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

37th 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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Climate-related financial disclosures in mainstream reporting

Mardi Mcbrien,
Managing Director
CDSB
Key developments in climate risk disclosure

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<td>CDSB was formed in 2007</td>
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<td>Adoption of the EU Non-Financial Reporting Directive</td>
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<td>Network for Greening the Financial System (NGFS) was formed</td>
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<td>AASB Practice Statement 2 climate risk disclosure</td>
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<td>IFRS Foundation consultation on sustainability reporting</td>
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<td>Paris Agreement was signed</td>
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<td>The TCFD released their recommendations</td>
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<td>UK’s PRA is first regulator to set out formal expectations for banks and insurers</td>
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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
Get involved

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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