Climate Disclosure

Anthony Miller, Coordinator, UN Sustainable Stock Exchanges
Global context

Sustainable Development Goals
The role of stock exchanges

Exchanges ramp up ESG activities

- Exchanges with sustainability reports
- Exchanges training on ESG topics
- Exchanges whose markets are covered by an ESG index
- Exchanges with mandatory ESG listing requirements
- Exchanges providing written guidance on ESG reporting
- Exchanges with ESG bond segments

Source: SSEinitiative.org/data
SSE green finance action plan

1. Promote green products and services
   - Product offering and partnerships
   - Visibility
   - Terminology

3. Strengthen environmental disclosure
   - Written guidance
   - Training
   - Leading by example

2. Greening financial markets
   - Market education
   - Standards
   - Benchmarking

4. Grow green dialogue
   - Green financial centres
   - Standards and policy dialogues
   - Investor-issuer dialogue

SSEinitiative.org/green-finance/
Strengthening ESG disclosure

Source: SSEinitiative.org/data
Strengthening ESG disclosure

Exchanges refer to major ESG standards

<table>
<thead>
<tr>
<th>Standard</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI</td>
<td>95%</td>
</tr>
<tr>
<td>SASB</td>
<td>75%</td>
</tr>
<tr>
<td>IIRC</td>
<td>75%</td>
</tr>
<tr>
<td>CDP</td>
<td>66%</td>
</tr>
<tr>
<td>TCFD</td>
<td>52%</td>
</tr>
<tr>
<td>CDSB</td>
<td>21%</td>
</tr>
</tbody>
</table>

References to major ESG standards in stock exchange guidance documents (per cent)

Source: SSEinitiative.org/data
A new model guidance on climate

SSE Climate Disclosure Advisory Group on TCFD adoption and implementation

Source: SSE Climate Disclosure Advisory Group
A new model guidance on climate

Action plan for climate resilient markets

Evaluation and education
- Monitoring your market’s progress
- Educate on TCFD and climate-resiliency
- Incentivize your market

Communication
- Communicate with your board and your stakeholders
- Officially support the TCFD
- Announce your compliance

Presentation and Validation
- Choose how to present your exchange’s data
- Align recommendations with ESG reporting guidance

Identifying climate-related risks and opportunities
- Introduce climate-aligned products
- Calculating climate-risk of listed companies
- Materiality assessment
- Scenario analysis

Integrating climate information to your market:
A stock exchange’s guide

Content
- Facilitate investor-issuer dialogue
- Determine a progressive framework for your market

Source: SSE Climate Disclosure Advisory Group
Market education programs key

Stock exchanges providing training on ESG

Source: SSEinitiative.org/data
Key takeaway messages

▶ Stock exchanges and policy makers recognize the **new policy environment** and are increasingly integrating ESG into their products and services.

▶ ESG disclosure generally is a **market expectation** around the world. By 2030, it is likely to be mandatory in most markets.

▶ **Climate disclosure** is now the number one priority for many jurisdictions.

▶ Training programs to promote adoption and implementation of TCFD recommendations are critical.
## Strengthening ESG disclosure

Mapping of TCFD recommendations to existing standards

<table>
<thead>
<tr>
<th>Strategy Recommended Disclosures</th>
<th>G20/OECD Principles of Corporate Governance</th>
<th>CDP Climate Change Questionnaire 2017</th>
<th>CDSB Climate Change Reporting Framework</th>
<th>CDSB Framework for Reporting Environmental Information &amp; Natural Capital</th>
<th>GRI 102: General Disclosures</th>
<th>International Integrated Reporting Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</td>
<td>5.a.7, 5.a.8</td>
<td>CC2.1b, CC2.1c, CC5.1, CC6.1</td>
<td>4.6, 4.9, 4.10, 4.11, 4.14</td>
<td>REQ-02, REQ-06</td>
<td>102-15</td>
<td>3.5, 3.17, 4.6, 4.7, 4.23, 4.24, 4.25, 4.26</td>
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