

Presentation on Task Force on Climate-related Financial Disclosures

Ms Yeo Lian Sim

Vice Chair

Task Force on Climate-related Financial Disclosures

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GROWING SUPPORT FOR TCFD AND ITS WORK

**June
2017**

When the Task Force released its disclosure recommendations in June 2017, it did so with the support of over 100 CEOs.

**December
2017**

At French President Emmanuel Macron's One Planet Summit, Governor Mark Carney and Mike Bloomberg advanced the discussion around the TCFD and announced over 230 supporters.

**September
2018**

The Task Force released its first status report at the One Planet Summit in New York City and announced over 500 supporters.

**June
2019**

The Task Force released its second status report and announced almost 800 supporters.

835

Supporters as of August 2019 have a market capitalization of over \$9.5 trillion, including more than 401 financial firms, responsible for assets of \$118 trillion.

THEMES AND FINDINGS

The Task Force found some of the results of its disclosure review and survey encouraging, however, it has concerns that not enough companies are disclosing decision-useful climate-related information.

Disclosure of climate-related financial information has increased, but is insufficient.

Progress is being made to improve the availability and quality of climate-related financial information; however, more companies need to consider the potential impact of climate change and disclose material findings.

Many companies that use scenarios do not disclose information on strategy resilience.

Three out of five companies responding to the TCFD survey that view climate-related risk as material and use scenario analysis to assess the resilience of their strategies do **not** disclose information on the resilience of their strategies.

More clarity needed on potential financial impact of climate change on companies.

The top area identified by investors and other users of disclosure as needing improvement is for companies to provide more clarity on the potential financial impact of climate-related issues on their businesses.

Mainstreaming climate-related issues requires the involvement of multiple functions.

While sustainability and corporate responsibility functions are the primary drivers of TCFD implementation efforts, risk management, finance, and executive management are increasingly involved as well.

Disclosures are made in multiple reports and vary across industries and regions.

Companies provide information aligned with the TCFD recommendations in multiple types of reports— financial filings, annual reports, and sustainability reports. In addition, the types and levels of disclosure vary across industries and regions.

DISCLOSURE RECOMMENDATIONS

Governance	Strategy	Risk Management	Metrics and Targets
<p>Disclose the organization’s governance around climate-related risks and opportunities.</p>	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.</p>	<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
<p>a) Describe the board’s oversight of climate-related risks and opportunities.</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>a) Describe the organization’s processes for identifying and assessing climate-related risks.</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>
<p>b) Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.</p>	<p>b) Describe the organization’s processes for managing climate-related risks.</p>	<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>
	<p>c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>