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

**37<sup>th</sup> SESSION  
2 – 6 November 2020**

Thursday, 5 November 2020

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

Presented by

Mardi McBrien  
Managing Director, Climate Disclosure Standards Board

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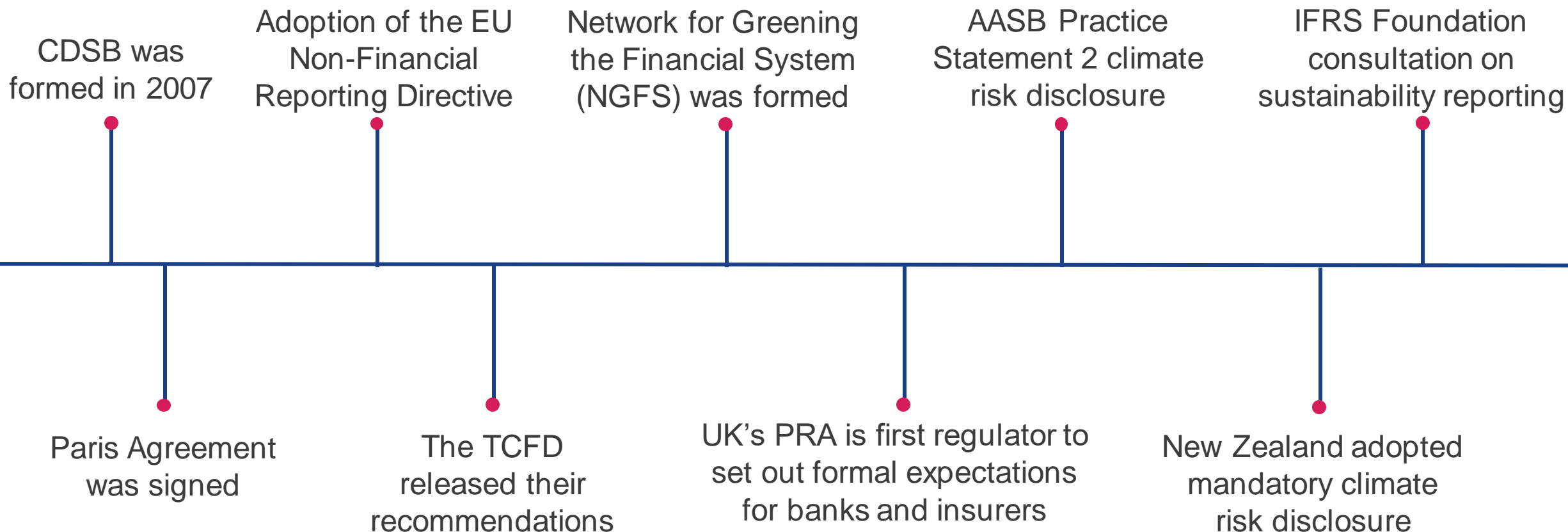
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# Climate-related financial disclosures in mainstream reporting

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**Mardi McBrien,**  
Managing Director  
CDSB

# Key developments in climate risk disclosure



# What is good practice?

- Supported by leadership
- Incorporated into decision-making
- Embedded into business-as-usual
- Future-oriented
- Disclosure tells a consistent story through joint up disclosure across reporting channels

# 30%

of companies identified at least one climate-related risk that may affect their business over the short-, medium- and long-term.

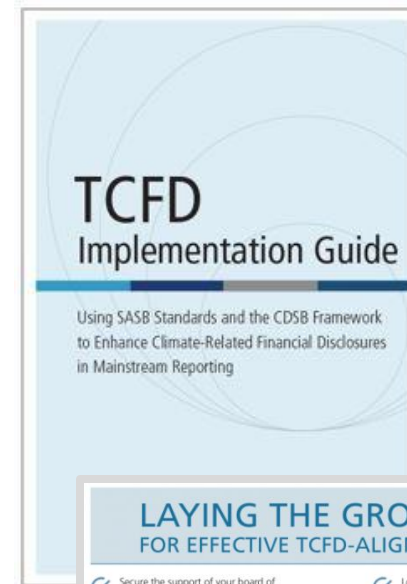
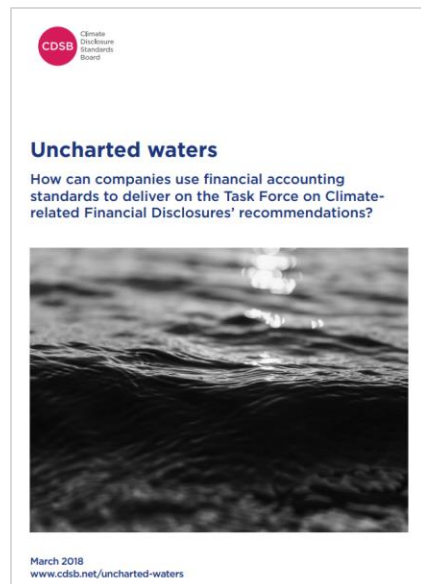
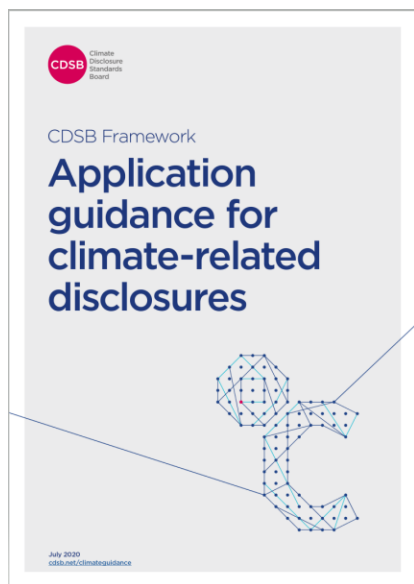
Source: Vigeo Eiris & Four Twenty Seven (2020)  
Measuring TCFD Disclosures

# What do we need going forward?

- Mandatory requirements
- Enforced and regulated
- Global accounting standards
- Capacity building

# Reporting guidance

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



**LAYING THE GROUNDWORK FOR EFFECTIVE TCFD-ALIGNED DISCLOSURES**

- Secure the support of your board of directors and executive leadership team
- Integrate climate change into key governance processes, enhancing board-level oversight through audit and risk committees
- Bring together sustainability, governance, finance, and compliance colleagues to agree on roles
- Look specifically at the financial impact of climate risk and how it relates to revenues, expenditures, assets, liabilities, and capital
- Assess your business against at least two scenarios
- Adapt existing enterprise-level and other risk management processes to take account of climate risk
- Solicit feedback from engaged investors to understand what information they need regarding climate-related financial risks and opportunities
- Look at existing tools you may already use to help you collect and report climate-related financial information (e.g., CDP, CDSB, SASB)
- Plan to use the same quality assurance and compliance approaches for climate-related financial information as for finance, management, and governance disclosures

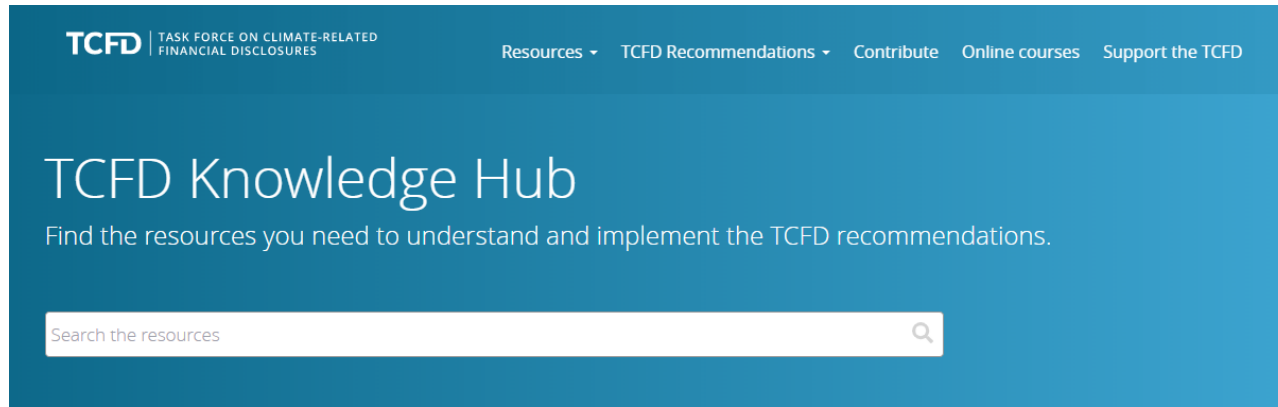
**TCFD TO-DO LIST**

Effective climate-related financial disclosures must be:

<input type="checkbox"/> <b>Presented</b> - in the mainstream report	<input type="checkbox"/> <b>Prepared</b> - according to the same rigour as financial information
<input type="checkbox"/> <b>Specific</b> - to the reporting entity	<input type="checkbox"/> <b>Coherent</b> - across strategy, finance and impact
<input type="checkbox"/> <b>Supported by leadership</b> - with oversight and involvement from all relevant business areas and functions	<input type="checkbox"/> <b>Qualified</b> - contain a statement of conformance so that the reader understands the limitations
<input type="checkbox"/> <b>Future-oriented</b> - the plan is clear and stands up as being resilient	<input type="checkbox"/> <b>Financed and resourced</b> - current financing arrangements support the delivery of the plan
<input type="checkbox"/> <b>Decision-useful</b> - to providers of financial capital, responsive to your investors' feedback and with a continuous plan for improvement	<input checked="" type="checkbox"/>

# TCFD Knowledge Hub

[tcfddhub.org](https://tcfddhub.org)  
[learn.tcfddhub.org](https://learn.tcfddhub.org)



### 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

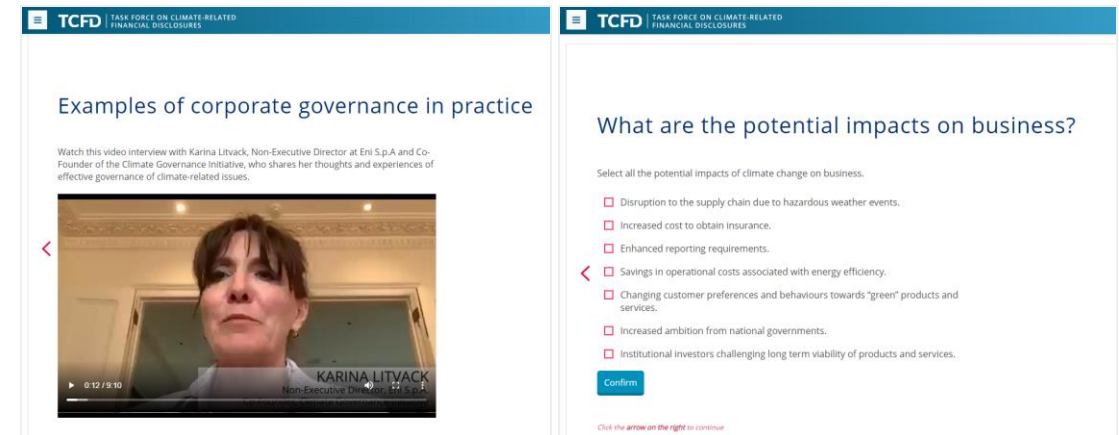
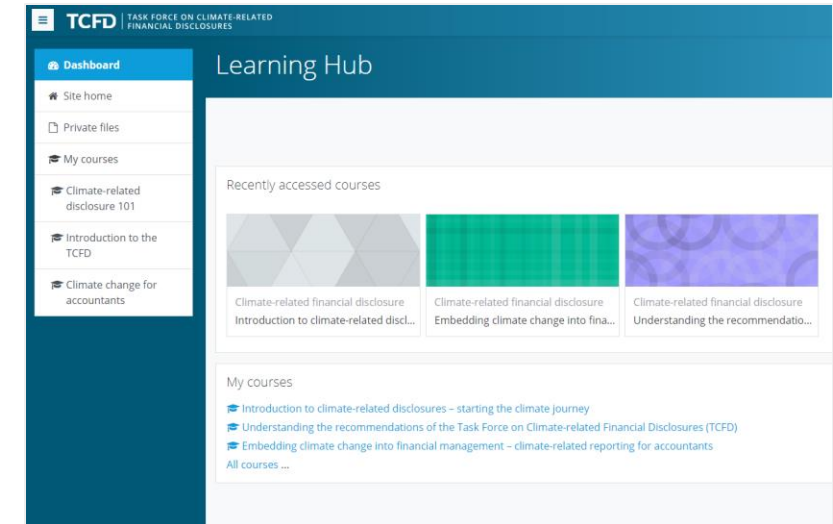
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

### 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.



# Get involved

## Contact

Mardi.Mcbrien@cdsb.net

www.cdsb.net

@CDSBGlobal

## Sign up to our newsletter

newsletter.cdsb.net

## Upcoming webinars

Accounting for climate

Watch the recording  
5 November 2020  
11:00am CET

Sustainable Stock  
Exchanges: Scaling up  
climate-related financial  
disclosures

16 November 2020  
4:00pm CET

Nordic TCFD reporting  
summit 2020

24 November 2020  
10:00am CET