

# Task Force on Climate-related Financial Disclosures



In 2019, JLL and LaSalle, along with over 1,000 other companies around the world publicly signed a statement of support for the TCFD Recommendations.

In addition to providing greater transparency for the investor community, we are also using the TCFD Recommendations to further assess our

climate-related risks and opportunities so we can better prepare for a low-carbon economy and the impacts of climate change, while enhancing our ability to seize opportunities related to a shift to a lower-carbon economy. For further information on JLL's progress implementing the TCFD recommendations, please refer to [Annex H](#).

## Our approach

Our approach included the following activities:

1. Risks and opportunities refresh – convened a group of internal representatives from key functions across our organization including Finance, Investor Relations, Risk Management, Research, Supply Chain, and Sustainability (collectively, the “Working Group”), to refresh our list of climate risks and opportunities in a workshop setting.
2. Climate scenario selection – reviewed publicly available and widely accepted climate scenarios (i.e., sets of likely climate-related impacts given certain rises in global average temperature) to identify the most appropriate scenarios for our analysis.
3. Climate scenario analysis – conducted a workshop with the Working Group to qualitatively assess potential impacts of the climate risks and opportunities identified in step 1 under the two different climate scenarios selected in step 2.

### Risks and opportunities refresh

The TCFD characterizes climate risks and opportunities into two major categories - transition or physical. Transition risks and opportunities arise from policy changes, technological innovations, market changes, and other factors that result from the rapid transition to a low-carbon future. Physical risks relate to the direct impacts of climate change including chronic changes such as temperature and sea-level rise or acute changes such as extreme weather events.

During the workshop, the Working Group developed and ranked an exhaustive list of potential climate risks and opportunities relevant to JLL. The Working Group then agreed upon JLL's

key risks and opportunities categorized them according to the TCFD guidance, as illustrated below:

		Category	JLL key climate-related risks and opportunities
Transition	Policy and Legal		<ul style="list-style-type: none"> <li>Risk of <b>regulatory change</b> increasing costs due to carbon pricing, taxes, or cap and trade due to increased complexity of compliance and reporting across multiple jurisdictions</li> </ul>
	Technology		<ul style="list-style-type: none"> <li>Risk or opportunity of <b>technology disruption</b>, including building automation and renewable technologies, impacting competitive position, costs, and revenues</li> </ul>
	Market		<ul style="list-style-type: none"> <li>Opportunity of increasing revenue from <b>climate change consultancy</b>, property resilience advisory and energy management services</li> <li>Risk or opportunity of <b>climate migration</b> shifting current markets and potentially creating new markets</li> </ul>
Physical	Reputation		<ul style="list-style-type: none"> <li>Risk or opportunity of perceived adequacy of climate action advice and JLL response impacting client <b>reputation</b>, revenue, and workforce metrics (i.e., employee attraction, retention, engagement and productivity)</li> </ul>
	Acute		<ul style="list-style-type: none"> <li>Risk of <b>extreme weather events</b> (e.g., flooding, wildfires, etc.) impacting properties that JLL leases, manages, occupies, advises, and invests in, and business continuity at internal operations</li> </ul>
	Chronic		<ul style="list-style-type: none"> <li>Risk of <b>sea level rise</b> impacting properties that JLL leases, manages, occupies, advises, and invests in</li> </ul>

The severity of risk and extent of opportunity depends on society's response to climate change. By assessing the key risks and opportunities

identified by the Working Group in various climate scenarios, we can ensure our strategy is suitable and effective.