

Quantifying portfolio transition risks

Assessing exposure to climate-related risks in investments

The brief

Global private markets investment firm, [Adams Street Partners](#), promotes greater transparency on climate-related risks and opportunities within its investment portfolios while maintaining its commitment to focusing on investments deemed compatible with the goal of long-term value creation for its clients.

Preparing to complete its inaugural TCFD Report in 2024¹, Adams Street leveraged [Risilience's Earnings Value](#)

[Transition Risk \(EVTR\) File](#) to evaluate the firm's exposure to climate-related transition risks. A global leader in private markets, where data availability and consistency is limited compared to public markets, Adams Street leveraged the [Risilience](#) EVTR File, which provides granular transition risk insights with limited data inputs to develop a company-wide approach to quantifying exposure to climate-related transition risk as part of its investment process.

¹ Adams Street Task-Force on Climate-Related Financial Disclosures (TCFD) Report, December 2024

The approach

The EVTR File delivers quantitative financial insights into how the global shift towards a low-carbon economy could affect industries by country, sector and firm size under a range of transition pathway scenarios. This is generated using Resilience's Intelligent Futures Scenario Model and six leading transition risk models, including policy, market consumer, technology, litigation, reputation and market investor risk. It integrates climate-scenario analysis with macroeconomic modelling to provide a forward-looking assessment of how carbon pricing, sector-specific demand dynamics and other transition

risks may influence a company's projected earnings across multiple emissions trajectories.

The data set draws on reported financial information from approximately 25,000 companies to create benchmarks representing synthetic companies across defined revenue bands, the [Global Industry Classification Standard \(GICS\)](#) industrial classifications and geographies. The output goes beyond typical ESG rating approaches by giving quantitative impacts on Earnings Value (discounted cash flows).

Identifying potential exposure to future earnings risk from a low-carbon transition

To quantify the potential impacts of Resilience's scenarios on specific investments, and to identify areas of heightened exposure to future earnings risk stemming from a low-carbon transition, Adams Street evaluated an aggregate of three diversified portfolios with recent vintage years using Resilience's EVTR metric over five- and 10-year holding periods under different climate scenarios.

Network of Central Banks and Supervisors for Greening the Financial System (NGFS) 2025 update

In 2025, Adams Street refreshed its original TCFD Report publishing updated analysis using the latest EVTR File incorporating the latest NGFS scenarios (see Figure 1 below). These scenarios present a richer narrative around potential emission pathways, with a diverse range of higher and lower risk outcomes.

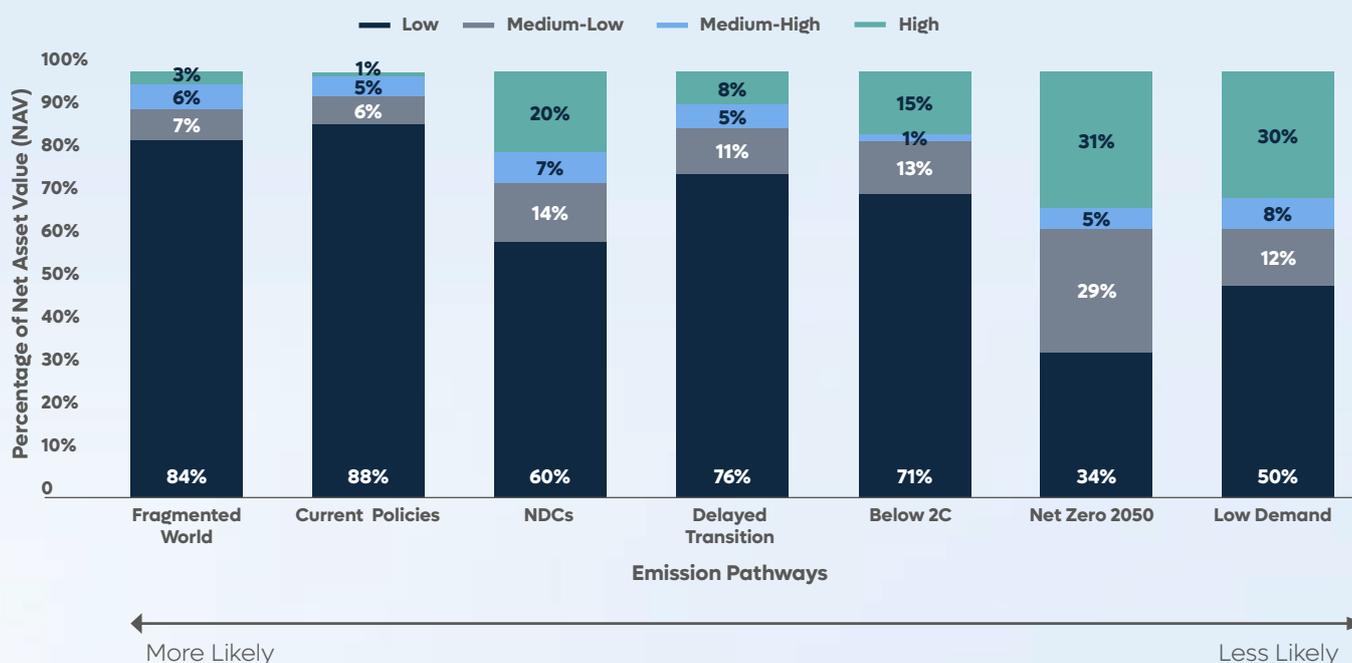
Below is an overview of Adam Street's updated analysis arranged in order of likelihood (from more likely to less likely) based on expert-driven probabilities provided by Resilience for the new NGFS emissions pathways.

Highlights from the 2025 NGFS scenarios update

Inspection of the Delayed Transition NGFS pathway that falls within the disorderly transition scenario category enabled Adams Street to quantify the aggregate portfolio's underlying exposure to high transition risk industries in the 10-year timeframe, mainly driven by market risk linked to shifting consumer and customer preferences.

Adams Street considers this scenario to be useful for stress-testing the portfolio as it aligns with the broad aims of the Paris Agreement to keep average global temperature rise below 2oC, with an implied 2100 global temperature rise of 1.7oC, while assuming current policies continue until 2030 followed by drastic action (albeit in a disorderly manner) to achieve a delayed transition. (2)

Exposure to Transition Risk in 10-Year Time Horizon using NGFS (Phase V) Pathways



An extract from Adams Street's 2025 ESG Report [2] showing the distribution of risk for their assets under different NGFS emissions pathways. Adams Street used the percentage earnings value at risk from the Resilience EVTR File to model the earnings value at risk over a five-year and 10-year holding period under each of the seven NGFS climate scenarios. Underlying investments were then assigned an EVTR category of low, medium-low, medium-high and high based on the percentage earnings value at risk ascribed to their business (based on industry, revenue band and geography) under the different scenarios and timeframes.

Business impact

Risilience analysis provides sector, country, and revenue-band-level visibility, enabling asset teams to identify concentrated risk exposures and inform more strategic capital allocation decisions. The granularity of the data highlights which risk factors are most material at the sector level, supporting

targeted engagement and risk-mitigation strategies, and indicates which portfolio segments may be better positioned for divestment. The result is a more sophisticated, data-driven approach to transition-risk management at the sub-portfolio level.

Client reflection

Adams Street's approach to investing responsibly implicitly recognizes the benefits of integrating ESG considerations in the investment process in terms of both risk mitigation and sustainability-linked value creation. Using the EVTR File has helped us to identify underlying investments with potential exposure to climate-related transition risk as part of the firm's pre-investment ESG screening, as well as to analyse exposure to transition-risk in existing portfolios, as part of our post-investment monitoring and reporting."

Yohan Hill, Director of ESG and Responsible Investing, Adams Street Partners.

Learn how [Risilience](#) can equip teams at financial institutions, across due diligence, operations and sustainability, with insights to assess and act on the financial implications of climate and nature-related risks and opportunities.

[Connect with the Risilience team.](#)

Read more about the EVTR Data File in the Risilience article [Quantifying portfolio transition risks: the Risilience Earnings Value for Transition Risk Data File.](#)