



Climate Disclosures and Municipalities

What you need to know



See Beyond.



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01. Why Climate Disclosure

02. What is the TCFD?

03. How municipalities can get started



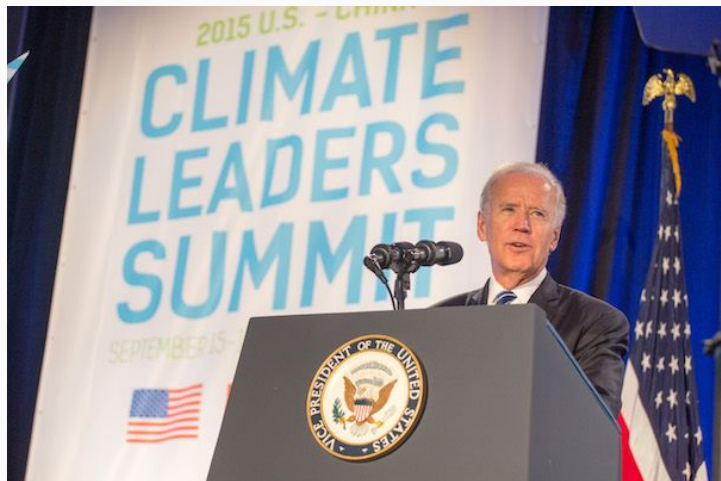


1. Why Climate Disclosure

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Scientifically, economically, socially imperative



Impact and likelihood of global risks



**Climate
Action
Failure**

Impact ↑

Likelihood →

Pressure for climate disclosure is coming from multiple sources



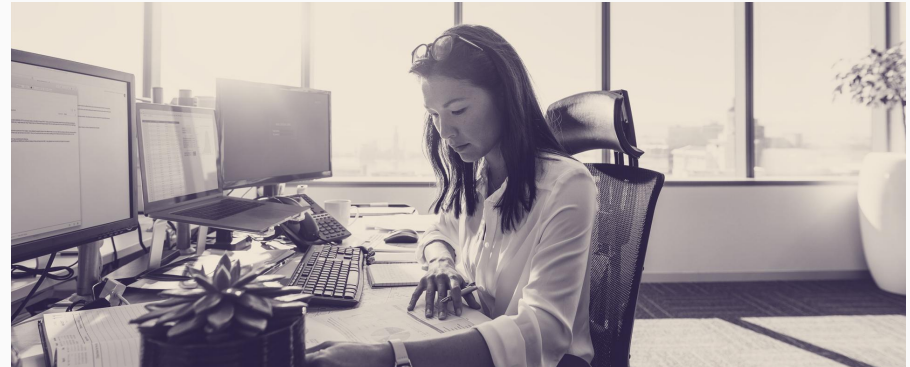
Regulators



Suppliers



Investors/lenders



Employees

Regulators eye mandating climate disclosures

Climate-related disclosures are finally having their time in the sun

Securities regulators unveil draft climate disclosure requirements

Greening Government Strategy



Crown corporations are encouraged to publicly disclose their GHG emissions annually. The government will encourage adoption of the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) by federal Crown corporations where appropriate and relevant to their business activities.



Alignment to TCFD

Reporting Frameworks



Investors



G7 Finance Minister Support

“We support moving towards mandatory climate-related financial disclosures that provide consistent and decision-useful information for market participants and that are based on the Task Force on Climate-related Financial Disclosures (TCFD) framework”

TCFD endorsed by G7 Finance Ministers in June 2021

Regulatory Push for TCFD



UK makes TCFD mandatory for premium listed companies on LSE



New Zealand makes TCFD mandatory for financial institutions



Switzerland to make TCFD mandatory for 2024



SEC currently consulting on TCFD, expects draft regulations in fall

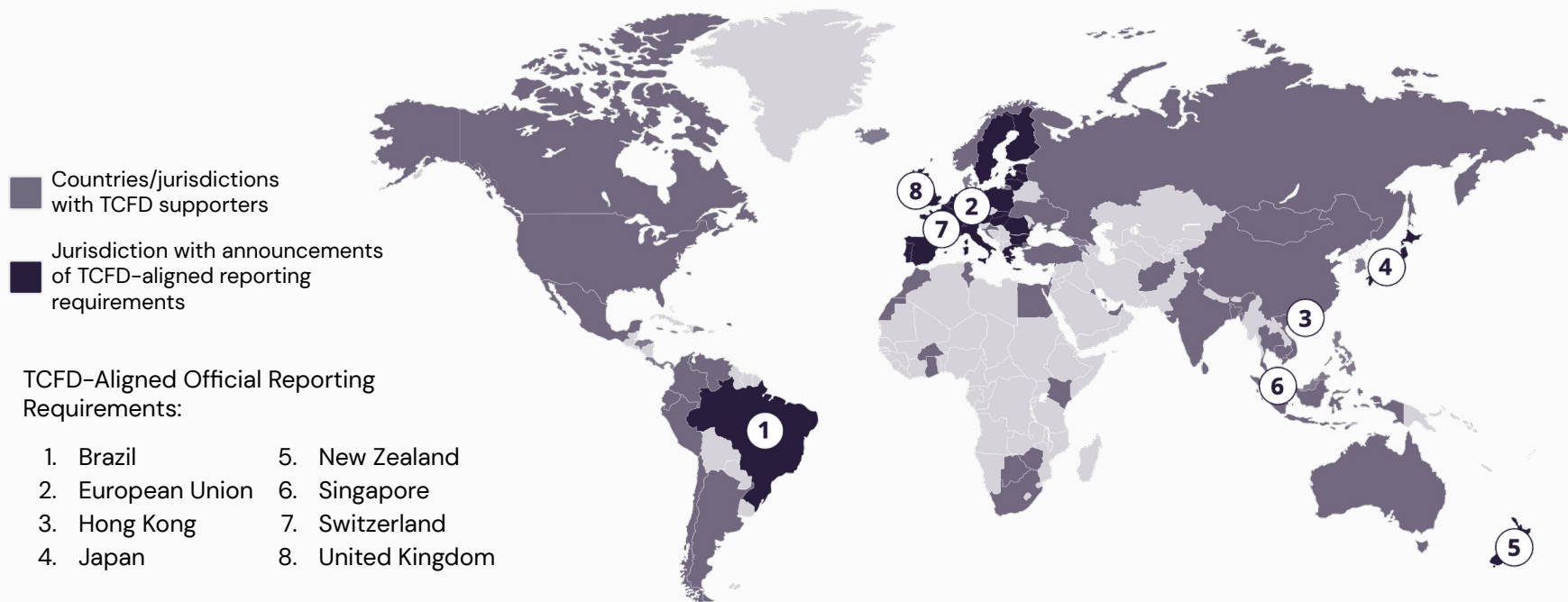


Government mandates TCFD reporting for Crown Agencies; **CSA regulatory proposal for Mandatory Alignment to TCFD released Oct 2021, mandatory in 2024**



Singapore Exchange proposes mandatory TCFD-aligned disclosures by 2023 (public consultation until Sept. 2021)





\$194 tn

Assets

89

Countries and
Jurisdictions

120+

Regulators and
Governmental Entities

\$25 tn

Combined Company
Market Capitalization

2600+

TCFD Supporters
Globally

Release date: 31-10-2021

Source: TCFD Status Report (2021)

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2. What is the TCFD?



TCFD

4

PILLARS

11

RECOMMENDATIONS

Sector

GUIDANCE



The Glovebox for Governance



Strategy

Metrics & Targets

Risk Management

Governance

The TCFD: at-a-glance

	Recommendation	Recommended Disclosure
Governance	Disclose the organization's governance around climate-related risks and opportunities	<ul style="list-style-type: none">a) Describe the board's oversight of climate-related risks and opportunitiesb) Describe management's role in assessing and managing climate-related risks and opportunities
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning, where such information is material	<ul style="list-style-type: none">a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long termb) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planningc) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks	<ul style="list-style-type: none">a) Describe the organization's processes for identifying and assessing climate-related risksb) Describe the organization's processes for managing climate-related risksc) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	<ul style="list-style-type: none">a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processb) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risksc) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets



TCFD Recommendation Areas	TCFD Recommended Actions (Adapted for Cities)
Governance	<p>Describe mayor and council's oversight of climate-related risks and opportunities.</p> <hr/> <p>Describe management's role in assessing and managing climate-related risks and opportunities.</p>
Strategy	<p>Describe the climate-related risks and opportunities the city has identified over the short-, medium-, and long-term.</p> <hr/> <p>Describe the impact of climate-related risks and opportunities on the strategy and financial planning of the city's businesses.</p> <hr/> <p>Describe the resilience of the city's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>
Risk Management	<p>Describe the city's processes for identifying and assessing climate-related risks.</p> <hr/> <p>Describe the city's processes for managing climate-related risks.</p> <hr/> <p>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the city's overall risk management.</p>
Metrics and Targets	<p>Disclose the metrics used by the city to assess climate-related risks and opportunities in line with its strategy and risk-management process.</p> <hr/> <p>Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.</p> <hr/> <p>Describe the metrics used by the city to manage climate-related risks and opportunities as well as performance against targets.</p>

Source: Enhancing Climate-related Disclosure by Cities, CPA Canada

The TCFD: More than Reporting

The TCFD recommendations are not only about checking a disclosure box.

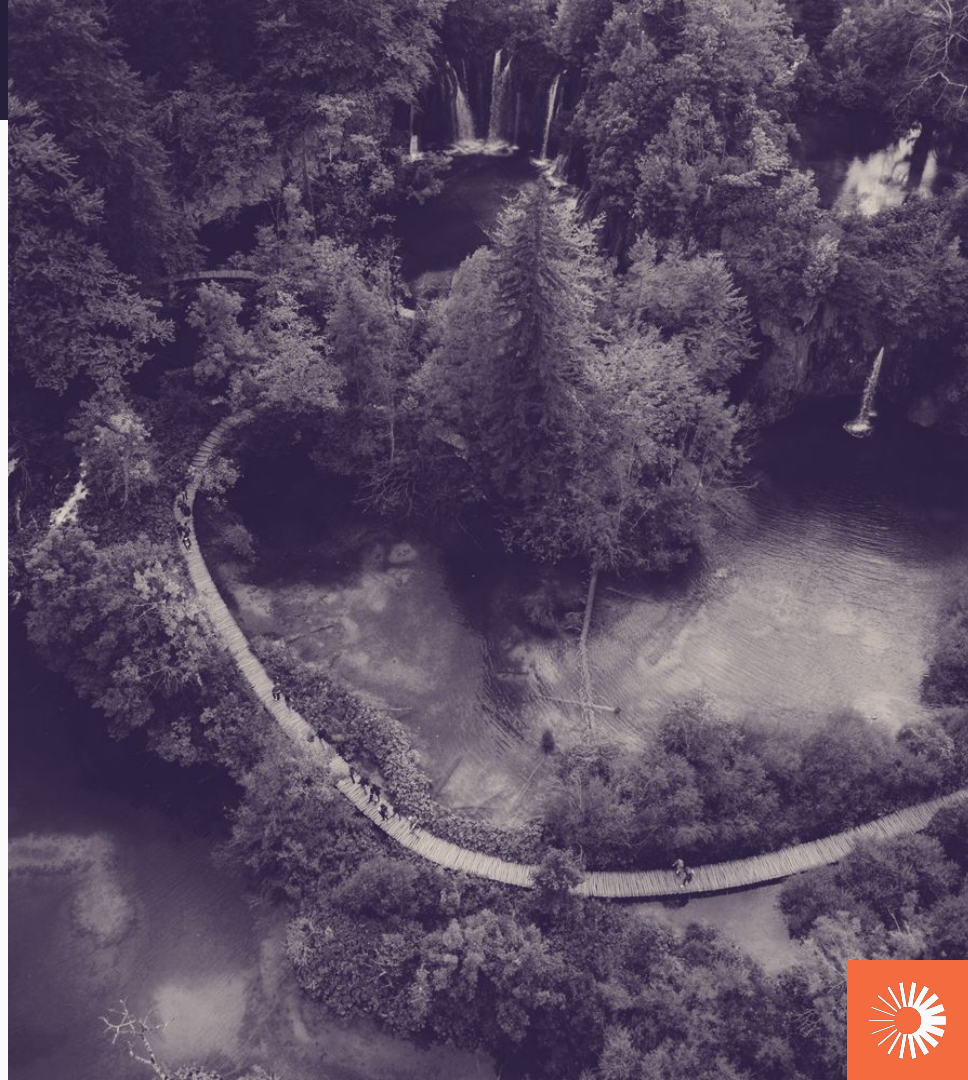
Key questions:

Are you thinking about climate across business functions?

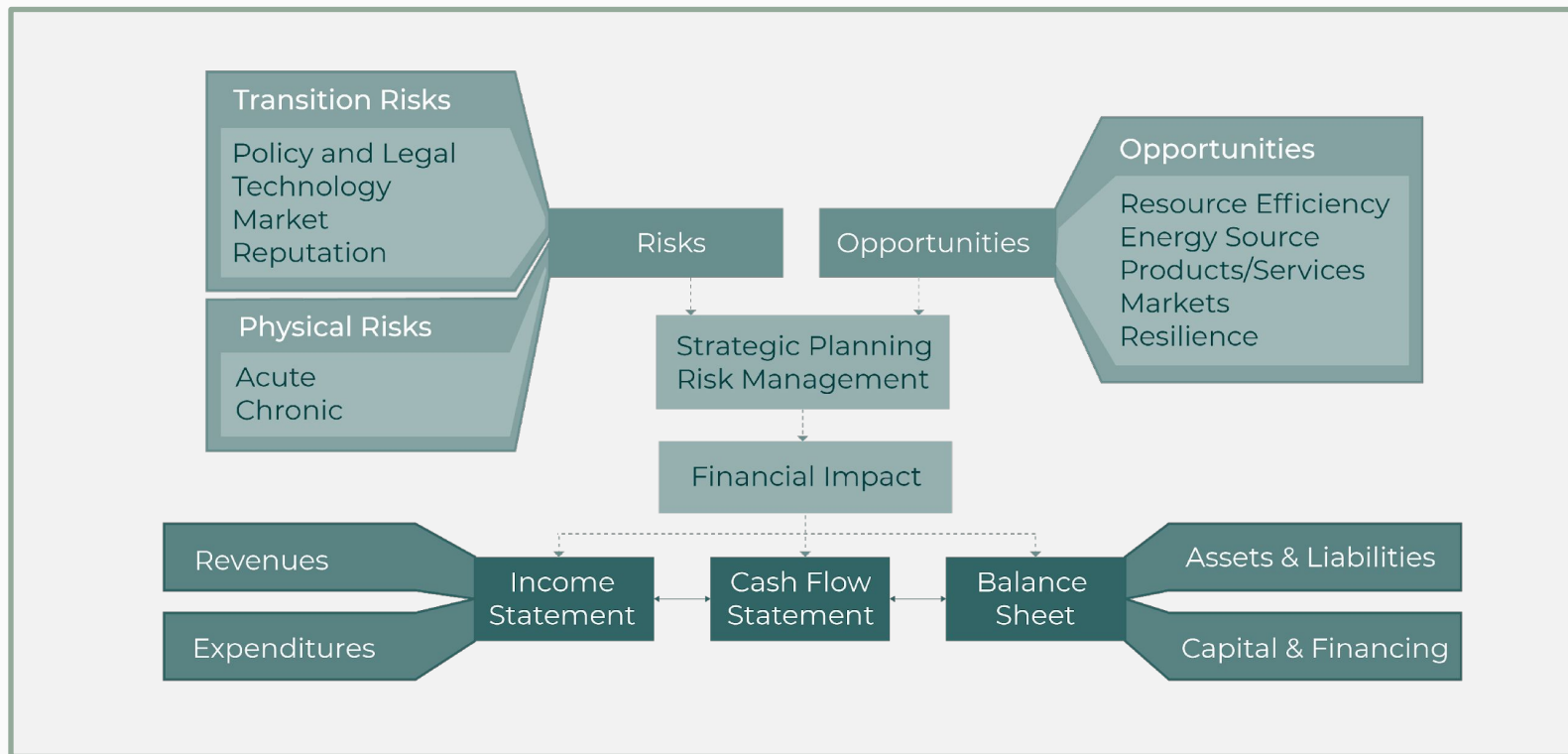
Is climate deeply integrated into your strategy and risk management processes?

Do you consider both climate risks **and** opportunities?

Are you clearly indicating to investors that you are taking climate seriously?



TCFD connects climate and finance



Source: TCFD Recommendations, June 2017



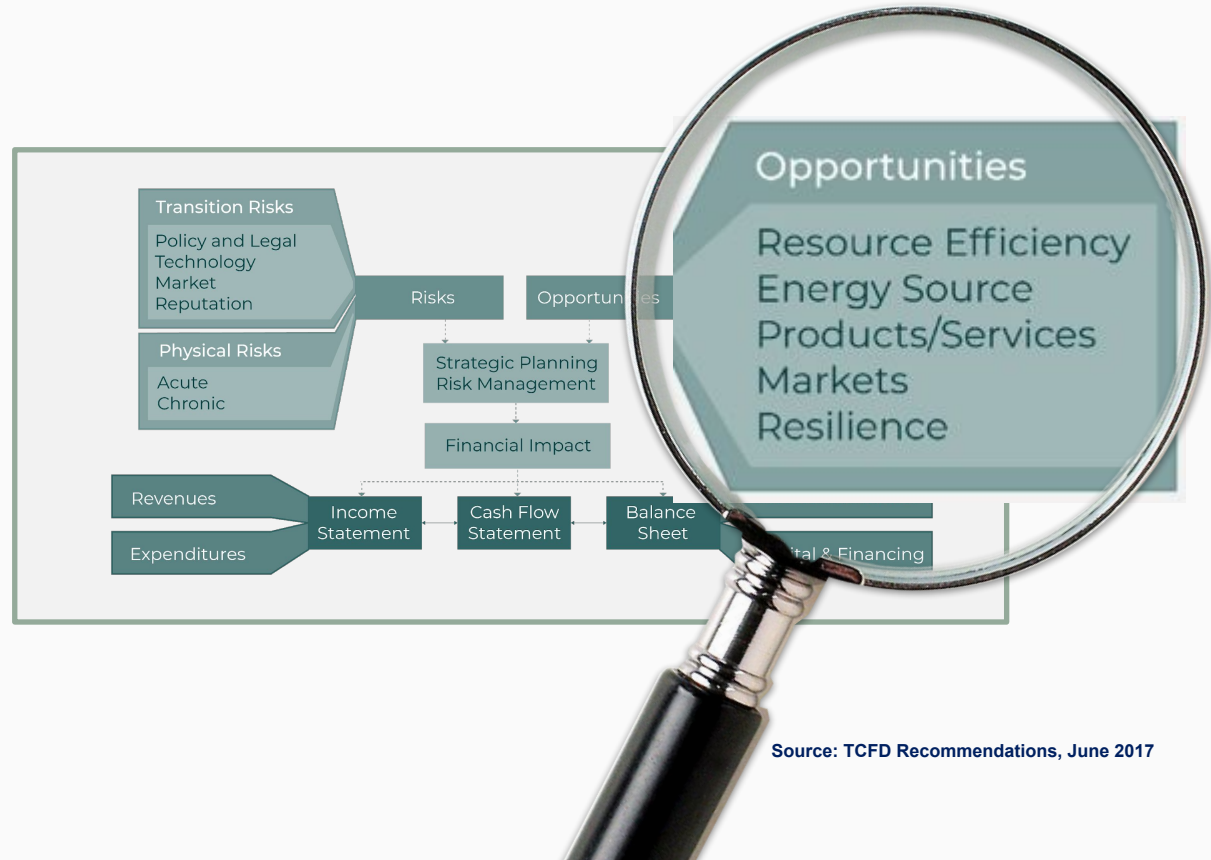
Understand the difference between transition and physical risks



Source: TCFD Recommendations, June 2017



Don't forget opportunities



Source: TCFD Recommendations, June 2017



TCFD a chance to highlight a Canadian advantage for municipalities



Vancouver
12g CO₂/kWh



Toronto
40g CO₂/kWh



Montreal
1.5g CO₂/kWh



Chicago
200g CO₂/kWh



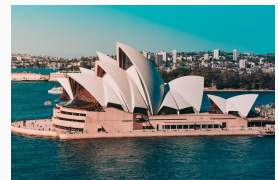
Los Angeles
340g CO₂/kWh



New York City
188g CO₂/kWh



Beijing
1000+g CO₂/kWh



Sydney
730g CO₂/kWh

TCFD helps you tell your story of how you will navigate climate disruption

Climate emergency declarations

Climate resiliency investments

Increasing floods

Investor demand for green bonds

Rising Carbon Prices

Increasing extreme heat waves

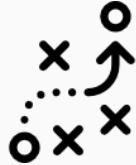




3. How to get started



TCFD – Where to Start?



Understand
climate-related
risks and
opportunities

Set climate
ambitions and
define high-level
climate strategy



Define
climate-related
metrics



Estimate
climate-related
financial
impacts



Set targets
aligned with
climate ambition



Articulate
transition
planning as part
of climate
strategy



Report and
disclose





○ METRICS AND TARGETS

○ RISK MANAGEMENT

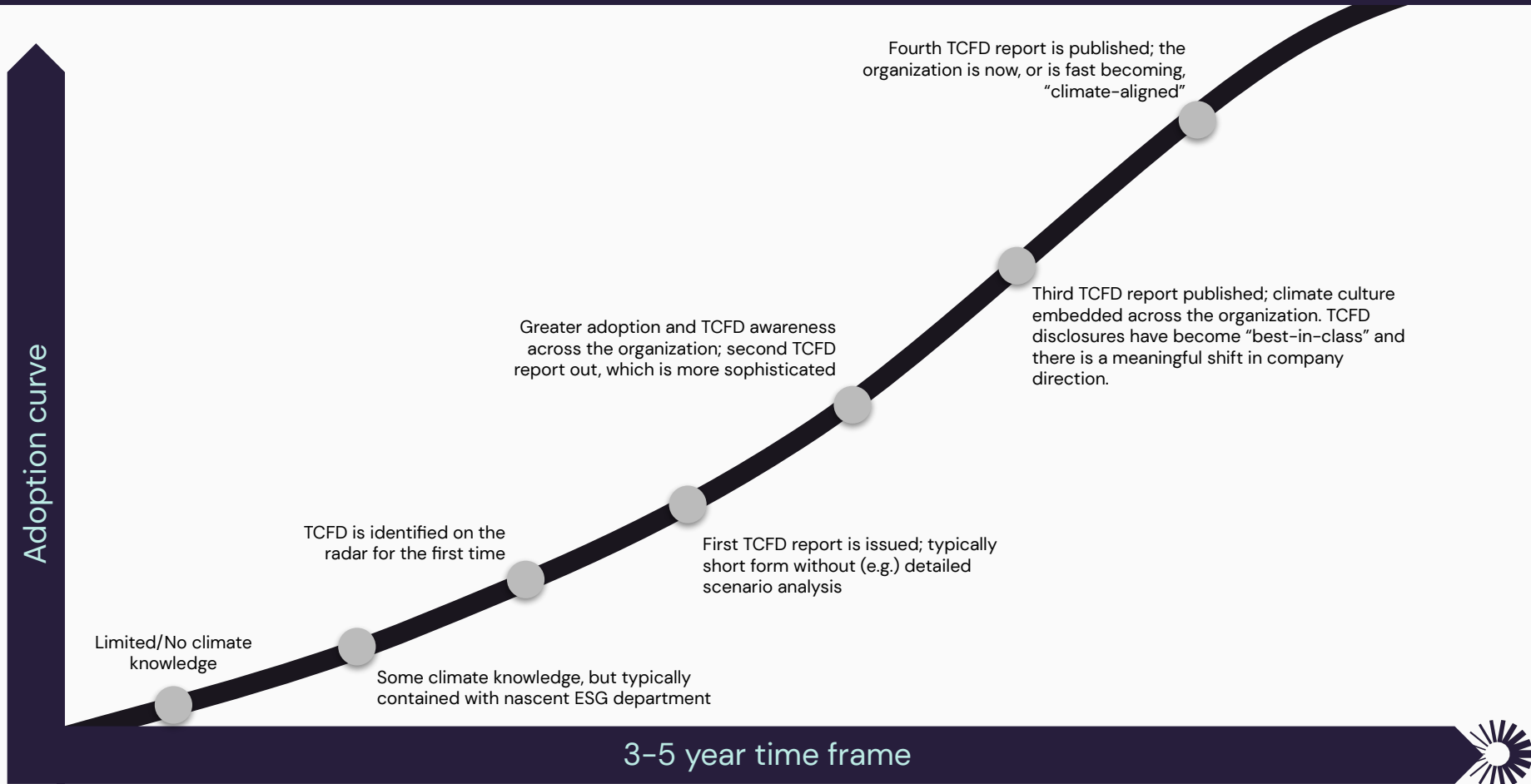
○ STRATEGY

○ GOVERNANCE

TCFD has 11 Recommendations under these 4 Pillars, asking about Processes and Strategic Approach.

TCFD is a reporting FRAMEWORK not "standards."

TCFD Adoption Curve



Key Takeaways



The TCFD is about integrating the realities of climate disruption across your entire organization, and communicating this to key stakeholders (e.g., investors)



Solely focusing on disclosures is not enough to fully align to the TCFD recommendations



Best practice for TCFD-aligned disclosures will continue to evolve in the coming years, especially as mandated disclosure becomes more commonplace, guidance is improved, and climate maturity increases across sectors



Organizations that are mature in their climate journey have integrated climate into their governance, strategy, and risk management processes, and have not siloed climate considerations

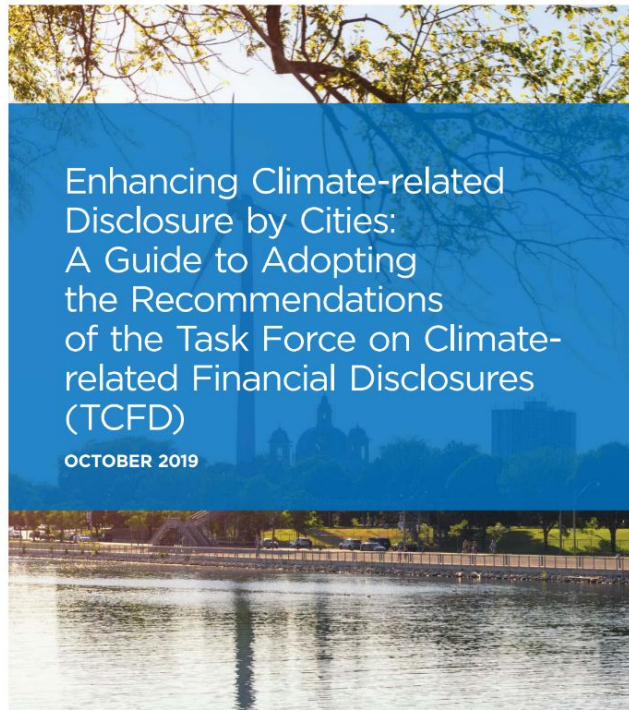


Climate maturity is a marathon and not a sprint...the key is to just get started





Climate-related Financial Risk Disclosures (TCFD) for Cities



Tools to help meet the demand for climate disclosure

Maturity Assessment

Climate Space > Governance >

Questions? Ask your Climate Strategist

Board oversight of climate risks and opportunities

Analysis by Heej K.

You're doing better than your current disclosures indicate

Historically, investors and businesses have struggled with transparency on climate risks and opportunities. For investors, it can be hard to distinguish between effective and ineffective climate action. For those within a business, it can be hard to make a case that more climate transparency will lead to better business performance.

See full analysis | Speak to a Climate Strategist

Fiscal Year: 2021

2020 Maturity Assessment

Executive Summary

The placement of this disclosure in the discretionary reports and CDP responses had the biggest negative impact in terms of your overall assessment. By implementing the recommendations of this report, Example Co.'s assessment would be "best-in-class" without any significant changes to its climate-related.

Top Takeaways

- Climate disclosures are missing
- Physical risk assessments and scenario
- Climate integration into risk

Market Intelligence

Business Insights | Top Stories | Monthly Reports | Peer Tracker | Risks & Opportunities | My Bookmarks (3)

Monthly Reports

MONTHLY REPORT July Roundup | MONTHLY REPORT July Roundup | MONTHLY REPORT May Roundup | MONTHLY REPORT April Roundup

Olana Khudoba Climate Expert

Business Insights | Top Stories | Monthly Reports | Peer Tracker | Risks & Opportunities | My Bookmarks (22)

Peer Tracker

Your Peers

	Coal mining	Coal-fired power	Coal refineries	Oil & gas	Oil & gas	Oil & gas	Oil & gas	Oil & gas	Oil & gas	Oil & gas
Apple Inc.	●	●	●	●	●	●	●	●	●	●
Amazon	●	●	●	●	●	●	●	●	●	●
Microsoft	●	●	●	●	●	●	●	●	●	●
Google	●	●	●	●	●	●	●	●	●	●
Samsung	●	●	●	●	●	●	●	●	●	●

Learning and Resources

TABLE OF CONTENTS | TCFD 101

Key Themes/Trends

Historically, investors and businesses have struggled with transparency on climate risks and opportunities. For investors, it can be hard to distinguish between effective and ineffective climate action. For those within a business, it can be hard to make a case that more climate transparency will lead to better business performance.

Management & IR in Transition | Climate Financial Disclosure | TCFD Requirements LR Framework | Milestones | Energy Transition | Energy Consumption

Lesson content

Climate Basics

After passing this quiz, you will be able to identify how your work, your role within your organization, and your participation in the wider economy is impacted by climate risk and opportunities. You should also be able to identify ways you can participate in managing these risks and seizing opportunities to create a more resilient future.

Start Quiz



Questions and Discussion



Thank You.

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