TCFD-related Services

Leveraging TCFD to Advance Climate Action
The world is weathering a variety of profound and impactful crises – one of which is climate change. We are already facing higher temperatures that are driving more intense and powerful climate-induced events such as heatwaves, wildfires, storms and floods. With the increased interest on the physical impacts of climate change, governments, businesses and investors around the world are preparing for a just, sustainable and resilient transition to a zero-carbon economy.

CLIMATE-RELATED FINANCIAL DISCLOSURES
In 2015, the G20’s Financial Stability Board established an industry-led Task Force on Climate-related Financial Disclosures (TCFD) to develop recommendations for more effective and decision-useful financial disclosure. In 2017, the TCFD released its recommendations for organizations to help identify, assess, manage and report on material climate-related risks and opportunities over time, to “promote more informed investment, credit and insurance underwriting decisions” and “enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system’s exposures to climate-related risks.” Climate change factors can then be effectively, efficiently and transparently incorporated into financial and investment decision-making. The TCFD framework recommends 11 specific disclosures under four core elements: governance, strategy, risk management, and metrics and targets.

BEST IN CLASS TCFD EXPERTISE
Since TCFD’s inception, WSP has partnered with clients across sectors and industries to provide technical and strategic support. We assess alignment with the TCFD recommendations, benchmark progress against peers, understand material and substantive financial risks and opportunities, and co-design multi-year roadmaps to implement the TCFD recommendations and operationalize sustainability and resilience into the fabric of the enterprise. We work with a variety of organizations across industries — financial services, banking, information technology, transport, aerospace and defense, luxury goods, lodging, engineering and construction, and government — to advance their TCFD journey by actively reducing greenhouse gas (GHG) emissions, investing in clean, renewable energy, managing physical acute and chronic risks, adapting to the changes already facing the world, and strengthening resilience across the enterprise, supply chain, and in local communities.

TCFD FRAMEWORK

TCFD recommends that companies include:

**Governance**
- Board-level oversight of climate-related risks and opportunities
- Management’s role in assessing and managing climate-related risks and opportunities

**Risk Management**
- Process for identifying and assessing climate-related risks
- Process for managing climate-related risks
- How climate-risk management is integrated into the organization’s overall risk management

**Strategy**
- Identified short-, medium- and long-term climate-related risks and opportunities
- Impacts of climate-related risks and opportunities on business strategy and financial planning
- Details around the company’s strategy including: resiliency and consideration of different climate scenarios

**Metrics and Targets**
- Metrics used to assess climate-related risks and opportunities
- GHG emissions from direct operations and (if relevant) the value chain and associated risks from these emissions
- Targets used to manage climate-related risks and opportunities and performance against these targets
Our Services

Our TCFD experience and services can help enhance an organization's overall sustainability and resilience, regardless of where they are along their TCFD journey. Our TCFD services are conducted in alignment with the Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (June 2017) and in partnership with our clients. For more details on these specific services, visit our Sustainability, Energy and Climate Change (SECC) website or reach out to our experts listed at the end of this document.

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<tr>
<th>Phase</th>
<th>Service Offering</th>
<th>Description</th>
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<tr>
<td></td>
<td>Stakeholder Engagement</td>
<td>Engaging and interviewing stakeholders to assess the feasibility and desired outcome of TCFD alignment.</td>
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<td>TCFD Roadmap Design</td>
<td>Co-designing a TCFD roadmap to align with and implement the TCFD recommendations for governance, strategy, risk management, and metrics and targets.</td>
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<tr>
<td>ASSESS</td>
<td>Hotspot and Scenario Analysis</td>
<td>Evaluating the vulnerability to physical and transition risks and identifying opportunities across critical sites, regions, markets and the entire value chain.</td>
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<td>Adaptive Capacity and Resiliency Assessment</td>
<td>Assessing the adaptive capacity of the organization and the integration of climate considerations into enterprise risk management and business continuity.</td>
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<td>Materiality Assessment</td>
<td>Identifying and prioritizing organizational environmental, climate-related, social and governance issues in alignment with TCFD, GRI and SASB frameworks.</td>
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<td>PLAN</td>
<td>Goals, Metrics and Target Setting</td>
<td>Setting ambitious sustainability, adaptation and resilience goals, metrics and science-based targets.</td>
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<td>Strategic Planning</td>
<td>Engaging critical business functions to co-design a feasible and integrated strategic plan and operationalize sustainability and climate resilience.</td>
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<td>Reporting and Disclosure</td>
<td>Preparing for, developing and reviewing report content and disclosures aligned with relevant frameworks (e.g., TCFD, CDP, GRESB, DJSI, GRI and SASB).</td>
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<td>TRANSFORM</td>
<td>Climate Plan Integration and Implementation</td>
<td>Applying change management to integrate climate considerations into organizational governance and business processes.</td>
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<td>Climate Intelligence and Strategic Foresight</td>
<td>Monitoring, tracking and preparing for emerging, chronic trends across the world.</td>
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<td></td>
<td>Continual Improvement</td>
<td>Measuring progress towards the goals, targets and efforts to operationalize sustainability and climate resilience.</td>
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Prominent Case Studies

DISCOVERING AND ASSESSING CLIMATE-RELATED RISKS AND OPPORTUNITIES FOR A FINANCIAL SERVICES CLIENT

WSP assessed the risk associated with the physical impacts of climate change to the client’s supply chain, operations and products and services. Our assessment began with a review of the most recent and credible science, divided into six U.S. regions. Once the impacts were identified, we began a review of risks to specific assets beginning in the southeastern U.S. and moving on to the northeast and then the Gulf Coast. Concurrently, the WSP team conducted a review of threats to key elements of the supply chain. Finally, after proof of concept on the company owned assets, we examined similar risks to their lending portfolio, starting with the oil and gas industry.

Through this work, our client came to a preliminary understanding of risks to its portfolio, and the importance to their clients of managing these risks.

PLANNING FOR CLIMATE-RELATED RISKS AND OPPORTUNITIES AND TRANSFORMING RESILIENCE FOR A TECHNOLOGY CLIENT

Since 2015, WSP has supported this client along their TCFD journey. We have provided initial education on the requirements, motivations and options for TCFD-aligned disclosure. Our team reviewed credible, publicly available, previously applied scenario analyses and recommended three to reflect business-as-usual, technology and regulatory environment aligned with Paris commitments, and a more aggressive sustainable scenario.

Based on these scenarios we provided a qualitative assessment of risks and opportunities by business line, including time horizon and magnitude of impact. WSP also prepared three pilot regional scenarios for China, Africa and India. Recently, we reassessed the climate-related risks and opportunities quantitatively and qualitatively. We worked with the client to form an enterprise-wide Climate Risk + Resilience (CR+R) Working Group that reports to a new Climate Council on the progress made towards minimizing and managing climate-related risks and opportunities.

Through the Working Group, we developed a CR+R Strategy and associated climate risk and resilience commitments to fully integrate across the enterprise and operations to transform their resilience.
For more information on TCFD support, or our sustainability, energy and climate change services, please contact:

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About WSP USA

WSP USA is the U.S. operating company of WSP, one of the world’s leading engineering and professional services firms. Dedicated to serving local communities, we are engineers, planners, technical experts, strategic advisors and construction management professionals. WSP USA designs lasting solutions in the buildings, transportation, energy, water and environment markets. With more than 10,000 people in 170 locations across the U.S., we partner with our clients to help communities prosper.

In the U.S., our multidisciplinary sustainability, energy and climate change team has been providing related services for two decades. We support clients across sectors by providing strategy and planning as well as operational and technical expertise. We are passionate about contributing to our clients’ successes through our depth of experience, collaborative approach and unique perspective on the market.