



# Green Horizon Summit

## The Pivotal Role of Finance

### **Mark Carney, UN Special Envoy for Climate Action and Finance**

Thank you, Secretary General. And thank you for your message. And thank you for your leadership. I know you take an intense personal interest in this agenda, the private finance agenda, I have a series of texts and late night phone calls that attest to that. And I'm pleased to say that we are making progress, more needs to be done. Earlier, we were speaking about the thousands and thousands of organisations in the private sector, in the public sector, the NGO sector, the third sector that are working as part of this agenda. And we're very privileged to have some representatives of that work here with us to go through each of the main pillars of what's needed for the framework to make sure that every financial decision can take climate change into account.

With respect to reporting, the goal for COP26 is to improve both the quantity and really the quality of climate related financial risk disclosure, and to promote pathways to mandatory TCFD reporting, to make sure that it's comprehensive and consistent. And the first panel will delve into what that means in practice will start as the Lord Mayor said with a message from Minister Shaw from New Zealand, who helped guide New Zealand to become the first country to make the TCFD mandatory. our panellists are Mary Shapiro, who's led the TCFD. Since its inception five years ago, Lucrezia Reichlin, who has many roles, but very importantly is heading up the work for the IFRS Foundation as they look at a whole new area of reporting and sustainability reporting. And Audrey Choi from Morgan Stanley who will discuss their perspectives on why climate related reporting is so crucial, and what we need to do in designing

and implementing those disclosure regimes, and we all look forward to hearing their perspectives as we move forward on to this.

The second session will focus on risk management. Again, our goal for COP26 is to ensure that both companies and financial firms can effectively measure and manage climate related financial risks. And that means going beyond the static, in other words climate footprints or carbon footprints today, to the strategic how they're going to be managed over time, as we move towards net zero. It requires forward looking disclosure, and it requires judgement, judgement about the resilience of companies and of financial firms and the resilience of their strategies during the transition. And let's be frank, this is a new area, it's an area where we all need to develop skills in both the private and public sectors. And I can think of no one better to lead that discussion or provide that perspective than Sarah Breeden, the executive director at the Bank of England, who will describe the work of the NGFS, which she has helped lead in terms of publishing scenarios for transitions, but also providing supervisory perspectives and supervisory guidance to firms in the financial sector.

Finally on returns, we will be joined by David Blood, who's co-founder of Generation Investment Management, and who has led a taskforce as part of the broader TCFD efforts, entitled Measuring Portfolio Alignment, it is published today, it's in the knowledge resources section of the TCFD website, I would encourage you to go through it. And it gets to the crucial question of how investors can assess their position on this transition. So both as a risk management and return optimization tool for investors but very importantly, as well, for clients, for all of you, so that you can make decisions so that you can make your money matter. And I will have an opportunity to discuss that with David in a while. Enough from me, let's hear directly from the two experts. In order to start this session, and to build on the building blocks, we're going to have a panel on the TCFD chaired by Francine Lacqua from Bloomberg. But

first we will begin with a message from New Zealand and I give you Minister James Shaw.