

## Leading investors partner with UN to boost climate transparency by piloting Financial Stability Board recommendations

- UN Environment, together with nine investors from six countries – representing close to US\$ 3 trillion – have formed a leadership group to promote climate transparency by the investor community.
- The group, including Norges Bank Investment Management (NBIM), Aviva, Caisse de Dépôt et Placement du Québec (CDPQ), Desjardins Group, Nordea and Storebrand Asset Management, will pilot the recent recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD).
- The outputs and conclusions of this group will stimulate and ease TCFD adoption by the wider industry, including the 1,900 investor members of the Principles for Responsible Investment.

**15 March 2018** – Nine leading pension funds, insurers, and asset management firms, announced today they will work together with UN Environment Finance Initiative (UNEP FI) on guidelines towards a first set of climate-related investor disclosures in alignment with the recommendations of the Financial Stability Board’s (FSB) Task Force on Climate-related Financial Disclosures (TCFD).

The investors that are joining the group today are *Addenda Capital, Aviva, Caisse de Dépôt et Placement du Québec, Desjardins Group, La Française Group, Nordea Investment Management, Norges Bank Investment Management, Rockefeller Asset Management, and Storebrand Asset Management.*

“The message from these investment leaders is clear - climate change is real and it is the single largest threat to our economy,” said UN Environment chief, Erik Solheim. “At the same time, there are endless business opportunities in climate action. Transparency on how investors mitigate the risks and seize the opportunities of a climate-compatible pathway is crucial to move international markets towards actively supporting a low-carbon and climate-resilient future.”

This follows the work of an equivalent group of 16 banks, launched in 2017 and also convened and facilitated by UNEP FI, that will conclude its work and deliver its outputs in the second quarter of 2018.

The [Financial Stability Board, chaired by Bank of England Governor Mark Carney, mandated the Task Force](#) to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. Chaired by the former Mayor of New York, Michael Bloomberg, their final recommendations were published and submitted to the G20 at the end of June 2017.

The Investor Group convening today will focus on developing the analytical tools and indicators required to assess and disclose their exposures to the risks and opportunities

presented by climate change. As such the investors not only welcome the TCFD recommendations but are also declaring their intention to - acting within their mandates - jointly pioneer, and put in place, the tools that they need to adopt and implement this ground-breaking framework.

"The more information investors have about the climate risks and opportunities facing companies, the smarter decisions they will be able to make, and the more efficient our markets will become," said Michael Bloomberg, Chair of the Task Force and newly appointed UN Special Envoy for Climate Action. "This investor-led working group is an important step in that direction, and it's great to see that it's consistent with our Task Force's recommendations."

Reliable information on investors' exposure to climate change risks will strengthen the stability of the financial system, encourage more disclosures from portfolio companies across sectors and help boost climate-friendly investments. The pilot group comprises nine of UN Environment Finance Initiative's investment members, and the jointly developed scenarios, models and approaches will be made publicly available at the end of the project. This will enable other investors to pick up and expand on this joint work and encourage the wider investment community to assess how they can adapt to and promote a climate-resilient, low-carbon economy.

To that effect, this pilot group will not operate in isolation. It will closely coordinate with, and make its insights and outputs available to, the bigger networks of climate-savvy investors such as the [Principles for Responsible Investment](#) and the [Institutional Investor Group on Climate Change](#) whose new Investor Practices Programme is structured around the TCFD recommendations. It will also support and inform the global [Investor Agenda](#) through which, in 2018, the global investor community will put on display its ambition and determination to act on climate change.

The recommendations are welcomed by investors and civil society alike, as the importance of the finance sector in supporting the Paris Climate Agreement's goals becomes increasingly clear. The framework will help global financial markets become more transparent, stable, and better able to cope with the challenges of climate change. This first mover project to implement the recommendations puts UN Environment Finance Initiative's members in the vanguard of this effort.

**Quotes from the investors:**

“We have high expectations for climate-related financial disclosure from the entities we invest in and it behooves us to show them we are using that information to improve our investment decisions.”

**Roger J. Beauchemin, President and CEO, Addenda Capital**

“No-one can afford to let climate change fly under the radar. Aviva contributed to developing the TCFD recommendations and I am delighted that we can now start work on how to make disclosure happen in practice. We need simple, consistent and comparable data. A sustainable low carbon economy makes good environmental and business sense.”

**Mark Wilson, CEO, Aviva plc**

“We are pleased to support the TCFD recommendations and to join other global leaders in building a lower carbon global economy. Clear objectives, measuring and reporting are crucial for developing standards that positively influence markets. That is why we are committed to reporting regularly on our climate-related targets, which apply to all our asset classes.”

**Michael Sabia, President and CEO, Caisse de Dépôt et Placement du Québec**

“As a financial cooperative, we are committed to leading by example and encouraging the transition to a lower-carbon economy. We are pleased to support the TCFD recommendations and believe that adopting more robust disclosures on climate change risks and opportunities will help businesses, clients and investors alike. Our participation in this pilot project is in line with our four commitments to the fight against climate change, which will be integrating into team objectives and included in Desjardins Group’s annual report.”

**Guy Cormier, President and CEO, Desjardins Group**

“The TCFD recommendations are a milestone for better climate-related financial reporting by companies and investors. La Française is committed to taking action by systematically assessing climate risks. Ultimately, this will help our investment decisions for the long-term benefit of our clients.”

**Xavier Lépine, Chairman of the Board, La Française Group**

“Addressing climate change is high on the agenda and Nordea supports the TCFD recommendations since we firmly believe that climate change risk disclosure is key in order to strengthen the stability of the financial system. We are delighted to join forces with other investors on this important topic and conducting scenario analysis in a common way will be instrumental to successfully managing climate-related risks for our clients. “

**Nils Bolmstrand, CEO, Nordea Asset Management**

“We are investing for future generations, and would like companies to move from words to numbers in assessing climate risk in their investments, risk management, and reporting.”

**Yngve Slyngstad, CEO, Norges Bank Investment Management**

“As long-term investors and stewards of capital, we embrace comprehensive and systematic reporting on climate change to better assess our investment risks. We commend the UN

for this important initiative, which we believe will accelerate the process of climate-related disclosure.”

***David P. Harris, CIO, Rockefeller Asset Management***

“We believe that rapid adaption to growing climate risks and increased investments in solutions are key to long-term economic growth and stability. By joining forces with the UN and other like-minded investors, Storebrand hopes to contribute to faster and more tangible action on climate change.”

***Jan Erik Saugestad, CEO, Storebrand Asset Management***

### **About UN Environment Finance Initiative**

The UN Environment Finance Initiative is a partnership between UN Environment and the global financial sector created in the wake of the 1992 Earth Summit with a mission to promote sustainable finance. Over 200 financial institutions, including banks, insurers and investors, work with UN Environment to understand today's environmental challenges, why they matter to finance, and how to actively participate in addressing them. For more information, visit [www.unepfi.org](http://www.unepfi.org).

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