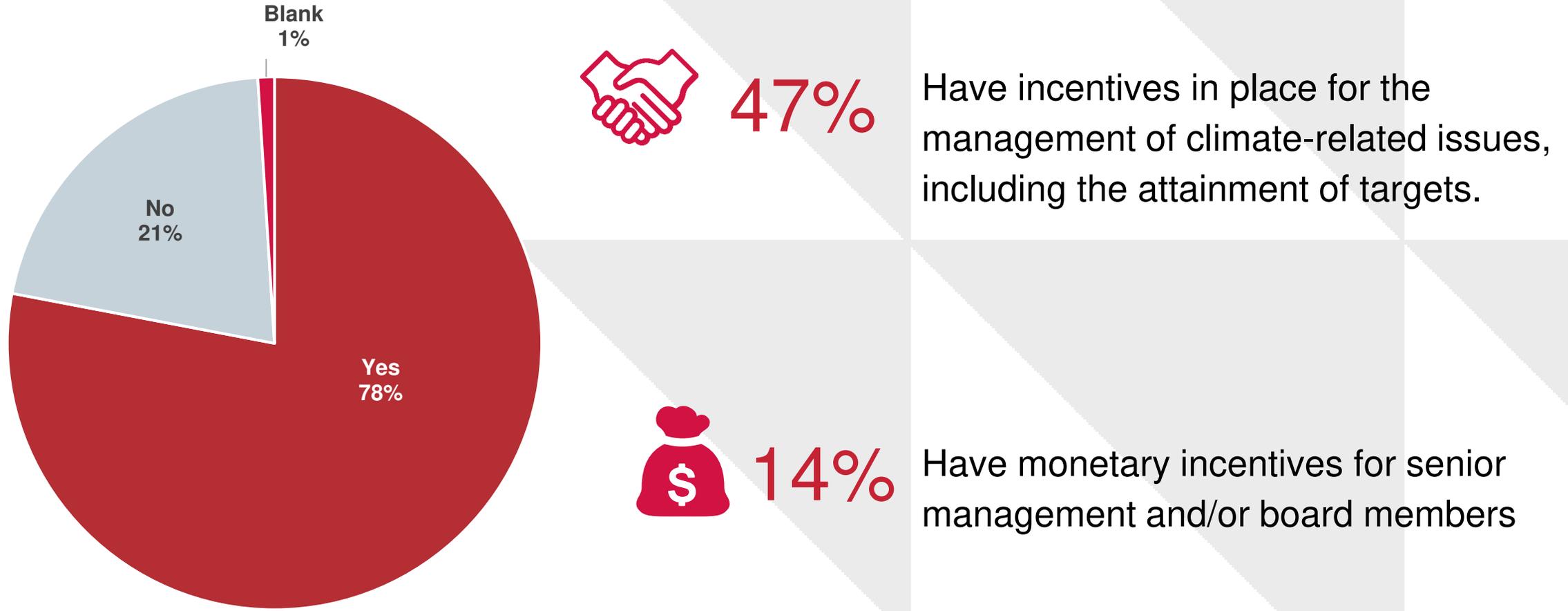


APAC: 3,879 companies disclosing on climate change in 2021



Governance

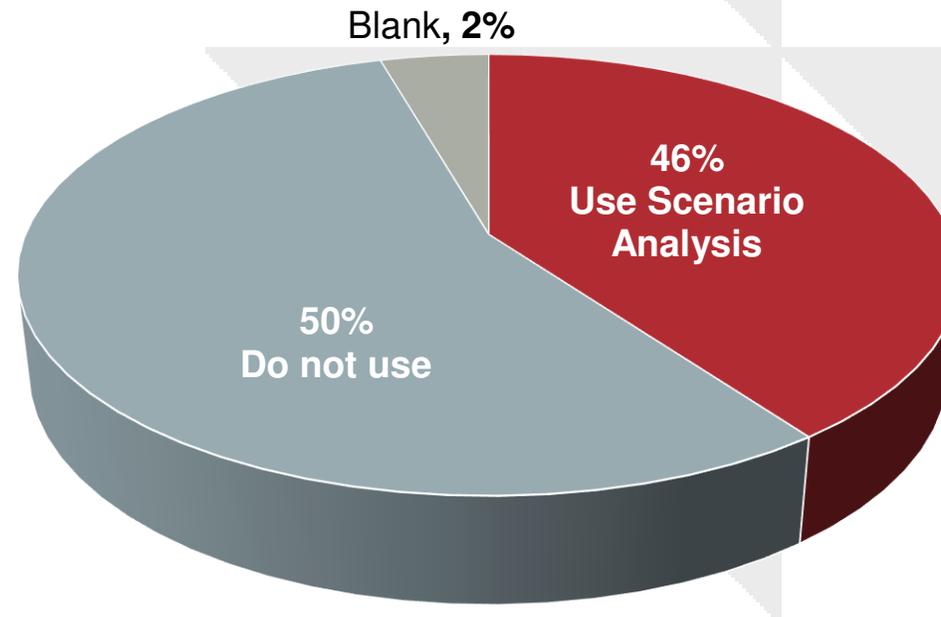
Companies in the Hong Kong with Board-level oversight of climate-related issues:



Business Strategy

76% of responding companies in Hong Kong reported that Climate-related risks and opportunities had influenced their business strategy and/or financial planning

Companies in Hong Kong using climate-related scenario analysis

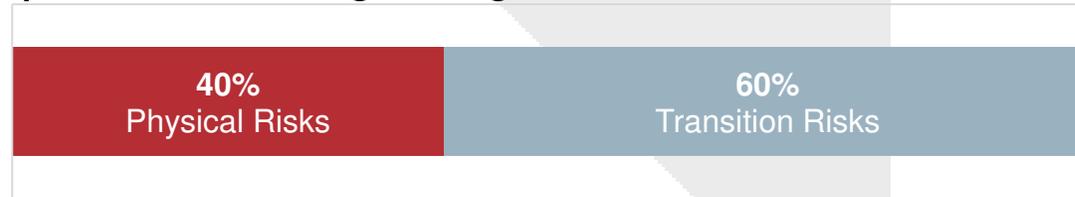


N= 134 Source: CDP, 2021

Which climate-transition risk do you think Hong Kong-based companies are most vulnerable to?

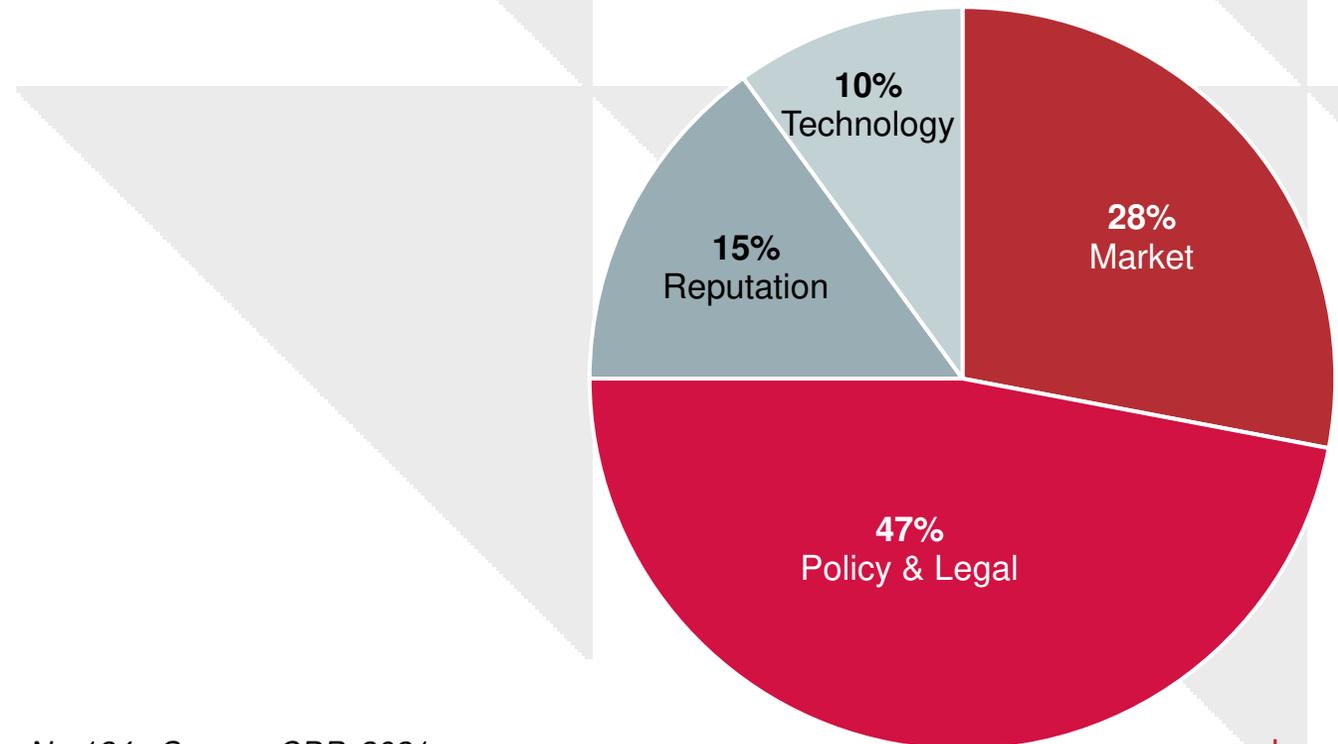
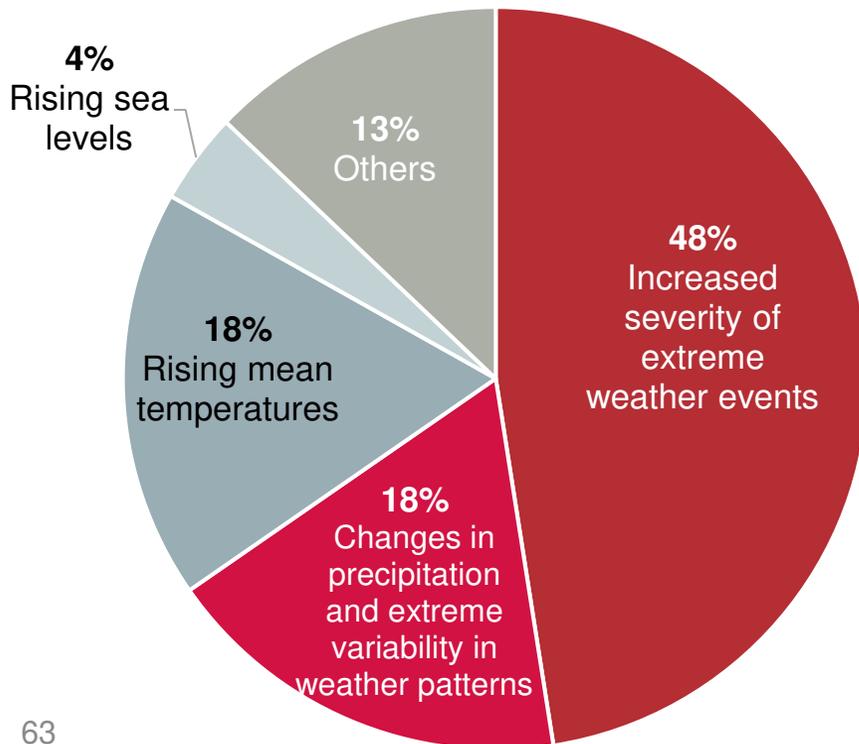
Risk Management

57% of companies in Hong Kong have identified Climate-Risks



Physical Risks

Transition Risks



Risks - example

MTR Corp

Chronic

Increasing mean temperatures

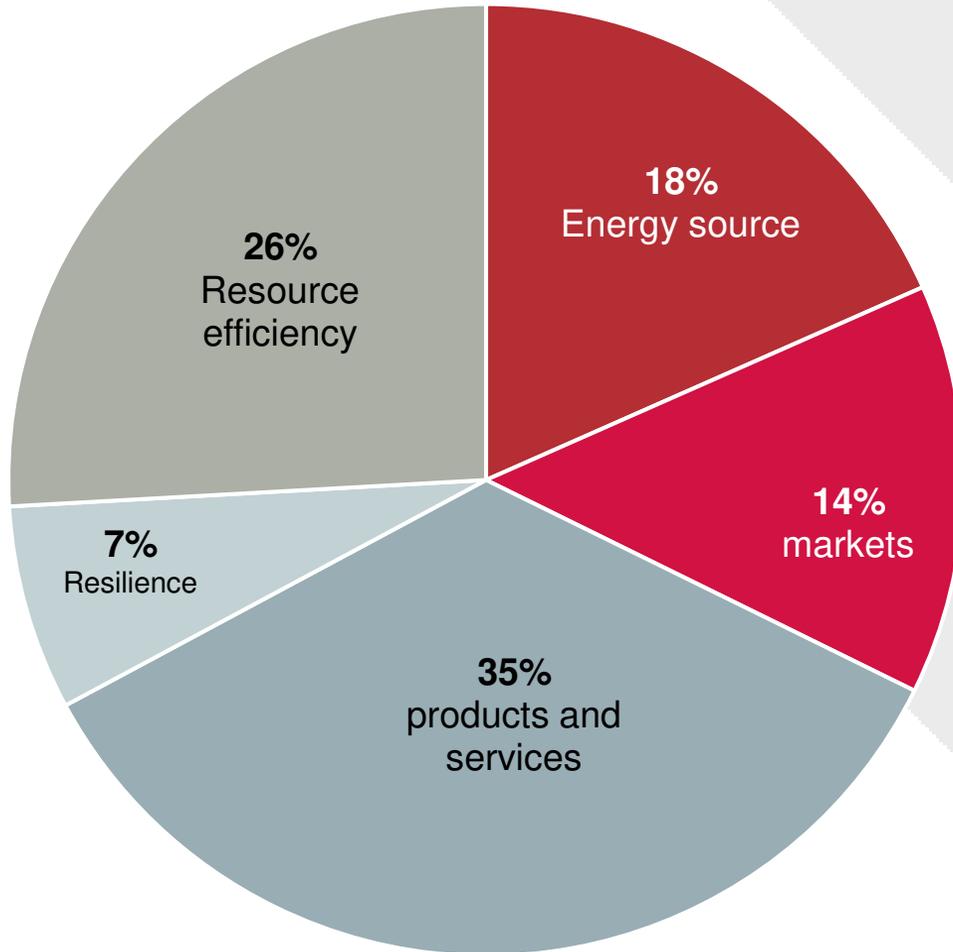
- Increased electricity consumption;
- Track deformation leading to service suspension; and;
- Impact on staff well-being

Acute

Increased severity of extreme weather events

- Service disruptions
- Deterioration of infrastructure

...but there are also opportunities

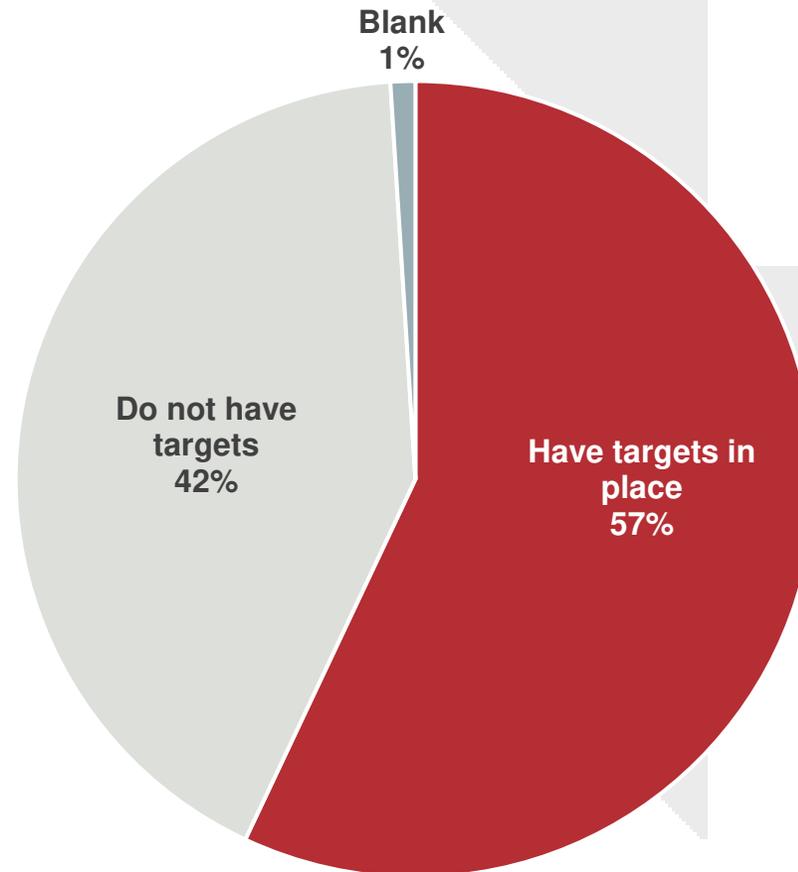


171

Climate-related opportunities reported in Hong Kong with the potential to have a substantive impact on business.

Metrics and Targets

Companies in Hong Kong with active emissions reduction targets



Metrics and Targets



Company Name	Target Status	Target Classification
ASL Global Limited	Targets Set	1.5°C
Swire Coca-Cola Limited	Targets Set	1.5°C
Swire Properties Limited	Targets Set	1.5°C
Alaya Consulting Ltd.	Targets Set	2°C
HK Electric Investments (HKEI)	Targets Set	2°C
CLP Holdings Limited	Targets Set	Well-below 2°C
Allied Sustainability and Environmental Consultants Group Limited	Targets Set	Well-below 2°C
Ronald Lu & Partners	Targets Set	Well-below 2°C
New World Development Company Limited	Committed	
Chinachem Group	Committed	
Sino Land Company Limited	Committed	
CK Hutchison Group Telecom Holdings Limited	Committed	
Razer Inc.	Committed	
Hop Lun	Committed	
FL Logistics Management	Committed	
Hong Kong Broadband Network Limited	Committed	
Strategic Sports Ltd.	Committed	
The Hongkong & Shanghai Hotels, Limited	Committed	

Practical steps & Implementation Resources



Ms. Elim Kwok

Corporate Engagement
CDP

TCFD Checklist

Key steps in preparing your report

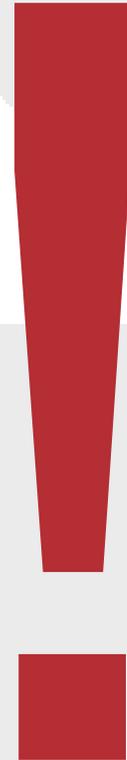


- ❑ Bring together your sustainability, governance, and compliance teams to agree on roles.
- ❑ Integrate climate change into the governance process with board buy-in, including audit and risk committees.
- ❑ Adapt existing ERM and risk management processes to account for climate risk: quantify risks, use scenario analysis, and carry out stress testing
- ❑ Apply existing quality assurance and compliance approaches used for finance, management, and governance disclosure to climate-related disclosure
- ❑ Use tools like CDP reporting and the CDSB Climate Change Reporting Framework to collect and report climate-related financial information.
- ❑ Examine the financial impact of climate risk with respect to revenues, expenditures, assets, liabilities, and capital.
- ❑ Engage with investors to better understand the information on climate-related financial risks they consider relevant.
- ❑ Prepare climate-related disclosure in the way you would prepare an assured report, even if you are not able to assure your climate reporting now.
- ❑ Assess your business against various scenarios.
- ❑ Consider how the structure of your annual report could be modified to incorporate TCFD recommendations, particularly in sections on risk; management discussion and analysis (MD&A), and governance.

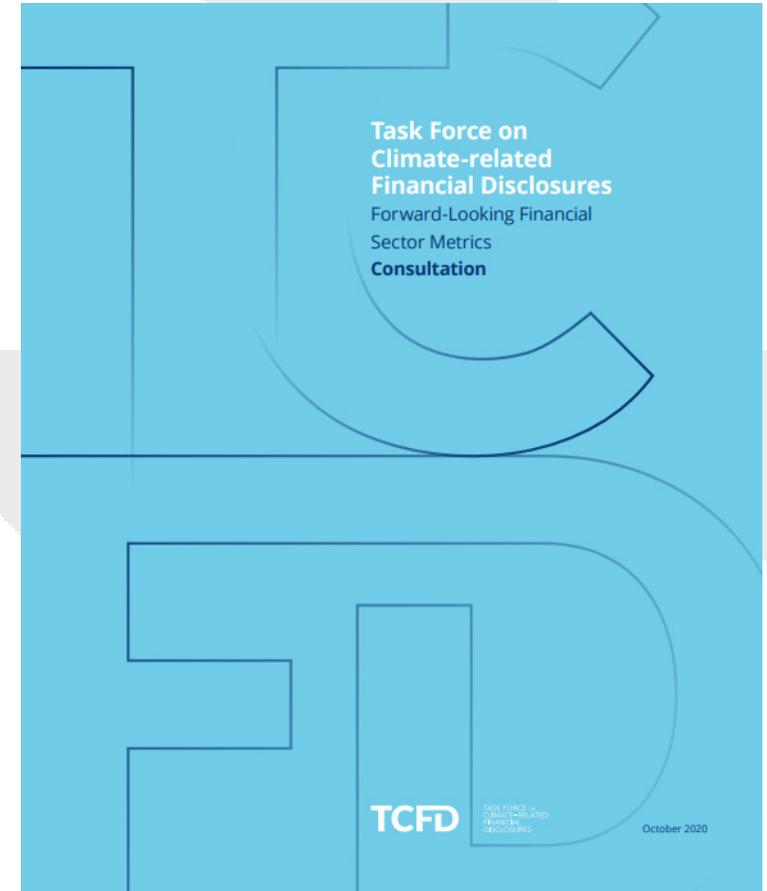
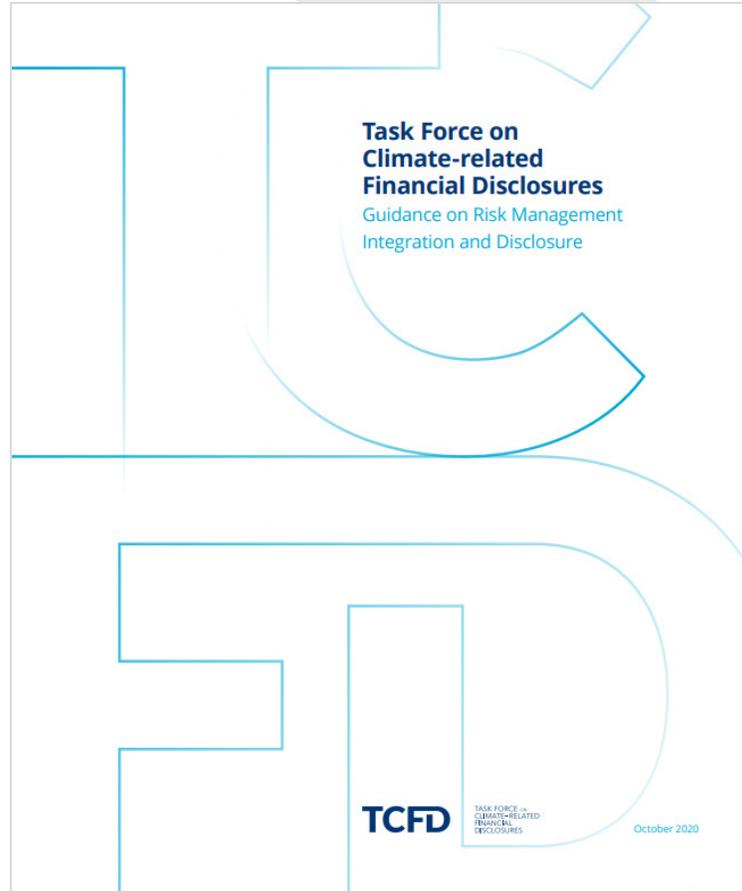
TCFD Checklist

What are the barriers to implementing the TCFD, and how can we overcome them?

- Look through the checklist and think about how your organization could apply these steps into your organisation and consider your current practices.
- What are the barriers your organization faces?
- How could your organization overcome of these barriers?



TCFD Guidance



www.tcfdhub.org

TCFD Knowledge Hub

Find the resources you need to understand and implement the TCFD recommendations.

Start searching for resources below, or click [here](#) to learn about the TCFD recommendations. You can also click on the four themes below for more detail on the recommendations.

[Home](#) > Resources

Search the database

Recommendation ▼	Article name & author	619 articles ordered by Relevance ▼
Resource Type ▼	Directors' Duties Regarding Climate Change in Japan	G S R M Japan
Location ▼	Author: Commonwealth Climate and Law Initiative	
Industry Group ▼	Industry Group: All Industry Groups	
	Read more	Download resource
	The Climate Risk Landscape	G S R M International
	Author: UNEP Finance Initiative	

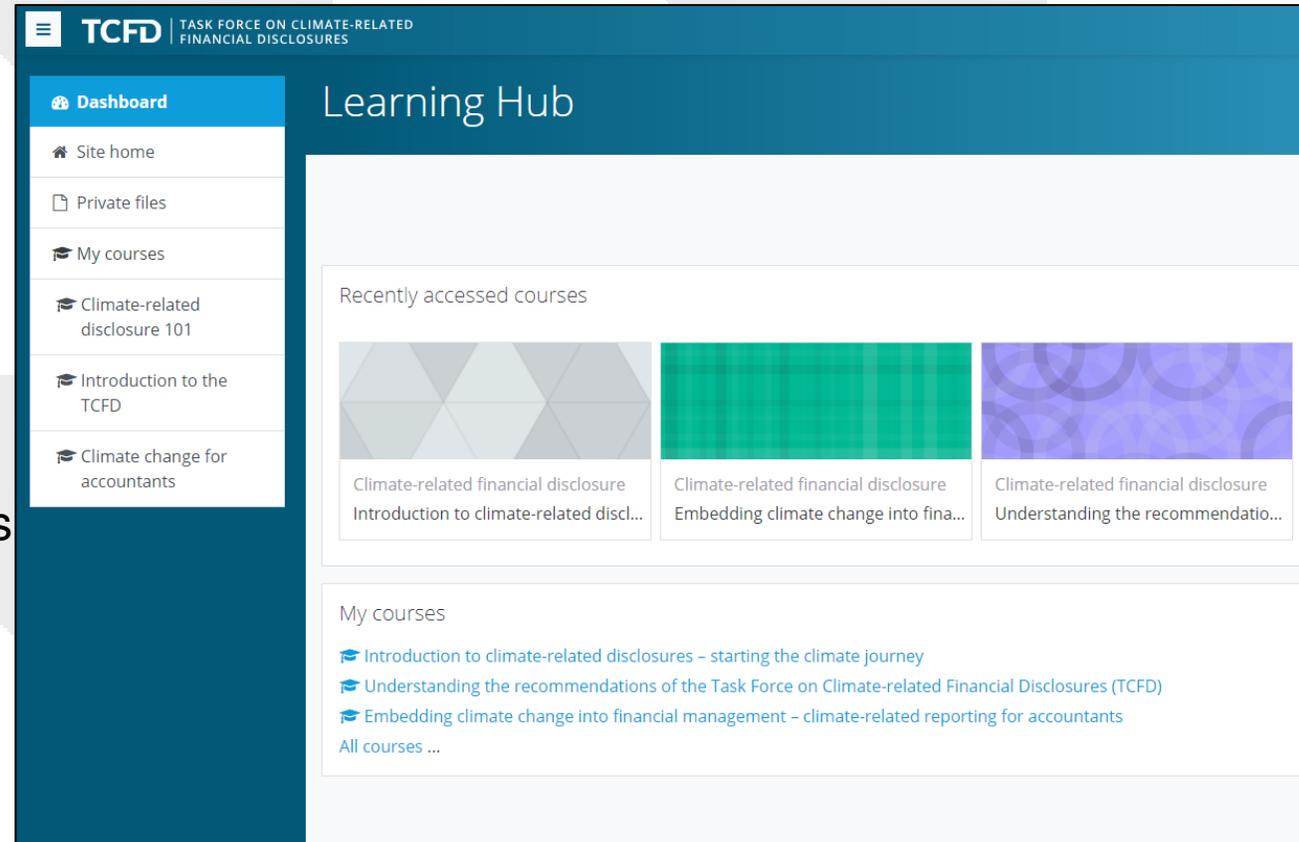
<https://www.tcfdhub.org>

Online Courses

learn.tcfidhub.org



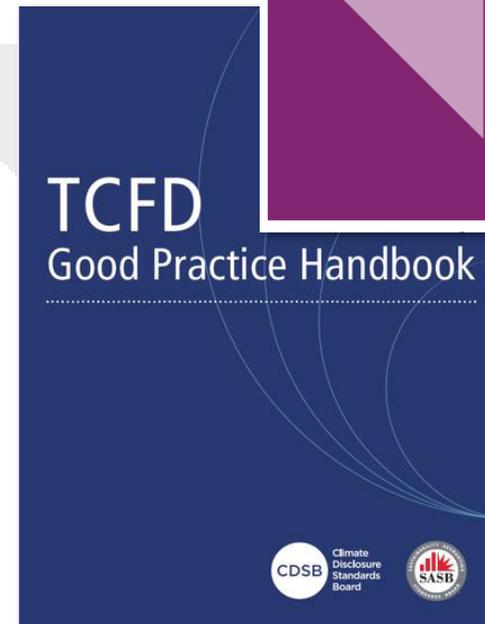
- Introduction to climate-related disclosures - starting your climate journey
- Understanding the recommendations of the TCFD
- Embedding climate change into financial management - climate-related reporting for accountants
- Governance of climate-related risks and opportunities
- An introduction to managing the financial risks from climate change
- Corporate reporting of climate and environmental matters in the European Union



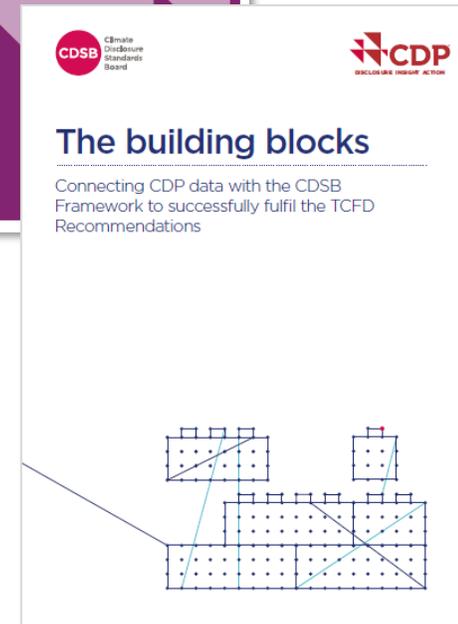
The Building Blocks



The Building Blocks Full Report



TCFD Good Practice Handbook



How to disclose as a company

- ▼ Annual disclosure cycle: Apr-Jul
- ▼ Visit CDP's [FAQs page](#)



[Home](#) > [Why disclose as a company](#) > [How to disclose as a company](#) > [FAQs for companies](#)

2021 scores will be released on December 7, 2021. From December 7, please log in to view your 2021 score(s) and access your score report(s) on the Scores and Responses section of your corporate dashboard. Companies will also receive an email. 2021 public responses are now available via the [search and view responses page](#) on the CDP website.

The CDP request

1. [Who is requesting my environmental data via CDP?](#)
2. [What information am I being asked to disclose?](#)
3. [Why should I disclose via CDP?](#)
4. [I have not been requested to respond. Can I disclose through CDP?](#)
5. [What is the CDP Activity Classification System \(CDP-ACS\) and how is it used to allocate sector-specific questions?](#)

Quick Links to CDP Resources



- 2021 Questionnaires
 - [Climate Change](#)
 - [Water Security](#)
 - [Forests](#)
- 2021 Reporting Guidance
 - [Climate Change](#)
 - [Water Security](#)
 - [Forests](#)
- 2021 Scoring Methodology
 - [Climate Change](#)
 - [Water Security](#)
 - [Forests](#)
- Other resources :
 - [TCFD](#)
 - [GHG Protocol](#)
 - [Carbon Pricing: CDP Disclosure Best Practice](#)
 - [2021 Investor Signatories](#)
 - [More Investor Case Studies](#)



Q&A

