



We are proud to announce the release of our “Behind the Scenes” TCFD Implementation publication. What makes this report unique is the insights on our choices, the challenges we faced, and the lessons we learned.

## ABOUT US

The Investor Leadership Network (ILN) is an open and collaborative platform for leading investors interested in addressing fundamental, long-term sustainability and systemic challenges. As a direct outcome of Canada's 2018 G7 presidency, the ILN focuses on concrete actions and global partnerships.

Working together, we are committed to providing resources, expertise, and networks to help address three significant global problems: climate change, gender equality, and the infrastructure gap.

Our aim is to accelerate collective action and offer up robust, practical solutions.



# TCFD Implementation

## Practical Insights and Perspectives from Behind the Scenes for Institutional Investors

We are proud to announce the launch of our TCFD Implementation publication, providing a “behind the scenes” view of our experiences and lessons learned implementing the TCFD recommendations. The publication is part of the ILN's Climate Change Initiative's goal of accelerating the implementation of uniform and comparable climate-related disclosures.

It has been almost three years now since the Task Force on Climate-related Financial Disclosures (TCFD) released its recommendations in 2017. Since the launch, it has been encouraging to see the TCFD recommendations growing adoption among global investors and corporations. However, we recognize there is still a lot to be done to get us closer to a more uniform and comparable approach to disclosure.

During Canada's 2018 presidency of the G7, we launched our Climate Change Initiative with this very question in mind: “What could we do to accelerate the implementation of the TCFD recommendations to bring us closer to a more unified approach?”

We started by setting up a working group and reflecting together on our shared experiences implementing the TCFD recommendations. We wanted to discover where we could be of most use to other investors, and realized that our strength was in the details underlying our experiences.

It was not what we were disclosing publicly on the TCFD recommendations that was insightful, but rather how we approached the TCFD recommendations and why we implemented them the way we did. What makes our perspective unique is the process behind our choices, the challenges we faced along the way, and the lessons we learned.

By writing this document, we want to share these “behind the scenes” experiences with you to shed some light on how we have been approaching the TCFD recommendations. While we certainly don't have all the answers, we hope you gain a fresh perspective and find our experiences both practical and insightful.



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We structured the document on the TCFD thematic areas to provide a useful starting point to share our experiences. We discuss our different perspectives, sketch ideas, and present examples to showcase what we did, why we approached it that way, the lessons we learned and the questions we continue to ponder.

## TCFD IMPLEMENTATION DOCUMENT HIGHLIGHTS

### GOVERNANCE

While there is no “one-size-fits-all” approach to climate governance, we have uncovered interesting insights regarding how we structure our teams, what we did to build consensus, and what we learned along the way. Learn about our experiences with:

- Board, executive and management roles
- Policy frameworks
- Cross-functional collaboration
- Performance incentives
- Cultural transformations

### STRATEGY

Many of us have either successfully launched or are in the process of developing strategies to manage the risks and opportunities we have identified over the short, medium and long-term. Learn about our experiences with strategies for:

- Engagement and advocacy
- Climate resilience
- Low carbon finance
- Carbon mitigation
- Just Transition

### SCENARIO ANALYSIS

We are all at different stages of our journey applying scenario analysis, ranging from qualitative to quantitative approaches. Scenario analysis is not an easy off the shelf approach. Rather, it is an iterative process that we will be adjusting as we progress. Learn about our experiences with:

- Narrative-based scenarios
- Macro-economic financial impact scenarios
- Spatial financial
- Physical and transition risk models

### RISKS

Climate change has evolved into an important risk, which many of us now formally integrate into our investment and asset management activities. Learn about our experiences with:

- Enterprise, portfolio and asset level climate risk integration
- Climate risk identification, assessment and management processes
- Data limitations and uncertainties

### METRICS

We are experimenting with a number of non-financial metrics to monitor, measure and manage climate performance. Learn about our experiences using metrics for:

- Temperature alignment scores
- Climate value-at-risk
- Climate finance and impact
- Portfolio carbon footprints
- Carbon performance scores

### TARGETS

Setting clear and long-term ambitions towards a low-carbon economy continues to be an ongoing and evolving process for many of us. Our low carbon ambitions cover short, medium and longer term time horizons. Learn about our experience with:

- Carbon reduction
- Temperature alignment scores
- Climate finance



Download the full document at  
[www.investorleadershipnetwork.org](http://www.investorleadershipnetwork.org)

### CONTACT US

For questions about the  
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