Thursday, 5 November 2020

Agenda item 4. Climate-related financial disclosures in mainstream entity reporting: Good practices and key challenges

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Dr. Céline Bilolo
November 5th, 2020

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Global collaboration for a better future

Two workstreams, one mission: integrate business into society and nature for a better future

Value Balancing Alliance

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- BASF
- BOSCH
- Deutsche Bank
- Kering
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- Novartis
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- Schaeffler
- SK

Pro-bono consultants
- Deloitte
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- KPMG
- PwC

Policy advisor
- OECD
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Strategic partners
- Global Solutions
- IDW
- Capitals Coalition
- WBCSD

Policy advisor
- OECD
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Advisory panel and academic consortium

Focus on Dependencies
- Measure the financial consequences of the positive and negative impacts that corporate activity has on society and the environment

Integrated Account Statement
- Value to business

Focus on Impacts
- Measure the positive and negative impacts of corporate activity on society and the environment

Impact Statement
- Value to society

Reflecting the concept of double-materiality

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Reflecting the concept of double-materiality
Standardization
Development of a pragmatic standard that builds on both; existing frameworks and provides feasibility insights

Value Balancing Alliance

Research by academia

Experience of companies

Building on existing frameworks

Expert consultation

Roundtables
Financial market
Civil society

Advisory Panel

Calculation logic
Measuring impacts

Feasibility assessment
by companies

Company feedback

Calculation logic – measuring impact of CO₂ emissions

Data type
Internal data
External data
Monetized output

Calculation example
Tonnes of CO₂e
Social Cost of Carbon
Monetized societal impact of CO₂ emissions
Impact Statement
Calculation concept along the Impact Pathway

Greenhouse Gas Emissions

Input

- Energy and Resources, ...
- GHG emissions

Output

- All seven Kyoto gases \((\text{CO}_2, \text{CH}_4, \text{N}_2\text{O}, \text{SF}_6, \text{HFCs, PFCs and NF}_3)\)
- Increasing concentrations of atmospheric GHGs

Outcomes

- Shifting climate patterns
- Sea level rises
- Increasing extreme weather events
- Rising mean temperatures

Impacts

- Human health: Malnutrition, spread of diseases, heat related deaths
- Built environment: Damage from extreme weather events, increased adaptation cost
- Economic disruption: Economic losses caused by production and supply disruptions
- Agriculture and timber: Crop losses, changes in growth and yields
- Desertification: Losses of productive and habitable land
- Other ecosystem effects: Widespread changes affecting associated ecosystems services

Valued Impacts

- Social cost of carbon -> Globally consistent monetization multiplier

Measurable quantities for companies

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