PRESS RELEASE

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European institutional investors welcome the recommendations of the Task Force on Climate Related Disclosures

Today the Task Force on Climate-related Financial Disclosures (TCFD) released its final Recommendations and supporting materials. Commenting shortly after publication:

Peter Damgaard Jensen, CEO of Danish pension fund manager PKA and Chair of the Institutional Investors Group on Climate Change (IIGCC) said, "Investors are pleased to see this industry-led forum publish a robust framework applicable across all sectors and jurisdictions. Greater climate related financial disclosure in line with the TCFD's four widely adoptable recommendations is crucial to secure more complete, meaningful, reliable and consistent data across all companies and sectors. Given their importance at the top of the investment supply chain, large asset owners and asset managers also recognise they have an important role to play in driving the swift and widespread adoption of this framework. "

Philippe Desfossés, CEO of French pension fund ERAFP and Vice Chair of IIGCC also said, "The more companies report effectively on climate related risks and opportunities, the easier it becomes for investors to allocate the substantial amounts of capital required to implement the Paris Agreement and to work on their own climate risk disclosure. There should be no resistance to the widespread adoption on the TCFD's recommendations given how - in most G20 countries - companies already have legal obligations to disclose material risks in their routine financial filings, including those that related to climate change. Moreover, with its remit now extended to 2018, the TCFD is well placed to monitor implementation and take-up its framework closely."

Gerald Cartigny, Chief Investment Officer (CIO) at Dutch asset manager MN said, "The TCFD's framework provides a good foundation for improving the ability of investors and others to appropriately assess and price climate related risk and opportunities. It is particularly valuable that one of the key disclosures recommended by TCFD is focused on the resilience of a company's business strategy regarding climate-related risks, including a scenario designed to curb global average temperature rises to 2C Celsius or less. Such analysis is crucial for investors seeking decision-useful, climate related financial information."

Stephanie Pfeifer, CEO of IIGCC added: "Better disclosure of climate risk across all key sectors must become a routine consideration for company boards and for investors going forwards. Over 360 investors who have signed a letter to G20 leaders ahead of their Hamburg summit sincerely hope that each country belonging to the G20 gives unequivocal backing to this framework and moves swiftly to ensure its prompt adoption since this is a key step towards securing a swift, smooth and prosperous transition to a low carbon global economy. IIGCC members engage with companies on matters of climate risk stand, will encourage companies to use the guidelines and stand ready to include TCFD information in their engagements, use it in their investment decisions and consider it when deciding their voting behaviour."

ENDS

Notes for Editors

IIGCC contributed to the work of the TCFD at all stages of the process and responded to the consultation on the first draft of the task force report released in December 2016.

IIGCC warmly welcomes the outcome of this industry-led forum and thanks the many individuals from all parts of the financial system who gave so much of their time.

The importance of TCFD

Managing physical and transition (environmental and financial) risks associated with climate change, while also identifying and investing in new opportunities, is a core component of the fiduciary duty for any investor, so investors will be working to encourage the widespread adoption of the TCFD's framework. Climate disclosure provides investors with the information they need to make better short and long-term investment decisions and helps companies understand and manage the significant financial opportunities and risks associated with climate and broader sustainability challenges. The disclosure of *material* climate-related financial risks is essential for moving markets towards decarbonisation. Consequently, investors need governments to set clear policy signals to support the management of climate risk and a safe and organised transition

When it established the Task Force on Climate-related Financial Disclosures (TCFD) in 2015 the Financial Stability Board (FSB) gave business and investors a key role in the development and likely adoption/ implementation of their recommendations.

In its effort to provide a clear, efficient, and voluntary framework to improve producing and using climate-related financial disclosures, the Task Force developed four widely-adoptable recommendations. These focus around core elements of how organisations operate: governance, strategy, risk management and metrics and targets, with each supported by specific disclosures that organisations can use in financial filings to provide information about climate-related risks and opportunities.

Investors will encourage companies to follow these recommendations to improve corporate governance of climate issues and improve corporate understanding and management of climate risks and opportunities. In addition, investors will increasingly look for disclosures aligned with these recommendations. The recommendations also provide useful tools for investors looking for greater disclosure on climate risks and opportunities to support better risk assessment of their investment decision making and better reporting and disclosure practices of their own.

The success of these recommendations depends on near-term, widespread adoption by organisations in the financial and non-financial sectors.

In recent months investors (and right up until the G20 Summit in Hamburg) investors have been encouraged to sign a letter to G7 and G20 leaders urging continued support for greater climate action including full implementation of the Paris Agreement and support for the TCFD framework. Regardless of any decision making on TCFD disclosure by the G20 (as a bloc) at their upcoming summit, European investors urge swift action by each country within the G20, to ensure prompt adoption of this framework within their existing regulatory arrangements (which is the vast majority of territories are already sufficient to enable this).

About IIGCC

The **Institutional Investors Group on Climate Change** (IIGCC) - the investor voice on climate solutions - is a collaborative forum with 137 mainly mainstream investors across 11 countries with over €19 trillion in assets under management (including 9 of the top ten largest European pension funds or asset managers). Its mission is to provide investors with a common voice to encourage public policies, investment practices and corporate behaviour which address long-term risks and opportunities associated with climate change. IIGCC members consider it a fiduciary duty to ensure that stranded asset risk or other losses from climate change are minimised and that opportunities presented by climate action and the transition to a low carbon economy are maximised. They believe renewable energy, low carbon technologies and energy efficiency present significant investment opportunities which could foster European economic growth; create jobs, improve energy security and better protect public health. In pursuit of effective global climate policy frameworks IIGCC works closely with other investor networks as part of the Global Coalition on Climate Change. It also co- sponsors the Investor Platform for Climate Actions

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