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**Intergovernmental Working Group of Experts on  
International  
Standards of Accounting and Reporting  
(ISAR)**

**36th SESSION**  
**UNCTAD-ISAR Workshop**  
Room XXVI, Palais des Nations, Geneva

Tuesday, 29 October 2019

**Practical implementation of climate-related financial  
disclosures and their relationship to the SDGs**

Presented by

Mardi McBrien  
Managing Director  
Climate Disclosure Standards Board

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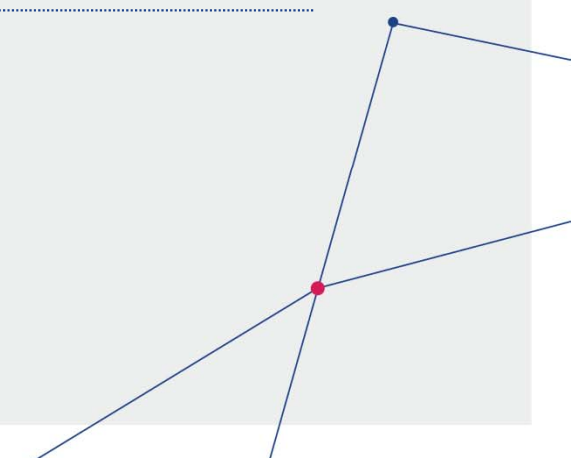
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# Introduction to CDSB

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Mardi McBrien, Managing Director, CDSB





To provide **decision-useful environmental information** to markets via the mainstream corporate report

### Board



THE CLIMATE GROUP



### Technical Working Group (examples)



# The CDSB Framework

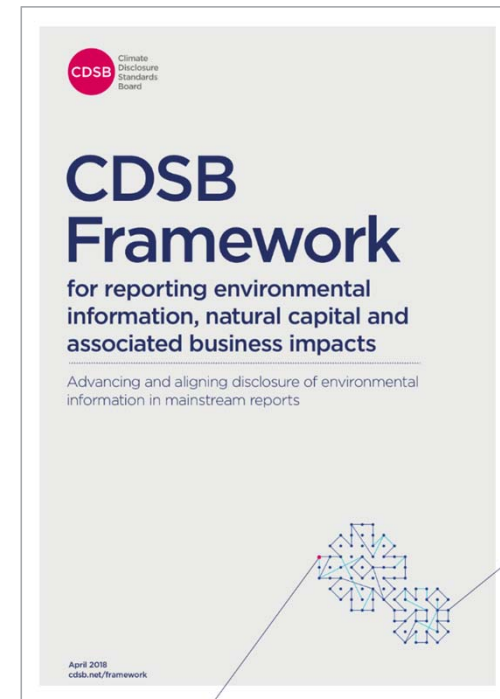
The guiding principles are designed to ensure that **environmental information** shall be:

- |   |                                     |
|---|-------------------------------------|
| <b>P1</b> Prepared applying the principles of relevance and materiality | <b>P4</b> Consistent and comparable |
| <b>P2</b> Faithfully represented  | <b>P5</b> Clear and understandable  |
| <b>P3</b> Connected with other information                              | <b>P6</b> Be verifiable             |
|   | <b>P7</b> Be forward-looking        |

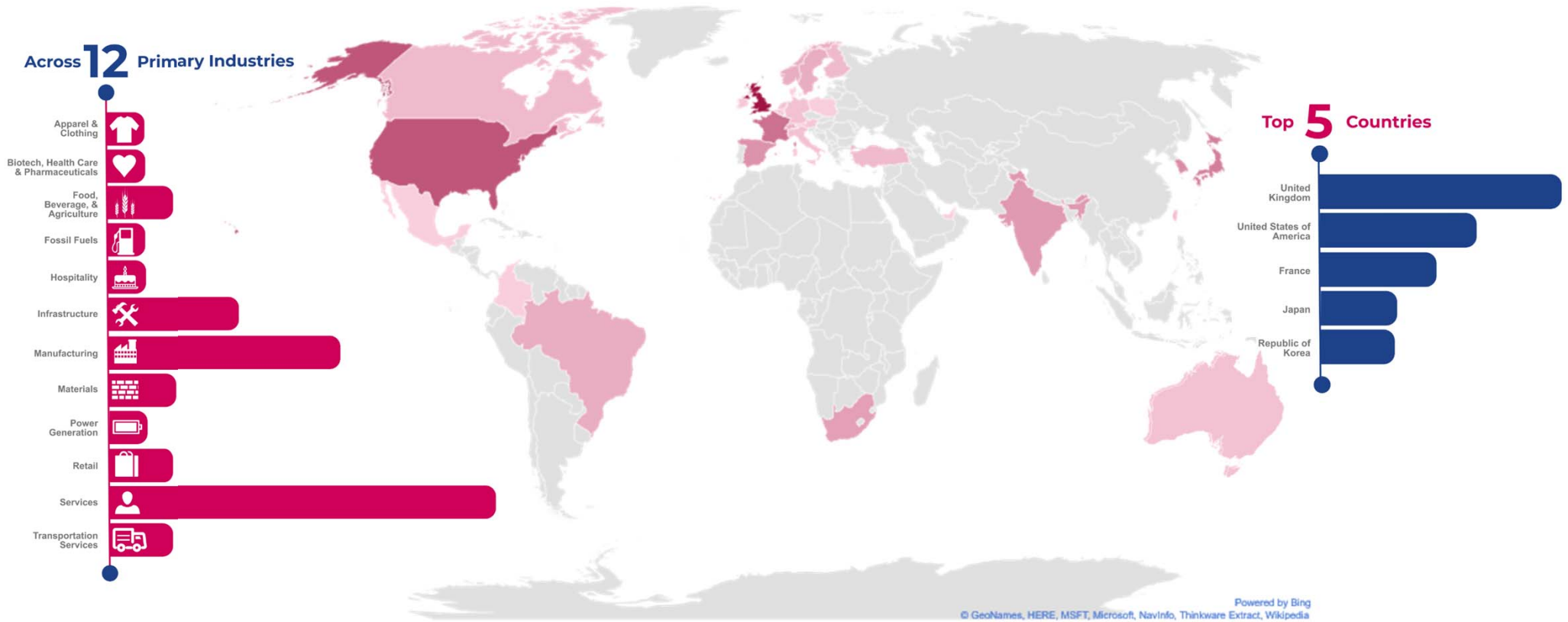
## Reporting Requirements

<b>REQ-01</b> Governance	<b>REQ-07</b> Organisational boundary
<b>REQ-02</b> Management's environmental policies, strategy and targets	<b>REQ-08</b> Reporting policies
<b>REQ-03</b> Risks and opportunities	<b>REQ-09</b> Reporting period
<b>REQ-04</b> Sources of environmental impact	<b>REQ-10</b> Restatements
<b>REQ-05</b> Performance and comparative analysis	<b>REQ-11</b> Conformance
<b>REQ-06</b> Outlook	<b>REQ-12</b> Assurance

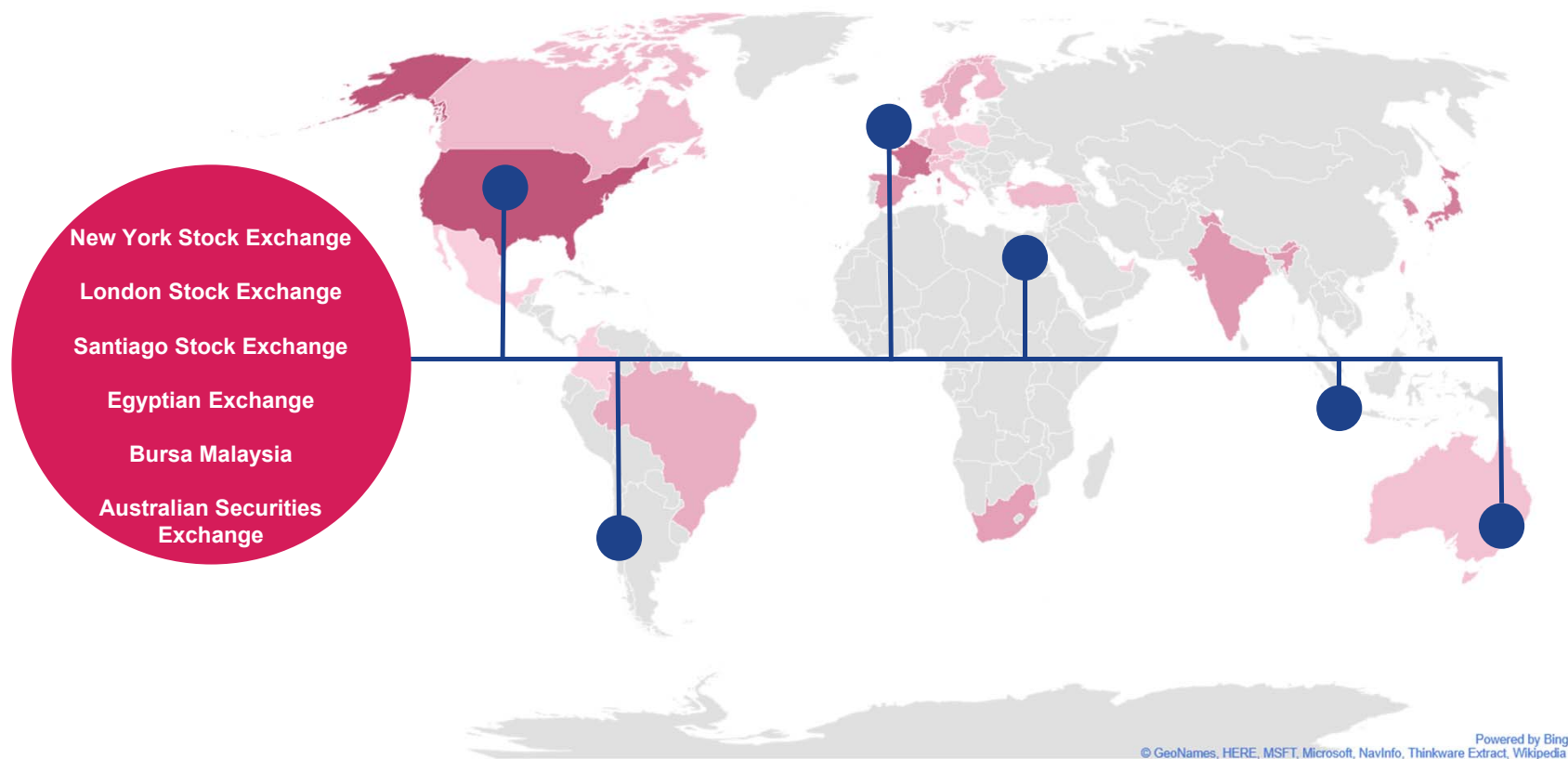
[cdsb.net/Framework](https://cdsb.net/Framework)



# The CDSB Framework



# The CDSB Framework



# TCFD and CDSB

## TCFD Knowledge Hub

Visit:  
[www.tcfdhub.org](http://www.tcfdhub.org)



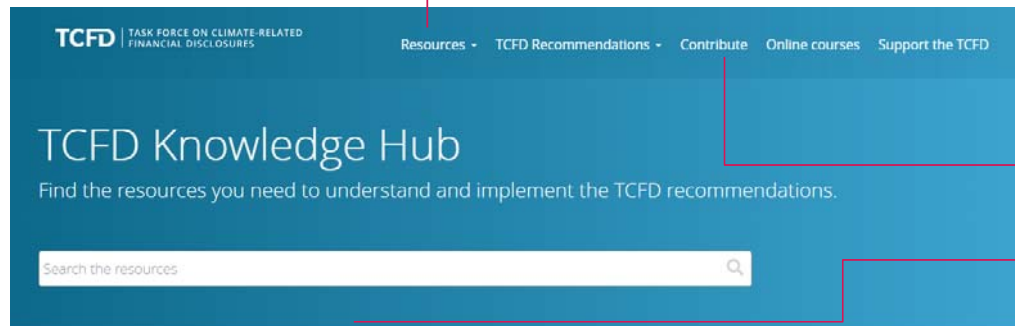
Resources

Contribute

Case studies

Introduction to the TCFD  
and scenario analysis

Break down of the  
recommendations



**New to TCFD**

Learn more about the TCFD recommendations and how to disclose climate-related financial risks and opportunities.

**Case Studies**

Search through the case studies to learn more about how organizations are using the TCFD recommendations.

**Online courses**

Participate in online modules to help you understand the different themes and topics associated with climate-related disclosures.

### Core Elements of Recommended Climate-Related Financial Disclosures

**Governance**

Disclose the organization's governance around climate-related risks and opportunities.

**Strategy**

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.

**Risk Management**

Disclose how the organization identifies, assesses, and manages climate-related risks.

**Metrics & Targets**

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

# TCFD and CDSB

## Climate-related financial disclosure e-learning courses

Visit:  
[learn.tcfdhub.org](https://learn.tcfdhub.org)



**TCFD** TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Gemma Clements

### Introduction to climate-related disclosures – starting the climate journey

Dashboard / My courses / Climate-related disclosure 101 / Course content / Lesson 1: Drivers of climate-related disclosure

Exit activity

Review mode

climate policy). These risks are likely to impact a wide range of asset types over the short-, medium- and long-term, which is of interest to investors seeking to minimize risk exposure and pursue new opportunities.

To be able to assess their exposure and effectively allocate capital, investors need relevant, comparable, consistent and decision-useful information about companies and their management of climate-related risks and opportunities.

*technological disruption... investors can mitigate climate risks, exploit opportunities or have a positive impact. Climate-aware investing is possible without compromising on traditional goals of maximizing investment returns..."*

Blackrock (2016) [Adapting portfolios to climate change](#)

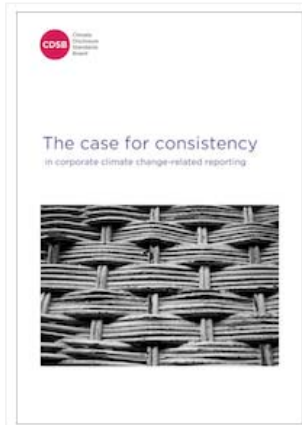
*"Institutional investors' responsibility to manage and protect their beneficiaries' assets must include considering the impacts of climate change. In addition, if we are all to avoid dangerous climate*

STEVE WRAYGOOD

0:08 / 12:04



# Mainstreaming the “E” of ESG



- Climate Disclosure Advisory Committee
- Climate Financial Risk Forum, Disclosure Working Group
- EFRAG European Reporting Lab Project Task Force on Climate-related Disclosures
- FRC Stakeholder Advisory Committee
- Japan TCFD Consortium
- TCFD Pensions Working Group UK
- Wates Principles for Corporate Governance

# Understanding value and audience

## Traditional Sustainability Reporting:

Companies report the impact that business has on the environment.

e.g. *Company X produces 100,000 tons CO<sub>2</sub>e / year. (Scope 1: 30,000 tons CO<sub>2</sub>e; Scope 2: 50,000 ton CO<sub>2</sub>e; Scope 3: 20,000 tons CO<sub>2</sub>e)*



IMPACT



## 'Mainstream' (Annual) Reporting:

Companies report the financial risks or opportunities that the environment places on the business.

e.g. *Company X produces 100,000 tons of CO<sub>2</sub>e per year. We estimate that, with a carbon tax of \$50/ton by 2020, this creates a **previously unrecognised, material, financial risk of \$5million / year** from 2020 onwards.*



IMPACT

