FSB FINANCIAL STABILITY BOARD

Press release

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FSB to establish Task Force on Climate-related Financial Disclosures

The Financial Stability Board (FSB) announced today it is establishing an industry-led disclosure task force on climate-related financial risks under the chairmanship of Michael R. Bloomberg. The Task Force on Climate-related Financial Disclosures (TCFD) will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to lenders, insurers, investors and other stakeholders.

Speaking at the COP21 Paris Climate Change Conference Mark Carney, FSB Chair, said "The FSB is asking the Task Force on Climate-related Financial Disclosures to make recommendations for consistent company disclosures that will help financial market participants understand their climate-related risks. Access to high quality financial information will allow market participants and policymakers to understand and better manage those risks, which are likely to grow with time. Michael's experience working on climate change issues, his unparalleled track record of execution in a broad range of fields and his lifelong commitment to open and transparent financial markets make him the ideal leader for the Task Force."

The Task Force will consider the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures in this area. It will seek to develop a set of recommendations for consistent, comparable, reliable, clear and efficient climate-related disclosures, as set out in the FSB's proposal in November. The wide range of existing disclosure schemes relating to climate or sustainability highlights the need for companies and relevant stakeholders to reach a consensus on the characteristics of effective disclosures and examples of good practices. In doing so, the industry-led Task Force will take account of the work of other groups related to effective disclosures.

Speaking about his role, Michael R. Bloomberg said "It's critical that industries and investors understand the risks posed by climate change, but currently there is too little transparency about those risks. When Governor Carney laid out the idea for a Task Force on Climate-related Financial Disclosures, I offered him my full support to help make it a success. While the business and finance communities are already playing a leading role on climate change, through investments in technological innovation and clean energy, this Task Force will accelerate that activity by increasing transparency. And in doing so, it will help make markets more efficient, and economies more stable and resilient."

The Task Force will conduct its work in two stages. During the first stage, the Task Force will consist of about 10 individuals, who will determine the scope and high-level objectives for its

work. It is expected that this first stage will be completed by end-March 2016. During the second stage, the Task Force's work is likely to be expanded to include up to 30 individuals, focused on delivering specific recommendations for voluntary disclosure principles and leading practices, if appropriate, with a view to completing its work by end-2016. As part of its work the Task Force will conduct public outreach.

In similar fashion to the Enhanced Disclosure Task Force (EDTF), an industry-led group that was established by the FSB in 2012 to make recommendations on financial risk disclosures for banks, the Task Force will comprise senior technical experts from firms that are the preparers and users of company risk disclosures, as well as risk analysts. The members of the Task Force will be private-sector individuals drawn from financial and non-financial companies across a broad range of countries within the FSB's membership.

Notes to editors

Mark Carney and Michael R. Bloomberg will discuss the Task Force at the Paris Climate Change Conference. The discussion will be available as a live webcast and recording on the COP21 website.

In April 2015, G20 Finance Ministers and Central Bank Governors asked the FSB "to convene public- and private- sector participants to review how the financial sector can take account of climate-related issues". G20 Leaders, in their Antalya Summit communiqué in November 2015 asked the FSB to continue to engage with public- and private- sector participants on this subject.

Michael R. Bloomberg is the United Nations Secretary-General's Special Envoy for Cities and Climate Change, Founder, Bloomberg LP and Bloomberg Philanthropies and was the 108th Mayor of the City of New York.

Details on the full membership of the Task Force and its terms of reference will be released later in December. The FSB will publish periodic updates on the work of the Task Force on its website.

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with 65 other jurisdictions through its six regional consultative groups.

The FSB is chaired by Mark Carney, Governor of the Bank of England. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.fsb.org.