Stress testing 80 EUR bn
Scenario analysis and investor 2°C alignment

Peter Lööw, Alecta
Swedish mutual life insurance company – customer ownership

- 35,000 client companies
- 2.5 million private customers
- Assets under management: SEK 830 billion

The occupational pension ITP is part of the collective agreement between the Confederation of Swedish Enterprise and PTK – the council for negotiation and cooperation.
Climate stress test of Alecta’s portfolio

**Why?**
- Long-term perspective and fiduciary duty
- Policy development

**What?**
- Climate risk as part of the annual ORSA
  - Applying TCFD
  - Scenario analysis
    - IEA and IPCC data

**How?**
- All asset classes
  - Equity, fixed income and real estate
- Physical and transition risk
- Quantitative approach
  - Scope 1-3
  - Carbon price
- Qualitative approach
  - E.g case study – transition risk in automotives
## Valuable insights

<table>
<thead>
<tr>
<th>Results</th>
<th>Lessons learnt</th>
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Methodology **must be included in fundamental analysis**
Thank you!
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