

# **Velkommen til ESG-lab 2020**

# **VELKOMST**

Kristian Koktvedgaard

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# Introduktion

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- Der er stor fokus på en mere værdiskabende CSR-rapportering – og fra virksomhederne investeres der mange ressourcer i rapporteringen – men hvordan skabes der link mellem ESG og det finansielle impakt?
- Vi hører fortsat, at en af de primære regnskabsbrugere – investorerne – ikke direkte kan bruge rapporteringen
- Formålet med laboratoriet i dag er at skabe debat
- To overordnede temaer:
  - Sammenhængen mellem TCFD og IFRS – hvordan hænger de sammen og hvordan kan man lave investorvenlig klima-scenarie-rapportering?
  - Sammenhængen i rapporteringerne med fokus på linket mellem forretningsmodellen og den ikke-finansielle rapportering om risici og muligheder
- Vi trækker på EFRAG's arbejde – og vore danske deltagere i arbejdsgrupperne

## EUROPEAN LAB

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### STIMULATE INNOVATION IN THE FIELD OF CORPORATE REPORTING IN EUROPE BY IDENTIFYING AND SHARING GOOD PRACTICES

- Established by EFRAG at the request of the EC in its March 2018 Action Plan: *Financing Sustainable growth*
- Facilitates dialogue between reporting companies, users and other relevant stakeholders
- Steering Group is responsible for European Lab governance, **agenda selection** (projects), **appointment of project task forces** (PTFs) and **oversight** of projects
- European Lab deliverables have no authoritative or normative status
- Different from the EU Non-Financial Reporting Directive and related guidelines
- First project on **Climate-related reporting**: February 2019 – January 2020
- Agenda consultation on future European Lab projects: **Reporting of non-financial risks and opportunities and linkage to the business model**
- Expected: Request for technical advice – preparatory work for the elaboration of EU non-financial reporting standards...

# TCFD og IFRS

Første tema

*Kan man sige det i samme sætning...?*



Jane Thostrup Jagd

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# TCFD og IFRS

Investorvenlig klima-scenarie-rapportering

Årsrapportprisen 2020,  
ESG Reporting Lab,  
03.09.2020

Jane Thostrup Jagd, PhD



# Agenda

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- Hvad er TCFD?
- TCFD = IFRS + klimarisici
- European Corporate Reporting Lab @ EFRAG Project Task Force Climate-Related Reporting
- TCFD i praksis – og hvad siger investorer og virksomheder?
- Hvordan kan din virksomhed lave investorvenlig klimascenarie-rapportering?



# Hvad er TCFD?

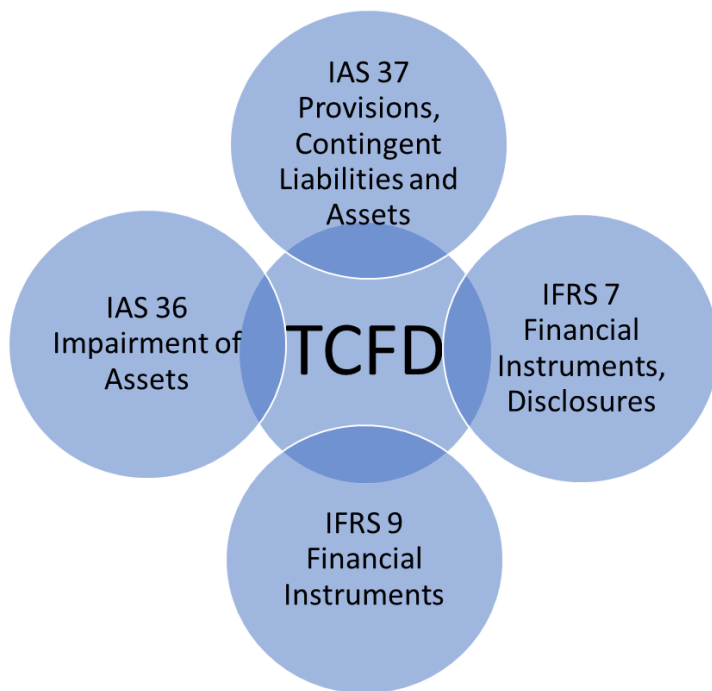
- Efter vedtagelsen af de 17 verdensmål (SDGs) etablerede G20's Financial Stability Board (FSB) i 2015 et underudvalg med Michael Bloomberg som leder :

Task Force on Climate-related Financial Disclosure (TCFD)

- Formål: At identificere den finansielle sektors informationsbehov ved transitionen til en low-carbon-økonomi (SDG 13)
- Juni 29 2017 - TCFD udgiver den endelige rapport med anbefalinger for rapportering for både finansielle og ikke-finansielle virksomheder



# TCFD = IFRS + klimarisici



- TCFD er anderledes ift. alle de andre ikke-finansielle frameworks på mindst disse 3 punkter:
  - **Fokus er flyttet 180°**. Det handler ikke om, hvordan virksomheden påvirker miljøet – men om hvordan miljøet påvirker virksomheden og dens økonomi.
  - **Rapportering bør ikke gives i en særlig rapport** – men skal indarbejdes i den eksisterende finansielle rapportering – som minimum i årsrapporten; men oftere vil være værdsat.
  - Der er et **fremadrettet element med scenarier/risikoevalueringer/** stress tests, som TCFD ønsker skal indarbejdes i de nuværende risikostatemts

# European Corporate Reporting Lab @ EFRAG Project Task Force Climate-Related Reporting

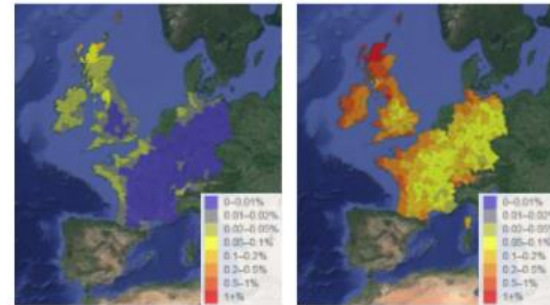


EFRAGs reporting lab rapport, supplement 2 om scenarier kan du finde her:  
<http://www.efrag.org/Assets/Download?assetUrl=/sites/webpublishing/SiteAssets/European%20Lab%20PTF-CRR%20%28Supplement%20%29.pdf> – se s. 44-48 om kvantificering og monetarisering

# TCFD i praksis

- Pr. februar 2020 har 1.027 organisationer tilkendegivet support til TCFD
- Klar overvægt af finansielle virksomheder (f.eks. BlackRock, Barclays, Industrial & Commercial Bank of China, Swiss Re, JP Morgan, etc. (og Bloomberg – selvfølgelig) – men ikke-finansielle kommer dog med nu. Dog meget få i DK.
- I starten kun historisk rapportering – men nu begynder scenarie-rapporteringen også. Se f.eks. AXA, Scor eller Aviva. Herhjemme er det primært ATP og AP Pension – dog på hver deres måde.

AXA Group – Equities Portfolio (total €16Bn)		
Scenario	Climate VaR	Monetary Risk
<b>Transition Risks potential costs and revenues (gross before tax and PB)</b>		
<b>2°C Scenario</b> <i>Resulting in potential costs</i>	-3.7%	-\$904M
<b>Green Technology Opportunities</b> <i>Resulting in potential revenues</i>	+3.5%	+\$841M
<b>Weighted Risk Scenario</b>		
<b>Aggregated Climate VaR</b>	-0.3%	-\$63M



Floods and windstorm : potential average annual losses of AXA Real Estate Portfolio

K€	Germany	UK	Luxembourg	France	Switzerland	Belgium	USA
Floods	400	79	*	*	*	*	*
Windstorm	173	233	5	572	317	184	32

Eksempler fra AXA's TCFD rapportering 2018, [https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com%2F334f7447-30fe-4f81-a8e5-90c1975e2563\\_2018+tcfd+full+report++final.pdf](https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com%2F334f7447-30fe-4f81-a8e5-90c1975e2563_2018+tcfd+full+report++final.pdf)

# Hvordan ser investorer og virksomheder på kvantificeret og monetariseret TCFD scenarie-rapportering?

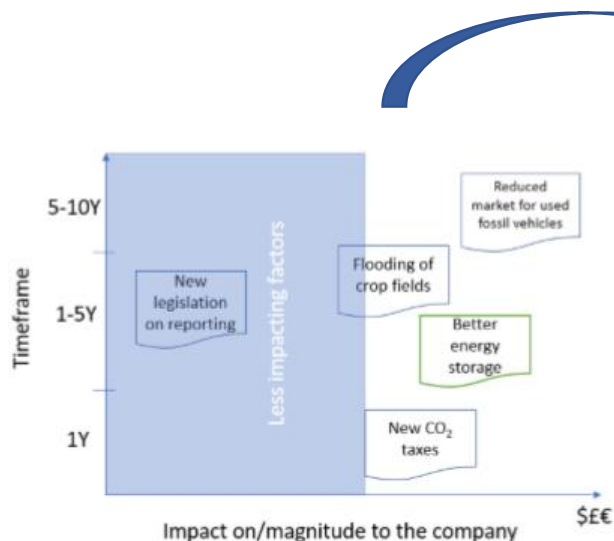
## Rapportbrugerne/investorerne siger:

- Der er generelt problemer med sammenlignelighed og manglende data ved scenarie-rapporteringerne.
- Det indikeres endvidere, at illustrationer/grafer uden kvantitative data er problematiske og ikke umiddelbart brugbare i investeringsanalyser.
- Investorerne indikerer også, at det er vigtigt, at der er en indre sammenhæng mellem rapporteringerne fra virksomheden. Således bør risici fra klima også indgå i antagelserne i risikoafsnittet og ved eksempelvis nedskrivningstests, hensættelser og aktivers afskrivningshorisont.

## Virksomhederne indikerer:

- Der kan være problemer med at komme med for detaljerede scenarier – ikke mindst af konkurrencehensyn. Det bliver ofte et trade-off mellem gennemsigtighed og konkurrencehensyn. Nogle gange imødegås det ved blot at komme med nogle overordnede kvalitative betragtninger.
- Nogle kan også forudse juridiske problemer i visse lande – især hvis virksomheden rapporterer om muligheder, som måske aldrig materialiserer sig.

# Hvordan kan din virksomhed lave investorvenlig klima-scenarie-rapportering?



Factors	Next year		Next 5 years, accumulated		Next 10 years, accumulated	
	Change	Effect on company's Net result	Change	Effect on company's Net result	Change	Effect on company's Net result
Change of taxes on direct emissions	+/- 10 USD/tonnes of CO2e (scope 1)	-/+ 320 m USD	+/- 10 USD/tonnes of CO2e (scope 1)	-/+ 1,480 m USD	+/- 10 USD/tonnes of CO2e (scope 1)	-/+ 2,738 m USD
Flooding of fields with damage to crops results in crops prices increase			+ 25 USD/metric tonnes crops cost	- 1,375 m USD	+ 25 USD/metric tonnes crops cost	- 2,600 m USD
Reduced energy cost due to better energy storage from renewable sources			- 25% of energy cost	+ 4,125 m USD	- 25% of energy cost	+ 8,000 m USD
Reduced market for used fossil fuel vehicles results in impairment of fleet					- 50% of value at the end of vehicle ownership / lease period	- 12.500 m USD

# Spørgsmål?

- Spørgsmål er meget velkomne – nu eller på [jagd@esginsight.dk](mailto:jagd@esginsight.dk)



# **Sammenhængen i rapporteringerne**

**med fokus på linket mellem forretningsmodellen og  
den ikke-finansielle rapportering om risici og  
muligheder**

Andet tema

*Hvad er relevant for en investor...?*



# SECOND EUROPEAN LAB PROJECT

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REPORTING OF NON-FINANCIAL RISKS AND OPPORTUNITIES  
AND LINKAGE TO THE BUSINESS MODEL



Ulrika Hasselgren

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# Centrale temaer

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- Recent study shows that 80% investors actively integrate sustainability into their investments in 2019
  - 57% envisage a time when they will allocate solely to investment managers with a formal ESG approach.
  - Climate change is the top theme for those investors who practice thematic or impact investing.
  - ESG integration is the most common approach.
- Nordic companies report a lot of data points in their sustainability disclosures
  - Total number of data points ~21 000 for 100 largest companies in the Nordics (DK: 11%, FI: 27%, NO: 16%, SE: 46%)
  - Average number of data points/company ~210 (DK: 107, FI: 323, NO: 242, SE: 206)
- The majority of reported data is of limited use since only ~1/3 of all reported content covers material topics and is directly related to what might actually affect a company's operational performance.
  - GHG emissions for instance is of limited use for a company in the telecom space (Supply chain management or Data security insights are highly relevant)
- Despite the reporting excess, vast majority of all companies (~85%) do not touch on all topics that materially affect them (Average materiality coverage on a topic level is only ~1/2).
- Investors and other stakeholders need to understand:
  - how risks and opportunities that arise from the external operating environment impact companies
  - how the companies' business and operations may have environmental or social impacts
  - how companies are mitigating these risks

# EFRAG Task-force

## ***- Det forventede udbytte***

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- The EFRAG project is expected to consider the needs and expectations of stakeholders, the extent to which they are addressed by current reporting practices, and the challenges faced by companies in providing the necessary information
- Reviews of corporate reports to-date show that there is scope for improvement
- Aim of the project:
  - identify good reporting practices of companies that have managed to connect the material information of their business model to related nonfinancial risks and opportunities share those practices.

# Spørgsmål / dilemmaer

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How to encourage companies to report on sustainability and ESG using a materiality lens (separating Financial materiality from Environmental & Social materiality)?

What is needed in order for companies to connect the material information of their business model to related non-financial risks and opportunities?

Does a strong ESG proposition correlate with higher equity returns, and does better ESG performance correspond with a reduction in downside risk?



**Sara Krüger Falk**  
**Executive Director**  
**Global Compact Network Denmark**



# Spørgsmål / dilemmaer

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# **Skal der udarbejdes én europæisk / international standard**

og hvad skal den i givet fald tage udgangspunkt i?

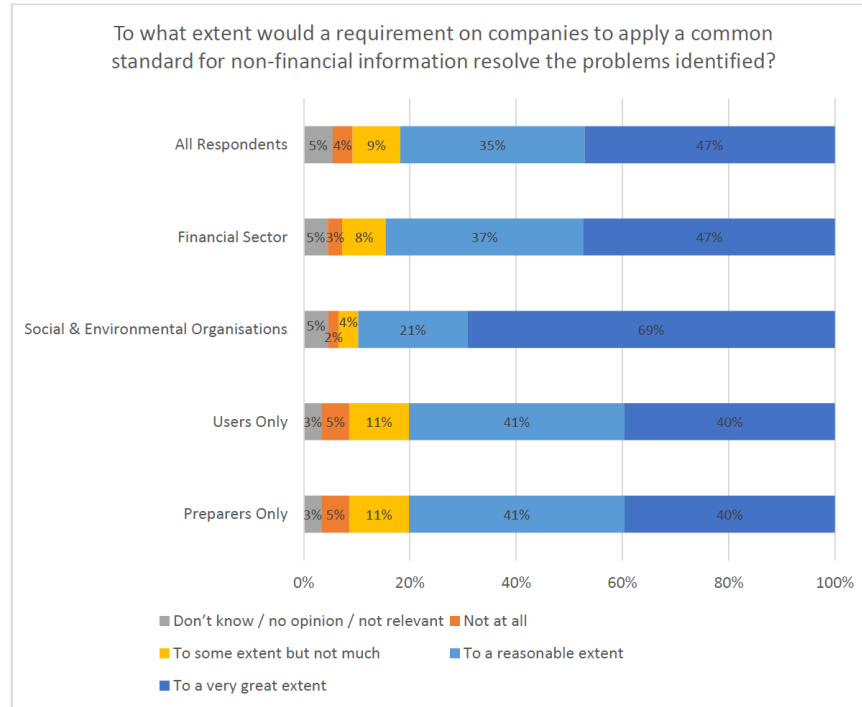
Tredje tema

*Hvad er relevant for en investor...?*



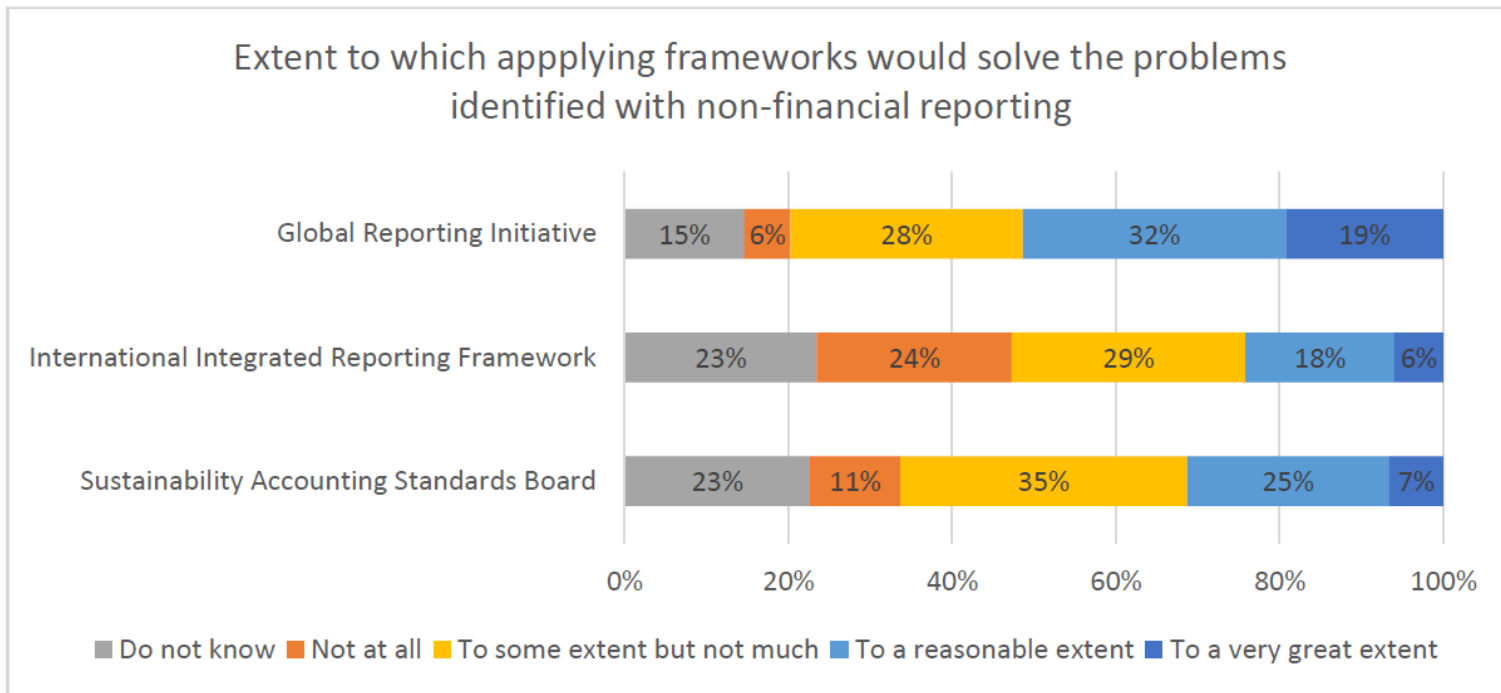
# EU NFRD-høring - nedslagspunkter

## - *Er en fælles standard svaret?*



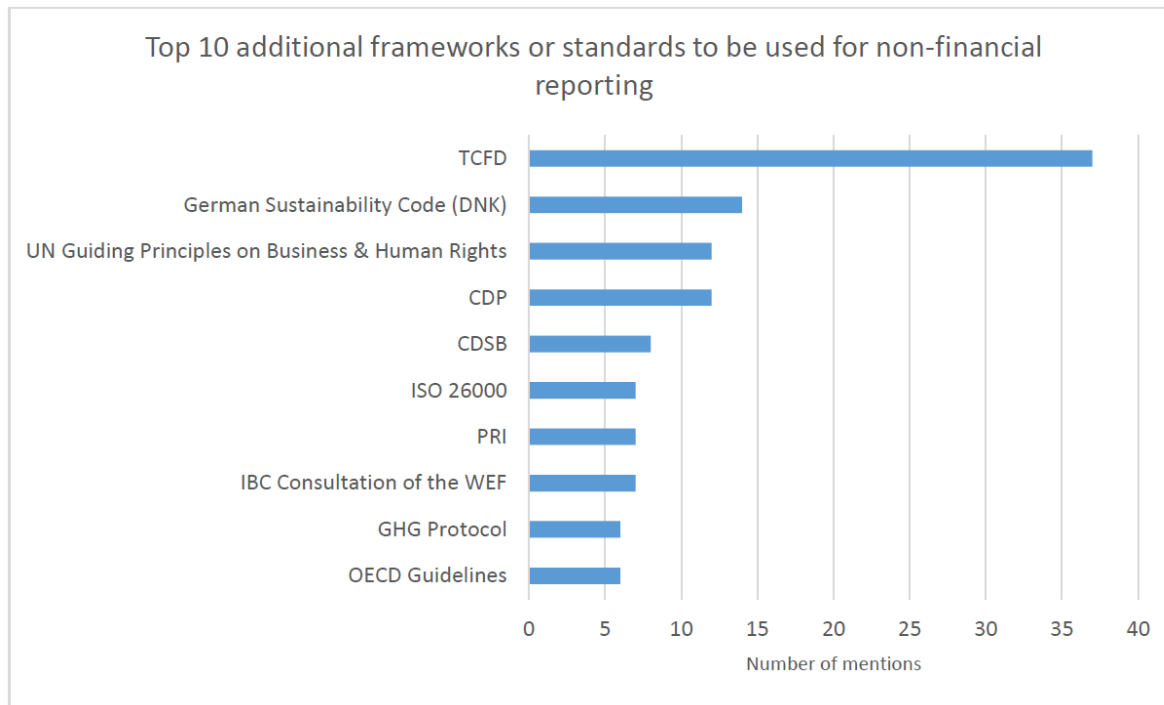
# EU NFRD-høring - nedslagspunkter

## - *Vurdering af eksisterende standarder*



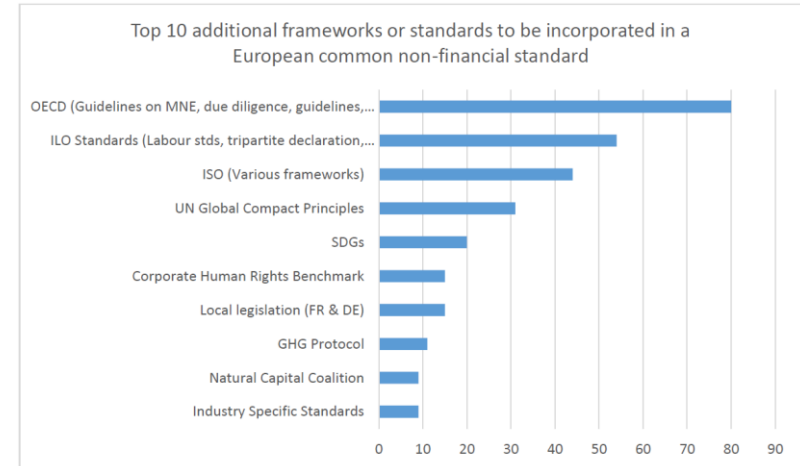
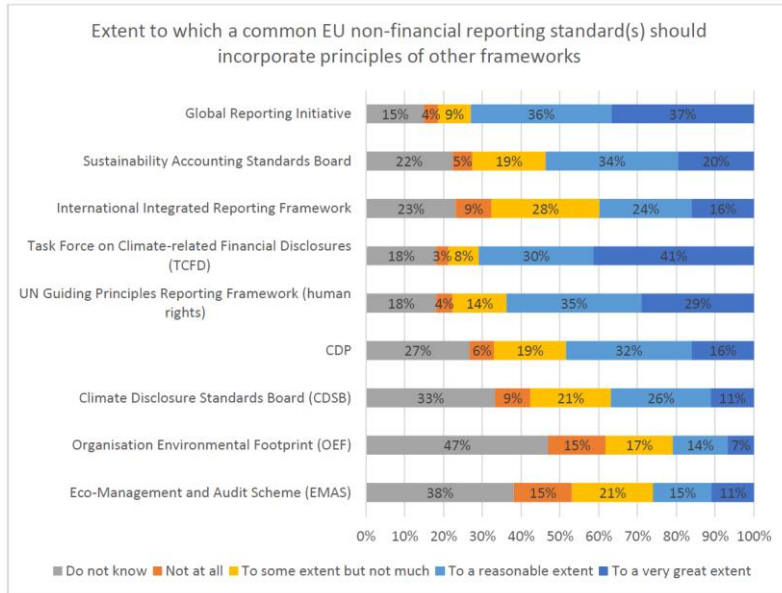
# EU NFRD-høring - nedslagspunkter

## ***- Vurdering af eksisterende standarder***



# EU NFRD-høring - nedslagspunkter

## - *Basis for én europæisk standard?*



# Frokost i Atriet

- Alle buffeter i Atriet byder på samme forplejning

- Spred jer ved alle buffeter

Hold god afstand til hinanden

# Velbekomme



MØDER  
& EVENTS  
INDUSTRIENS HUS