ORTEC FINANCE

CLIMATE MAPS

Understanding climate risk exposure

In partnership with

cambridge econometrics

clarity from complexity

Identify portfolio risk and opportunities
with climate scenario analysis

CLIMATE
MAPS

is **independent** and science-based

has **extensive** risk coverage

generates **comprehensive** forward-looking risk-return analytics

CLIMATE MAPS

Independent

Offers a full suite of climate scenario options:

- Ortec Finance **in-house** scenarios
- **Publicly available** reference scenarios (NGFS)
- **Bespoke** plausible scenarios (Customized)

Incorporates **globally recognized and market-leading** models

- Cambridge Econometrics macro economic model (E3ME)
- Ortec Finance stochastic financial model (OFS)

Science-based, leveraging academic networks and rigor

Extensive

Captures climate as a **systemic risk and opportunity**, covering:

- Transition risks - Policies and technologies
- Physical risks – Acute and chronic
- Market risks - Pricing-in dynamics and market sentiment

Captures climate risk **quantitatively** and **qualitatively**

- Quantified financial impact metrics
- Qualitative scenario narratives within an interactive dashboard

Adheres to **TCFD** and **ISSB standards**

Comprehensive

Climate scenarios that generate a wide range of risk-return metrics up to 40 years ahead to deliver realistic insights across:

- Economic variables (600+)
- Asset classes
- Conventional and low-carbon benchmarks
- Geographies and sectors

Transparent methodology, models and assumptions

In-house and bespoke scenarios, in partnership with Cambridge Econometrics

Ortec Finance climate scenarios

Net-zero
Orderly transition
1.5°C

Net-zero financial crisis
Disruptive reaction from financial markets
1.5°C

Limited action
Orderly but limited transition
2.8°C

High warming
Severe physical climate risks
4.2°C

Customized scenarios

Economic impact drivers

Transition risks

- Low-carbon **policies** (regulatory and fiscal)
- Low-carbon **technology** investments
- Stranded fossil fuel assets

Physical risks

- Chronic (Gradual)
  - Sector-specific
- Acute (Extreme weather)
  - In-house proprietary modelling for 150+ countries and 1800+ cities

Financial impact drivers

Market risks

- Financial market sentiment shocks
- Pricing-in dynamics
- Asset valuations

Integrated with stochastic financial modeling

Publicly available scenarios

NGFS climate scenarios

- Net-zero by 2050
- Divergent net-zero
- Below 2°C
- Delayed transition
- NDCs
- Current policies

Economic impact drivers

Transition risks

- Low-carbon policy (implicitly captured via shadow carbon price)

Physical risks

- Chronic (Linear gradual)

Financial impact drivers

Market risks

- Pricing-in dynamics
- Asset valuations

Applying ClimateMAPS
within the investment process

Climate scenario narratives dashboard

Climate-informed economic and financial scenario datasets

Portfolio-specific datasets

In-depth climate risk training and support

Understand the financial impacts of different climate pathways

Undertake a portfolio stress test exercise

Integrate climate change into investment beliefs, strategic asset allocation and selection and monitoring

Include climate risks in a risk register and develop a mitigating action plan

Contact us

Speak to one of our experts

Ortec Finance is a leading provider of technology and solutions for risk and return management.

It is our purpose to enable people to manage the complexity of investment decisions. We do this through delivering leading technologies and solutions for investment decision making to financial institutions around the world. Our strength lies in an effective combination of advanced models, innovative technology and in-depth market knowledge. This combination of skills and expertise supports investment professionals in achieving a better risk-return tradeoff and thus better results.

Headquartered in Rotterdam, Ortec Finance has offices in:
Amsterdam, London, New York, Zurich, Toronto and Melbourne.

climate@ortecfinance.com

www.ortecfinance.com

Richard Boyce
Managing Director, Canada

Andrew Flynn
Director Climate & ESG Solutions, EMEA

Stefano Lee
Managing Director, Asia Pacific

20+ countries represented

600+ customers

96% retention rate

14 trillion euro total assets managed by our clients

Disclaimer

Ortec Finance would like to emphasize that Ortec Finance is a software provider of technology and IT solutions for risk and return management for institutions and private investors. Please note that this information has been prepared with care using the best available data. This information may contain information provided by third parties or derived from third-party data and/or data that may have been categorized or otherwise reported based upon client direction. Ortec Finance and any of its third-party providers assume no responsibility for the accuracy, timeliness, or completeness of any such information. Ortec Finance and any of its third party providers accept no liability for the consequences of investment decisions made in relation on this information.

All our services and activities are governed by our general terms and conditions which may be consulted on https://www.ortecfinance.com/ and shall be forwarded free of charge upon request. Any analysis provided herein is derived from your use of Ortec Finance's software and does not constitute advice as to the value of securities or the advisability of investing in, purchasing, or selling securities. All results and analyses in connection with Ortec Finance's software are based on the inputs provided by you, the client.

Ortec Finance is not registered as an investment adviser under the US Investment Advisers Act of 1940, an equivalent act in another country and every successive act or regulation. For the avoidance of doubt, in case terms like "client(s)" and "advisor(s)" are used in communications of Ortec Finance, then these terms are always referred to client(s) of Ortec's contract client and its advisor(s).

All information dated as at January 1, 2023 unless otherwise stated.

ORTEC
FINANCE