

Building Investor Confidence for Enhancing Climate Finance by Leveraging Corporate Sustainability Disclosures

09 November 2022

5:00 pm to 6:00 pm (IST) | 1:30 pm to 2:30 pm (EET)

Venue: **COP27** - Business Pavilion for Climate Leadership,
Blue Zone, Sharm El-Sheikh, Egypt

09 November 2022 | 1330-1430 EET

Tentative Agenda

Timings	Particulars
13:30-13:32	Welcome Remarks
13:32-13:50	<p>Keynote Address:</p> <ul style="list-style-type: none"> H.E. Dr Mahmoud Mohieldin, Executive Director, International Monetary Fund, UN Climate Change High-Level Champion for Egypt at the UNFCCC COP27 Mr. Sumant Sinha, Chairman and CEO, ReNew Power <p>Setting the Context:</p> <ul style="list-style-type: none"> Mr. Dipak Dasgupta, Lead Author of the IPCC Working Group III (Mitigation) report (Ch.15 Investment and Finance), Distinguished Fellow, TERI
13:50-14:20	<p>Moderated panel discussions:</p> <p>Moderator – Ms. Prarthana Borah, Director, CDP India</p> <p>Perspectives of Investors and Capital Markets</p> <ul style="list-style-type: none"> Ms. Mardi Mc Brien, Director of Strategic Alliances, International Sustainability Standards Board (ISSB) Ms. Allison Hollowell, Chief Operating Officer at the International Venture Philanthropy Center (IVPC) Representative, Securities and Exchange Board of India <p>Perspectives of Industry Champions</p> <ul style="list-style-type: none"> Mr. Thomas Guillot, Chief Executive, Global Cement and Concrete Association Mr. Prabodha Acharya, Chief Sustainability Officer, JSW Group Mr. ER Raj Narayan, Business Head & Chief Manufacturing Officer, Ultratech Cement Ltd.
14:20-14:28	Questions and Answers
14:28-14:30	Way Forward by TERI

Key Messages:

- There is near-unanimous agreement that public funds alone will not be enough to curb the challenges of climate change. The investor community and financial institutions are coming forward to reiterate their commitments to low carbon economies along with their requirements for an enabling policy environment and disclosures that accelerates and scales up private finance flows. This will help in strengthening their own portfolios. Here are recent initiatives of FI's:
 - Federal Reserve Board announced that six of the nation's largest banks - Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, and Wells Fargo will participate in a pilot climate scenario analysis exercise designed to enhance the ability of supervisors and firms to measure and manage climate-related financial risks.
 - The Bank of England, in May 2022, published the results of its Climate Biennial Exploratory Scenario (CBES) to explore the financial risks posed by climate change for the largest UK banks and insurers
- The jurisdiction specific reporting standards help to harmonize ESG reporting within economies. The global standards and baseline have a larger role to play in international comparability of ESG standards. The benchmarking and harmonization of global and national frameworks would empower investors and financial institutions and building confidence for accelerating capital for sustainable finance solutions.
- The increased alignment of global and national frameworks would increase climate finance and support evolving dynamics of capital markets. The investment in well-run, climate-smart businesses and low carbon technologies will flourish. This will be good news for investors, the stability of our financial system, and the habitability of our planet.

Key Outcomes:

- Emerging economies like India make progress on pathways to align financial decisions and flows with 1.5°C scenarios.
- Financial Institutions and banks should consider disclosures and climate risks to seize opportunities to reshape their long-term strategy and integrate this framework in their risk management metrics. There is increased focus on ESG investments and making climate-related environment disclosures mandatory for corporations. These disclosures would improve transparency and lead to smart capitalism.
- The increased alignment of global standards and national frameworks would unlock private sector investments that immediately help reduce emissions and impacts. This would support Global Stocktake.

CDP India Financial Institutions Working Group

Early this year, CDP set up a Financial Institutions Working Group with representatives from some of India's reputed financial institutions. The key objectives of this working group is to enhance FI's climate ambition and action through disclosures and tracking the climate responsiveness of their investments, lending portfolio. These working groups aims to increase understanding of financial institutions on how to invest in real and immediate climate action and to engage with policy makers, influencers, and regulators in creating an enabling ecosystem for climate action.

Suggested Questions for Panelists:

- Financial Institutions are at nascent stage of integrating climate data in their portfolio decisions. According to you, what are the key levers for investors to integrate financial implications of climate risks in their investment decisions?
- According to you what is the significant of integrating climate risk in stress testing and scenario analysis by FIs/banks? To what extent the national circumstance and domestic priorities influence this decision?
- How important is the role of a uniform taxonomy in the identification of the climate risks and its impacts? And, how we shall leverage the existing work of ISSB in harmonizing the measurement and management of climate risks at a global level, and paving way for smart capitalism?
- How national jurisdictions such as India and regulations like Business Responsibility and Sustainability Reporting (BRSR) by Indian regulator, SEBI, would bring standardization for better measurement, comparability and interoperability for investors and help companies engage meaningfully with their stakeholders?
- How do you envisage the role of the principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) in this case for illustrating possible pathways in achieving climate ambitions before it is too late?