



Transition Risk Analysis Support Toolkit: Virtual Training for Asset Owners & Asset Managers

Webinar Resources Outline

25/01/2022

Provides participants with an overview of content to be covered in the training workshops

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1. Description

As part of the South Africa-UK PACT project on [*Aligning South Africa's climate-related financial disclosure with global best practice*](#), a user-friendly climate-related risk and opportunity analysis toolkit has been developed to assist both asset managers and asset owners. The toolkit is aimed at assisting these stakeholders to generate and use climate-related financial information in their investment decision-making as well as addressing barriers to climate-related disclosures. This recently launched, publicly available toolkit, includes guidance documents, training manuals and data sources to help identify transition risks and opportunities related to climate change.

This toolkit, will assist asset managers to overcome data limitations when generating appropriate data to support climate-related risk assessment at a portfolio and asset level. The toolkit will initially focus on transition risk, but data sources that can be used for physical risk assessment will also be highlighted. Guidance on the appropriate use of scenario analysis in South Africa will also be provided. The toolkit aims to help asset managers improve the quality of information used to manage climate-related investment risks and opportunities and to support useful and credible climate-related financial disclosures.

The toolkit also aims to help organisations use climate-related information to make better investment decisions. Access to and integration of climate-related financial information within governance and investment processes should assist asset owners in achieving improved investment outcomes over the longer-term. The toolkit will thus assist asset owners in obtaining the information necessary to understand whether their investment managers have adequately considered climate-related risks and opportunities.

Going forward, climate change considerations will play an increasing role in where capital is allocated as countries and companies ramp up their efforts to reach commitments made under the Paris Agreement, and most recently at the COP26 meetings which were held during October and November 2021 in Glasgow, Scotland.

The Transition Risk Analysis Support Toolkit was created to support the asset management and retirement fund industries during the climate-related financial disclosures journey.

The specific topics covered include:

- Climate Risk Due Diligence Guide for Asset Owners,
- Financial Sector Good Practice TCFD-aligned Disclosure Examples,
- The Carbon Price Trajectory Tool
- Resources to Support Climate-Related Financial Disclosures
- Guidance document on South Africa's International and Local Climate Commitments
- Quantifying Greenhouse Gas Emissions from Investments
- Using Scenarios to Understand Transition Risk

- Guidance document on The Just Transition in Climate-Related Financial Disclosures
- Guidance document on Climate Commitments at the Company Level

The above-mentioned topics will be covered over a series of half-day and full-day interactive workshop sessions.

2. Outcomes

After completion of the webinar series the attendee will be able to:

- Articulate what climate change is in related to investment decision making,
- Understand what Climate-Related Financial Disclosure is and why it is important,
- Be able to describe and identify climate-related financial risks and opportunities and
- Be able to describe the four pillars and eleven recommendations of the TCFD.

3. Duration

According to the South African National Qualifications Framework ‘notional hours of learning’ refers to the learning time that it would take an average learner to meet the learning outcomes defined for a particular module. It includes contact time, reading prescribed material, individual learning, time spent in structured learning, i.e., in the workplace and completing assessments.

The half-day workshop sessions are expected to take four hours of notional learning for the average student. The full-day workshop sessions are expected to take six hours of notional learning for the average student.

Please note that the notational hours are for an ‘average student’ with an average level of exposure to this particular subject area. It is realistic to expect more, or less, effort based on the students’ current level of knowledge.

4. Sources

No textbook is prescribed for this series. Participants are encouraged to work through the resources and tools provided as part of the workshops, which is contained in this webinar resource outline. The webinar resource outline will include the following:

Reports & Guidance Documents (all available [here](#)):

- DNA Economics. 2022. [Introduction to the Transition Risk Analysis Support Toolkit](#).
- Toolkit element 1: DNA Economics. 2022. [Climate risk due diligence guide for asset owners](#).

- Toolkit element 2: DNA Economics and The Green House. 2022. [Financial sector good practice TCFD-aligned disclosure examples](#).
- Toolkit element 5: The Green House. 2022. [South Africa's International and Local Climate Commitments](#).
- Toolkit element 6: The Green House. 2022. [Quantifying greenhouse gas emissions from investments](#).
- Toolkit element 7: DNA Economics. 2022. [Using scenarios to understand transition risk](#).
- Toolkit element 8: DNA Economics. 2022. [The Just transition in climate-related financial disclosures](#).
- Toolkit element 9: The Green House. 2022. [Climate commitments at the company level](#).

Tools:

- Toolkit element 3: [Carbon Price Trajectory Tool](#)
- Toolkit element 4: [Resources to support TCFD implementation](#)
- Toolkit element 6: [Spreadsheet on calculating greenhouse gas emissions from companies](#)

5. Sessions

Participants that want to obtain maximum value and return on investment are encouraged to work through the webinar resource outline together with attending one of the two webinar options that will cover the Transition Risk Analysis Support Toolkit.

5.1 Toolkit elements to be covered

5.1.1 Toolkit element 1: Climate risk due diligence guide for asset owners

Guide provides a quick and easy entry point into climate-related financial risk and opportunity analysis and disclosure for asset owners. The Guide includes a set of 11 questions with guidance on how to interpret responses that can be used to assess the climate competency of asset managers.

Readings:

- DNA Economics. 2022. [Climate risk due diligence guide for asset owners](#).

5.1.2 Toolkit element 2: Financial sector good practice TCFD-aligned disclosure examples

This document showcases examples of detailed and useful TCFD disclosures. The TCFD recommendations are intended to create a flexible disclosure standard built around iterative improvements, and as such the examples are not intended to define the 'correct' way to disclose information, but rather to provide an indication of what good disclosure looks like.

Readings:

- DNA Economics and The Green House. 2022. [Financial sector good practice TCFD-aligned disclosure examples](#).

5.1.3 Toolkit element 3: Carbon Price Trajectory Tool

Provides attendees with an overview and access to a simple spreadsheet tool that can be used to consider how international carbon prices may influence South African carbon prices to 2050.

Readings:

- Not applicable. See link to Carbon Price Trajectory Tool below.

Tools:

- Toolkit element 3: [Carbon Price Trajectory Tool](#)

5.1.4 Toolkit element 4: Resources to support implementation of the recommendations of the TCFD

Provides attendees with an overview and access to a filterable MS Excel database of resources to support climate-related financial disclosure. The resources are organized to allow searches by theme and TCFD disclosure pillar.

Readings:

- Not applicable. See link to Carbon Price Trajectory Tool below.

Tools:

- Toolkit element 4: [Resources to support TCFD implementation](#)

5.1.5 Toolkit element 5: South Africa's International and Local Climate Commitments

This guidance document provides attendees with an overview and access to current South African climate commitments and their implications for sectors and companies to help inform financial sector decision-making.

Readings:

- The Green House. 2022. [South Africa's International and Local Climate Commitments](#).

5.1.6 Toolkit element 6: Quantifying greenhouse gas emissions from investments

This guidance document provides investors with guidelines on how to obtain or estimate greenhouse gas emissions data for companies to help guide portfolio assessments and investment decision-making. The

attendees will have access to the guidance document as well as an accompanying spreadsheet tool to make these calculations.

Readings:

- The Green House. 2022. [Quantifying greenhouse gas emissions from investments](#).

Tools:

- Toolkit element 6: [Spreadsheet on calculating greenhouse gas emissions from companies](#)

5.1.7 Toolkit element 7: Using scenarios to understand transition risk

This document introduces the attendees to scenarios and motivates for using scenarios to improve the quality of climate-related financial disclosures. It is intended as background reading for readers who wish to access the more advanced material on the use of scenarios in climate-related risk and opportunity analysis developed as part of this project.

Readings:

- DNA Economics. 2022. [Using scenarios to understand transition risk](#).

5.1.8 Toolkit element 8: The Just transition in climate-related financial disclosures

This document motivates for the inclusion of Just Transition considerations in climate-related financial disclosures on the basis that neglecting it could create reputation risk with material financial impacts.

Readings:

- DNA Economics. 2022. [The Just transition in climate-related financial disclosures](#).

5.1.9 Toolkit element 9: The Just transition in climate-related financial disclosures

This document provides attendees with an overview of the the evolution of climate targets and discusses how companies can develop credible climate targets in line with the recommendations of the TCFD.

Readings:

- The Green House. 2022. [Climate commitments at the company level](#).

6. Monitoring & Evaluation Criteria

Participants will be requested to provide with feedback on the workshop via survey questions that will be run at the end of each session. The purpose of this is to evaluate the content, presentation and webinar(s) overall.



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