

To DSV PANALPINA A/S  
Att. Chairman Thomas Plenborg

08 February 2021  
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# Shareholder Proposal

## Reporting on climate-related financial risks and opportunities

### Proposal

Starting from the Financial Year 2021 the Company's climate-related financial disclosures in its yearly reporting shall be categorized as recommended by the Task Force on Climate-related Financial Disclosures (TCFD) or other generally recommended frameworks. In its annual report, the Company shall gradually seek to disclose more information (at reasonable cost, omitting proprietary information) on how it manages financially material climate risks and opportunities.

### Motivation

Climate change has increasingly become a defining challenge for communities and to business. Physical changes as well as transitions in politics, regulations and technology set the agenda.

The recognition of the profound impacts on markets and finance has matured, and in 2017 the Task Force on Climate-related Financial Disclosures (TCFD)<sup>1</sup> put forward their recommendations for climate-related financial reporting under the auspices of the Financial Stability Board (FSB).

DSV PANALPINA has already taken important steps to manage and report on the climate related financial risks of the company. DSV PANALPINA has committed itself to the Science-Based Targets Initiative aiming to limit global temperature rise to 1.5 degrees and announced verified targets.

These steps are fully in line with the TCFD, and other generally recommended frameworks which recommend reporting on climate related (1) governance, (2) risk management, (3) strategy, and (4) metrics and targets. Such recommendations

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<sup>1</sup> [Link to TCFD publications](#) (accessed 2021.01.28)

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have since received widespread support from investors, regulators, and other stakeholders.

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It is fundamentally about consistently adding material information to the annual report. The aim is to ensure transparency on how considerations regarding climate change are integrated into strategic business decisions, and the risk exposure identified. It is increasingly important for businesses and investors alike that companies understand and demonstrate the business opportunities and risks to be dealt with in a scenario compatible with the objectives of the Paris Agreement.

So far 13 Danish C25 companies have become signatories to the TCFD, and reporting recommendations, including TCFD, are likely to move from soft to hard law in coming years. In 2019, the European Commission issued updated non-mandatory guidelines for non-financial reporting<sup>2</sup> that integrate TCFD reporting, and EU have clearly stated that the coming regulation will also be TCFD aligned. Companies could benefit from an early start due to the urgency of the matter and to prepare for the future mandatory reporting.

Reliable data and consistent assessments of business implications from portfolio companies are key for investors to ensure alignment with the Paris Agreement in their investment portfolios, and companies that report well in this area stand to benefit.

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<sup>2</sup> [Link to Commission guidelines on non-financial reporting](#) (accessed 2021.01.28)