



carbone 4

Looking Beyond

Explore possible futures to identify tomorrow's challenges and improve today's decisions

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Carbone 4, your #1 partner in climate strategy

An independent and committed consulting company

WHAT WE DO



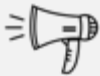
ASSESS your footprint, your strength & weaknesses in the fight against climate change



ANTICIPATE the transition of our climate and economic system



ACT! Seize the opportunities and reduce associated risks



PROMOTE your actions, progress and carbon strategy

+30 countries in which we have carried out studies

10 years old!

150 clients

+200 talks for top managements

+1000 missions worldwide

+35 dynamic colleagues

+60% of the CAC40 are our clients

A MULTI-SECTOR APPROACH



BUILDINGS



ENERGY



FINANCE



TRANSPORT



PUBLIC SECTOR



INDUSTRY

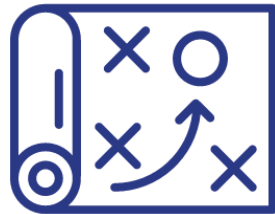
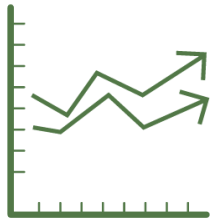


MEDIA & SERVICES

Looking Beyond Strategy

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- **Risks** related to large scale **climate change** or quick transition towards a **low-carbon economy** are **drastically increasing**. It nurtures an **ever increasing uncertainty on future that disorient** decision-makers. Facing difficulties to anticipate mid and long-term horizons, corporate's strategies **focus on short-term issues**.



- A **scenario-based approach** is a **key tool** to enrich **high level strategic dialogue** and to easily grasp various potential future, would they be desirable or not.
- **Tailor made strategies** would then be designed for those differentiated paths.

Did you know?

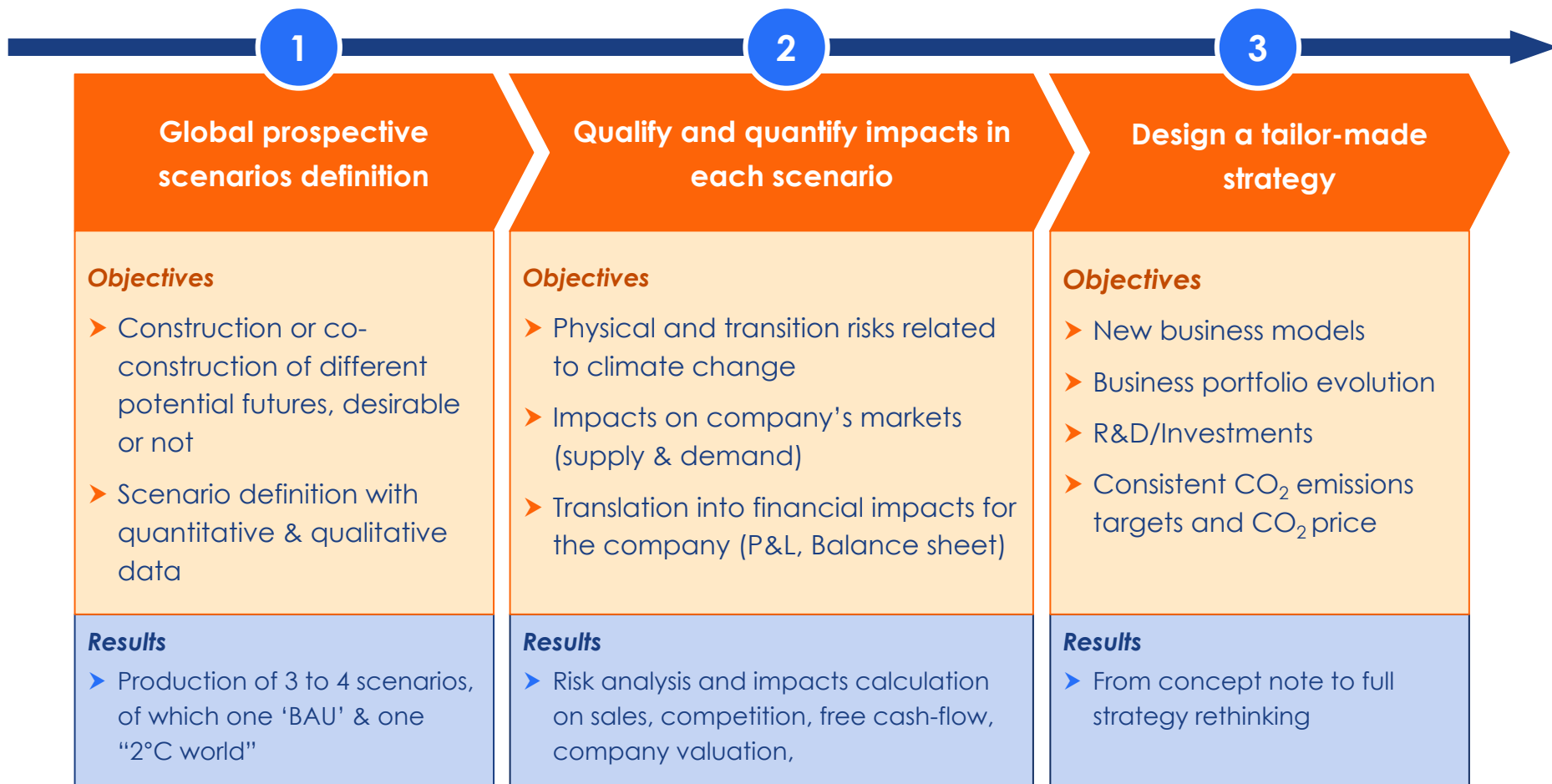
BLACKROCK - world's largest asset manager - **is now requiring companies belonging to its portfolio to use a scenario-based approach** to assess risks under global efforts to keep warming under 2° C, starting 2018.

TCFD (*) **embraces** this scenario-based approach and includes it in its disclosure guideline to companies, as an essential information for investors.

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- Carbone 4's methodology breaks down into **three steps** :



1 Global prospective scenarios definition

- **Objective:** design, or co-design with the company, of **3 to 4 different prospective scenarios**, of which one will be a “Business-As-Usual” scenario (leading to a climate stress-test) and one a “2° C world” (leading to a transition stress-test).
- They would explore potentially very distinct futures, **desirable or not**.
- They aim to challenge company's **strategic thinking**.

Potential scenarios illustrations



- **No hurdle to growth:** possible physical limits don't affect economic growth. Current business and economic organization of our societies prevail. It leads to a climate stress-test.



- **Paris Agreement – Green tech:** innovation-oriented. We are rich enough to simultaneously finance innovation development that fuels GDP growth and better environmental protection. It matches with 2DS IEA scenario.



- **Paris Agreement - Global Green Policy:** sobriety-oriented. Technological developments are insufficient to reduce CO₂ emissions. In a constrained world, inherently limited resources are focused on individual behaviours evolution and regulation's enforcement to decarbonize economy.



- **Withdrawal:** rise of tensions between countries. Protectionism is the basis of increasingly regionalized economies. National self-interest drives policy leading to low GDP growth. Forced adaptation to climate change.

2 Qualify and quantify impacts in each scenario

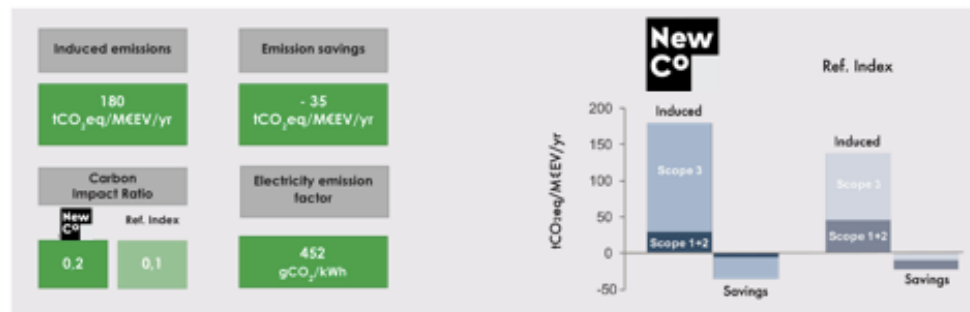
Example of potential portfolio analysis for a fictive company : NewCo

➤ Business portfolio carbon impact

Portfolio global rating : aligned with a 2.4° trajectory



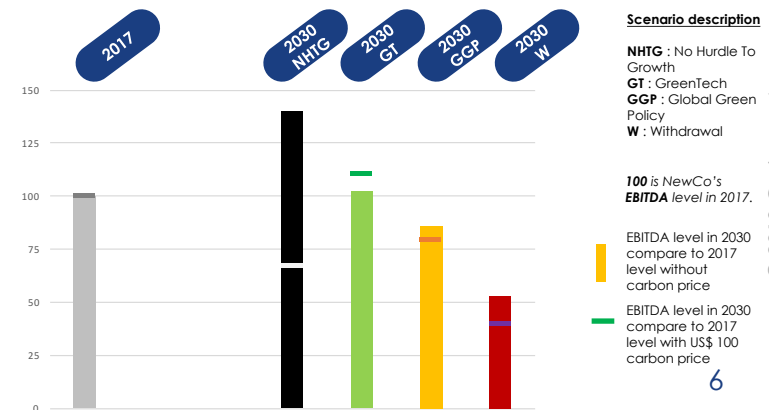
QUANTITATIVE INDICATORS



➤ NewCo's products demand evolution



➤ Impact on NewCo's financial results



3 Design a tailor-made strategy

- **Objective** : design a successful strategy for each scenario, particularly in case of a “2° C world”.

Preliminary: Identify key indicators to use in order to understand which scenario seems the closest to observed reality (weak signals).

