



Assessing climate-related risks and opportunities in investment and lending portfolios

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responsible
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REPORT
on RI and ESG
approaches to
clients and
stakeholders



INTEGRATE
ESG into
investment
decisions

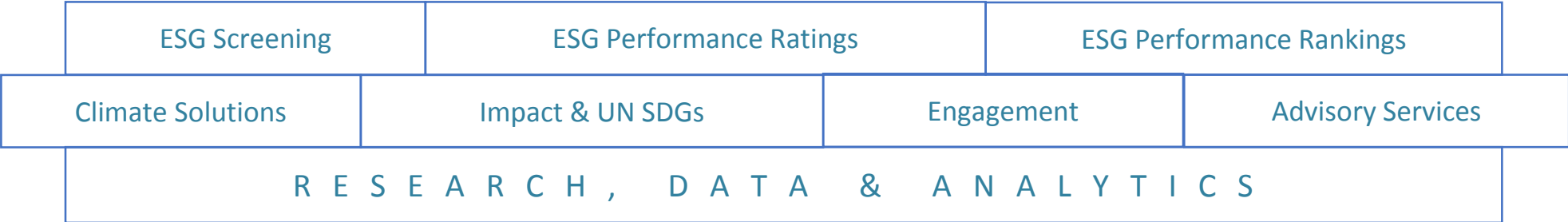


VOTE
in shareholder
meetings



ENGAGE
with
companies
on ESG issues

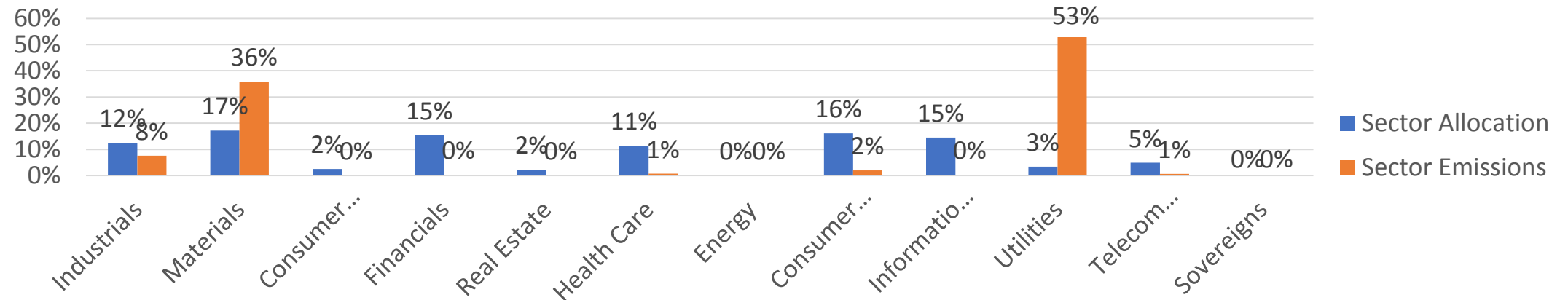
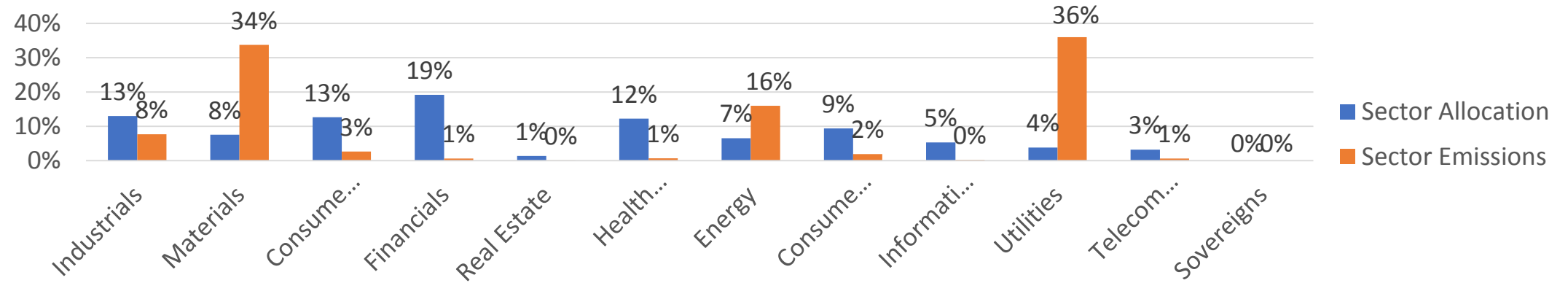
ESG SOLUTIONS



EMISSIONS PERSPECTIVE

How emissions can give a first insight into the climate characteristics of an index and portfolio.

Allocation vs. Emissions (Scope 1&2) in Portfolio



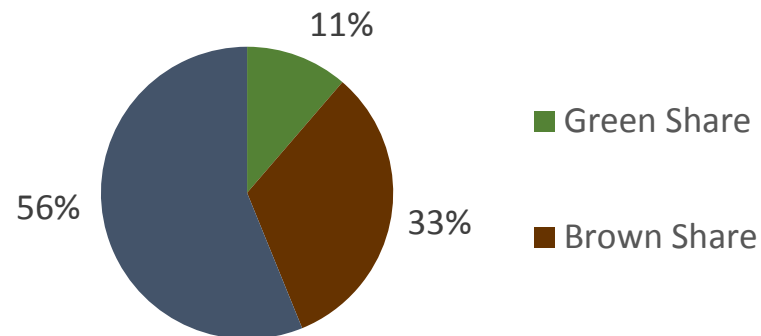
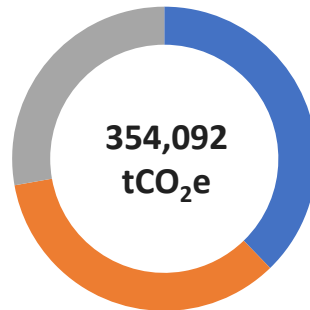
TECHNOLOGY PERSPECTIVE

Using additional technology-specific data points to dive deeper into climate characteristics.

STOXX 600

189.7 tCO₂e / Mio EUR Revenue

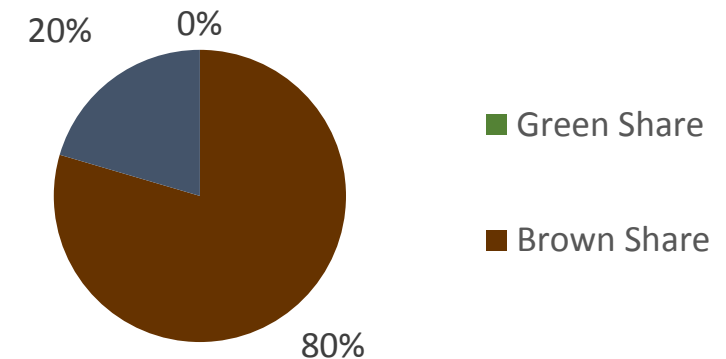
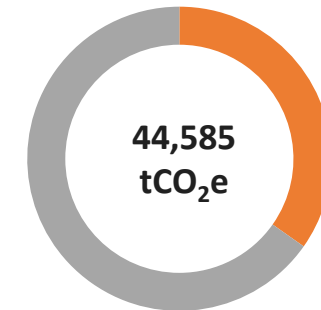
- Coal Reserves
- Oil Reserves
- Gas Reserves



DAX 30

282.4 tCO₂e / Mio EUR Revenue

- Coal Reserves
- Oil Reserves
- Gas Reserves

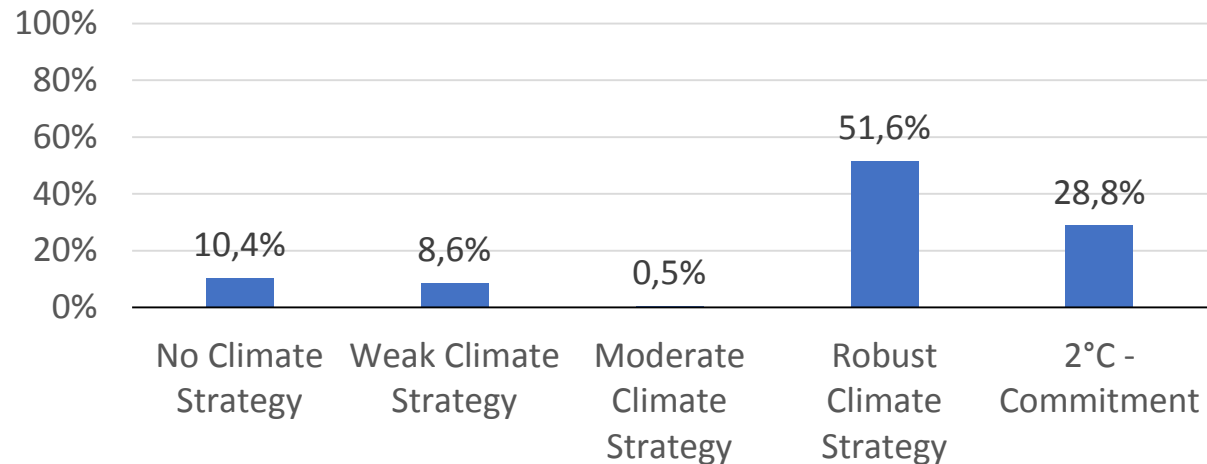


POSITIVE CONTRIBUTION – CLIMATE TARGETS

Assessing companies' target setting allows a forward-looking and intentional perspective.

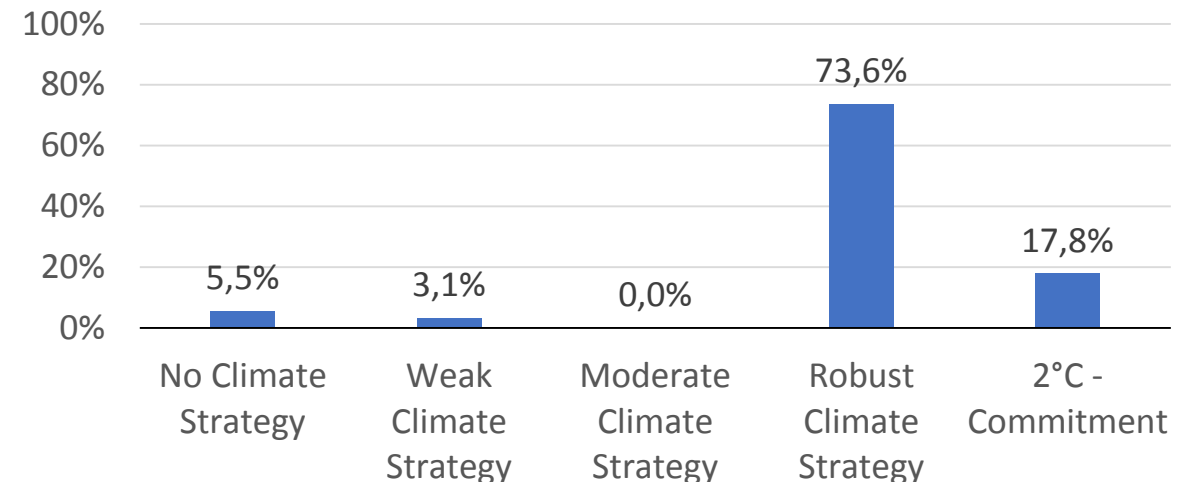
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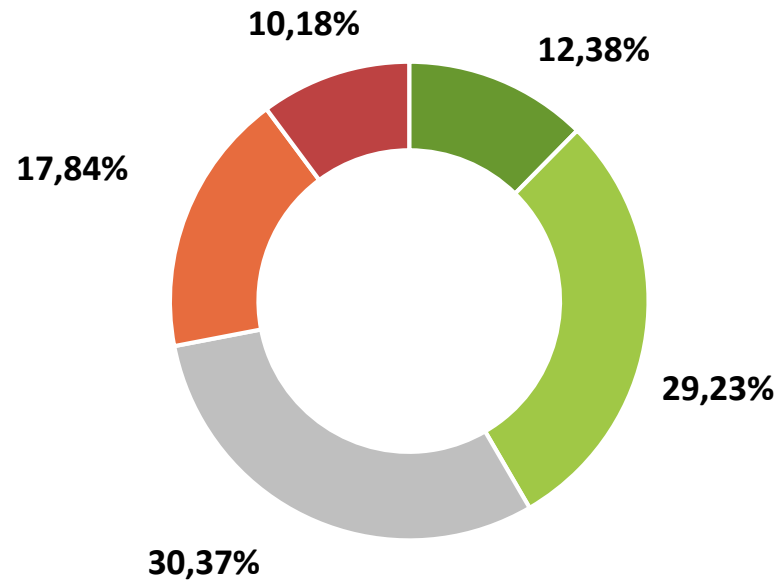


- No Climate Strategy = Companies not disclosing their GHG Emissions. Disclosure can be seen as first step of a climate strategy.
- Weak Climate Strategy = Companies reporting their GHG Emissions inconsistently
- Moderate Climate Strategy = Companies reporting their GHG Emissions inconsistently that have set an SBT
- Robust Climate Strategy = Companies reporting their GHG Emissions consistently
- 2°C - Commitment = Issuers reporting their GHG Emissions consistently that have set an SBT

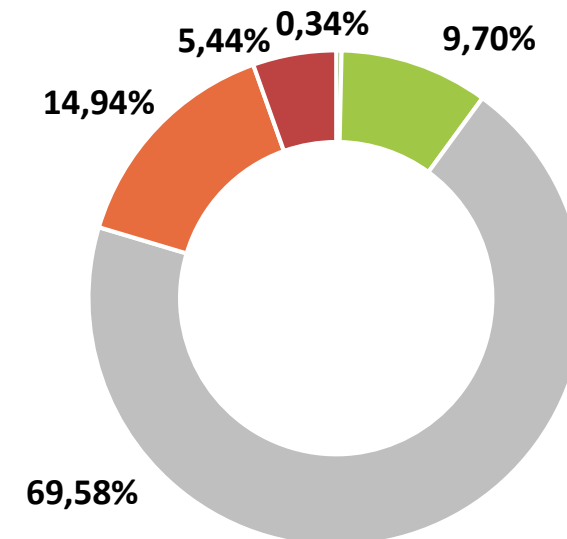
POSITIVE CONTRIBUTION - SDGs

Evaluating a portfolio's contribution to objectives linked to the Sustainable Development Goals (SDGs).

STOXX 600 (weighted by volume)
All SDGs



STOXX 600 (weighted by volume)
Mitigating Climate Change



Significant Obstruction
-10.0 to -5.1

Limited (net) Obstruction
-5.0 to -0.2

No (net) Impact
-0.1 to 0.1

Limited (net) Contribution
0.2 to 5.0

Significant Contribution
5.1 to 10.0

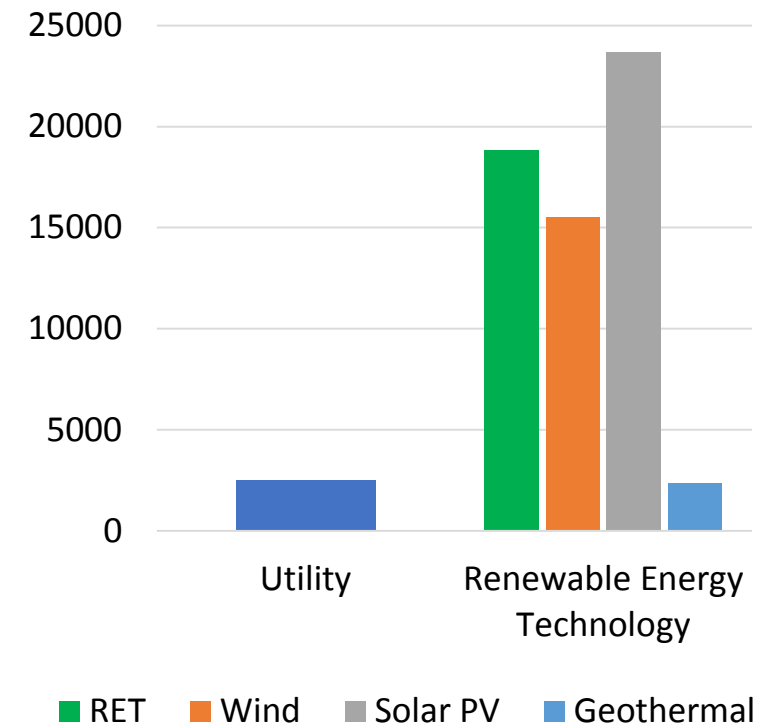
POSITIVE CONTRIBUTION – AVOIDED EMISSIONS

Assessing a portfolio's contribution to reduction of emissions.

Portfolio name	Number of Holdings	PAE-relevant Holdings (%)	Total market Value (EURm)	Total PAEs (tCO ₂ e)	PAE intensity (tCO ₂ e/EURm)
ICLN	24	68%	8	41,269	5,159

Name	Portfolio Weight	Total PAE/Holding (tCO ₂ e)	PAE intensity (tCO ₂ e/EURm inv.)	Total PAEs in Portfolio (tCO ₂ e)	PAE Portfolio Exposure
Canadian Solar, Inc.	2.1%	52,566,156	72,086	11,847	29%
Siemens Gamesa Renewable Energy SA	6.0%	86,926,470	12,236	5,852	14%
Vestas Wind Systems A/S	5.5%	142,045,272	12,193	5,413	13.1%
Nordex SE	1.6%	34,305,153	40,789	5,274	12.8%
Cia Energetica de Minas Gerais	5.8%	10,860,208	5,137	2,387	5.8%

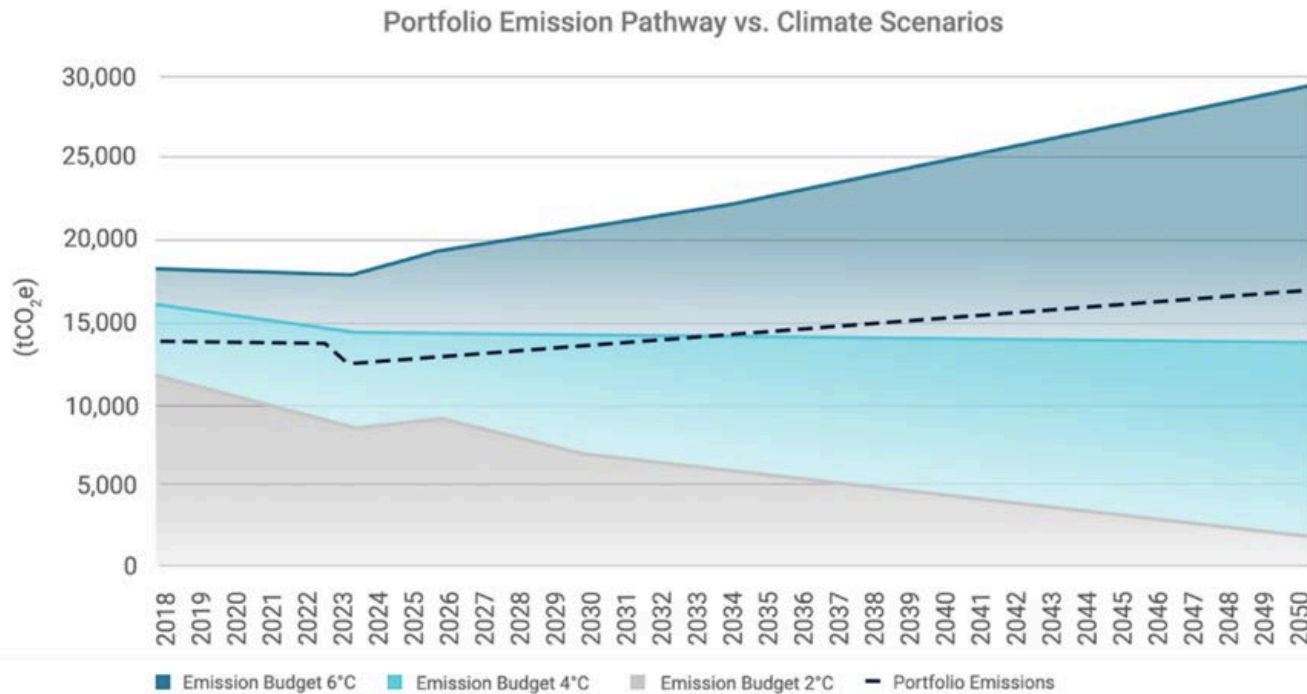
Avoided emissions per sector (tCO₂e/EURm)



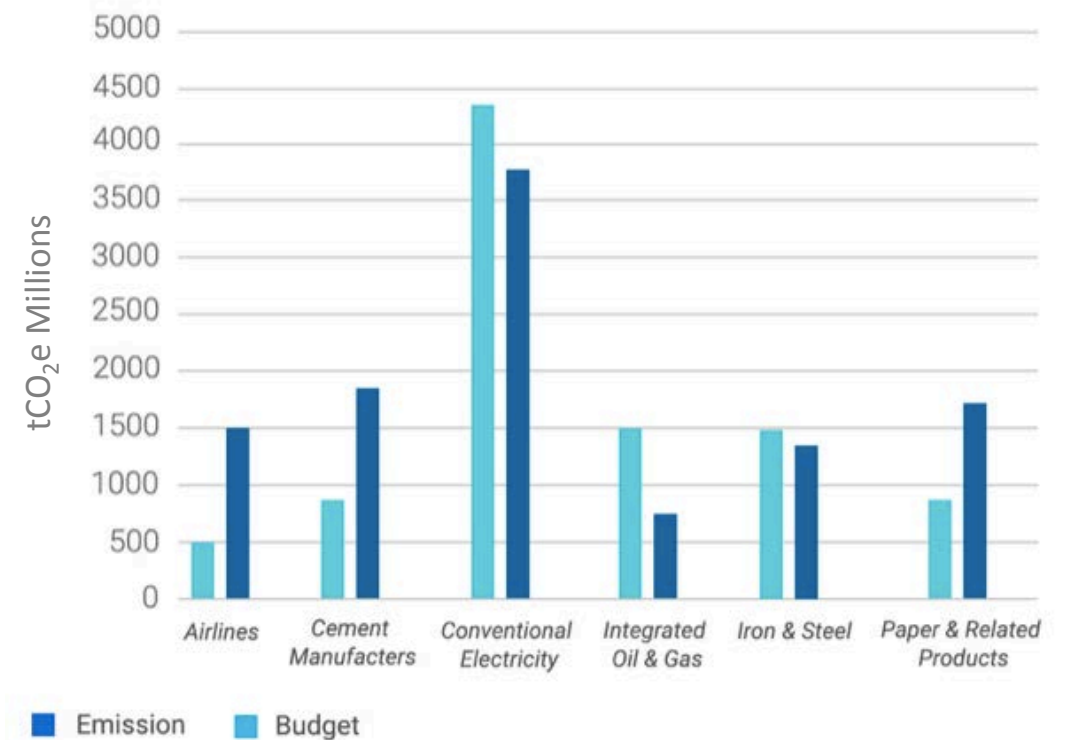
SCENARIO ANALYSIS

Assessing a portfolio trajectory – is a portfolio be aligned with the 2°C international climate goal over the coming decades?

Portfolio Emission Pathway vs. Climate Scenarios



Sector Emissions vs. 2°C Emission Budget for 2018





CONCLUSION & THOUGHTS FOR DISCUSSION

A plurality of approaches allows for a positive competition of methodologies.

MINIMUM STANDARDS TO BE WELCOMED

Minimum standards can be very helpful and help the industry focus on topics that still need further discussion.

CAUTION REGARDING TOO NARROW DEFINITIONS

There are different approaches out there for defining what it means to be aligned to the 2°C international climate goal. Precipitately deciding on a dominant approach can harm a necessary competition of ideas.

BENCHMARK SELECTION \neq IMPACT

No impact can be achieved by selecting a benchmark: In liquid asset classes, real economy impact requires for example engagement and voting.

THANK YOU



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