



IFF

CLIMATE RISK & TCFD

A comprehensive guide to climate-related financial
disclosure and portfolio analysis

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The financial impact of climate change is the key topic in financial risk management and disclosure today. Authorities, such as the Prudential Regulatory Authority and BoE are imposing regulations on financial institutions to adequately and quantitatively assess climate-related risks and opportunities on equity and credit portfolios.

The PRA recently included scenarios for physical and transition climate risks in its guidelines for life insurance and general insurance stress tests, being first to influence regulatory requirements. PRA and the Financial Conduct Authority (FCA) developed the Climate Financial Risk Forum, including banks, insurers, asset managers, other financial stakeholders, to promote capacity building and knowledge sharing for responding to financial climate risks. The Task Force for Climate Related Financial Disclosure (TCFD) has developed a powerful framework and the EU action plan on sustainable finance is readily taking it up. The sooner you assess how prepared your team is, the better.

This course provides you with a complete overview of the requirements and the implementation of climate risk analysis and disclosure. Covering the background to the subject, regulation and detailed portfolio analysis steps to fulfil disclosure requirements.

YOU WILL LEARN

- ★ The regulatory requirements on climate risk disclosure and likely developments in the future
- ★ The approach to quantitative asset and portfolio-based climate risk and opportunity analysis
- ★ How to design and conduct a portfolio analysis project from scoping to disclosure
- ★ How to integrate analysis and disclosure as an automated and continuous process
- ★ How to read and compare climate risk disclosures from investees
- ★ The way ahead of risk analysis and reporting for the whole set of sustainable development goals

COURSE LEADER

CHRISTIAN SPINDLER



Christian Spindler is a recognised expert in climate risk analysis and management. After gaining both a PhD in Physics and an MBA, Christian Spindler has gained extensive experience in the data science and AI industries. He has also delivered a broad range of management consulting for data analytics in financial services with his latest role as Senior Manager at PwC.

With his software and modelling company, Christian was awarded Winner of the ClimateLaunchpad competition in Germany in 2019. Christian and his team are highly active in implementing TCFD analysis for major banks and real economy companies in Central Europe. He is particularly passionate about training and spreading the word about financial climate risk analysis as a way to contribute to make society and businesses more resilient.

ABOUT IFF

IFF has been the chosen training provider of the world's best finance professionals since 1991. We are part of Informa PLC and the learning partner of the Fund Forum series of events.

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DATES & PRICE

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CONTACT US

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IFF's bespoke training solutions will help you address your specific key business challenges. The programme is designed for you, with content focusing on the issues you and your teams are facing. The course can then be delivered at your choice of location face-to-face, digitally or a combination of the two.

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Please contact:

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email: Leigh.Kendall@informa.com

COURSE AGENDA

An Introduction to Climate Risk Assessment

- What are the financial risks of climate change?
 - Definition of physical and transition risks
 - Understand the different time scales of climate risks
 - How are climate risk metrics mapped to financial numbers?
- Examples of divestment as a reaction to climate risks
 - Allianz
 - BlackRock
 - European Investment Bank



EXERCISES:

- Estimate climate-related GDP damage for different markets under different climate scenarios
- Discuss possible impact on asset values and possible impact on financial markets stability

Legal Background in the UK, Continental Europe and the Rest of the World

- BoE / PRA's policies
- France's article 173
- EU non-financial reporting guidelines and law-making process
- Climate risk disclosure at major ex-Europe financial hubs



EXERCISE:

- Group Discussion on current experience with financial climate legislation around the globe

The TCFD Framework and Recommendations

- How is the TCFD set up and what is its relation to other frameworks
 - EU taxonomy
 - EU NFRS
- Details of the TCFD framework
- TCFD recommendations for Financial Services
- Introduction to scenario analysis as key building block of risk assessment



EXERCISE:

- Map the TCFD framework to your portfolio and perform a qualitative estimation of risks and opportunities

Evaluating Climate Risk

- Legislation is striving for Net-Zero emissions from building emissions by 2050 (NL)
- Politics issues subsidies for electric car purchase (DE)
- A process company is unable to continue production in an extended heat wave (DE)
- A country's agrobusiness is suffering three years of drought in a row (DE)
- A global machine producer is supplying coal mining equipment (AUS)

Practice Examples from the Industry

- HSBC Pension: Typical pension fund
- AXA asset management from a global insurer's perspective
- Landsec climate risk analysis from a real estate viewpoint
- Climate risk disclosure of oil and gas companies
- Strengths and weaknesses of today's solution landscape



EXERCISE:

- Exploring the TCFD knowledge hub

The Use of Scenario Models

- Climate economy models
- Interests and expectations from scenario-based disclosure
- Challenges to corporate transparency, comparability, completeness
- Enhancing the understanding and use of scenarios



EXERCISE:

- Using a scenario designer to understand how scenarios are constructed and what they mean. Use the provided toolset to perform a quantitative, scenario-based analysis of risks and opportunities in your portfolio

Implementing Financial Climate Risk Portfolio Analysis and Disclosure

- Phased approach
- Scoping of analysis
- Tool and scenario selection
- Execution of analysis
- Embedding climate risk assessment into regular risk management process



EXERCISES:

- Design a blueprint approach (incl. roadmap) for TCFD analysis implementation

Likely Developments within Climate Risk

- Internal knowledge build-up for climate risk and opportunity management
- Extension of disclosure requirement along the supply chains and towards SMEs
- Inclusion of biodiversity risk
- Extension to SDG investment
- Strategic opportunities for the Net-Zero transition
- Optimising risk and investment strategies for the Net-Zero transition

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CPD Certified:

IFF is recognised by the CPD Certification Service and have been approved to award CPD points towards professional development certifications. Attendance at this course will earn you 40 CPD points.

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