FSB FINANCIAL STABILITY BOARD

Press release

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Task Force publishes recommendations on climate-related financial disclosures

The Financial Stability Board (FSB) welcomed the publication of the recommendations for effective disclosure of climate-related financial risks published today by the industry-led Task Force on Climate-related Financial Disclosures (TCFD).

The Task Force, chaired by Michael R. Bloomberg, was established by the FSB in December 2015 to develop a set of voluntary, consistent disclosure recommendations for use by companies in providing information to investors, lenders and insurance underwriters about their climate-related financial risks. The 32 industry members of the Task Force, who are drawn from a wide range of industries and countries from around the globe, finalised the recommendations after extensive public engagement and consultation, including public consultation on a draft of the recommendations in December 2016.

The TCFD developed four recommendations on climate-related financial disclosures that are applicable to organisations across sectors and jurisdictions. The recommendations are structured around four thematic areas:

- **Governance:** The organisation's governance around climate-related risks and opportunities.
- **Strategy:** The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.
- **Risk Management:** The processes used by the organisation to identify, assess and manage climate-related risks.
- **Metrics and Targets:** The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Speaking about the work of the Task Force, FSB Chair Mark Carney said "The Task Force's recommendations have been developed by the market for the market. They set out the disclosures that a wide range of users and preparers of financial filings have said are essential to understanding a company's climate-related risks and opportunities. Widespread adoption will provide investors, banks and insurers with that information, helping minimise the risk that market adjustments to climate change will be incomplete, late and potentially destabilising."

Speaking about the final recommendations, Michael R. Bloomberg said "Climate change presents global markets with risks and opportunities that cannot be ignored, which is why a framework around climate-related disclosures is so important. The Task Force brings that framework to the table, helping investors evaluate the potential risks and rewards of a

transition to a lower carbon economy. We're pleased to see so many businesses and investors around the world support the recommendations of the TCFD and hope others will be encouraged to join our initiative.

More than 100 firms, with market capitalisations of over $3.3 trillion and financial firms responsible for assets of more than $24 trillion, have provided statements of support to welcome the recommended disclosures and encourage take-up of the TCFD recommendations.

Notes to editors

More information on the work of the Task Force and its membership, as well as companies' statements of support, are available the TCFD website. In developing the recommendations, the Task Force received over 500 public consultation responses and held 18 outreach events with over 1,250 participants, as it sought feedback.

For more details on the publication of the report please contact Vero Henze at the TCFD Secretariat at: vhenze@bloomberg.net.

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.