

Resposta da ANBIMA à consulta pública do FSB (Financial Stability Board) sobre o relatório final da Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures Report Consultation

Welcome to the Task Force on Climate-related Financial Disclosures (TCFD) report consultation. The purpose of this consultation is to get your views on recommendations in the Task Force's report. Your comments will assist the Task Force in finalizing the report scheduled to be released in mid-2017. We are eager to hear your views, and your contribution to this important research is appreciated.

The consultation is designed to take around 10-20 minutes to complete. We would appreciate receiving your responses before February 12, 2017.

All responses will be treated as confidential. While the Task Force may release a summary of comments received, none of the comments you make or opinions you express will be attributed to you personally without your express permission. The survey is administered by PwC's Research to Insight (r2i) team, which operates under the Code of Conduct of the Market Research Society ensuring complete independence and confidentiality.

If you have any questions about the survey process, please send them to tcf2017@uk.pwc.co.uk

Respondent Information

FINAL

Q1a Please provide your information in the boxes below

Title	Sr.
Name	Jose Carlos Doherty
Company name	ANBIMA – Brazilian Financial and Capital Markets Association
Position/Role	CEO
Country	BRAZIL

Q1b Which of the following best describes your area of responsibility in your organization?

Please select ONE only

Academic/industry expert	1
Administration	2
Board member	3
Compliance	4
Corporate reporting	5
Corporate strategy	6
Finance	7
General management	8
Government/regulatory affairs	9
Investment/asset management	10
Legal	11
Risk	12
Sustainability	13
Technology	14
Other (please specify)	94

Q1c Which of the following best describes your organization type?

Please select ONE only

Financial services sector, including asset owners	1	Go to Q1d
Non-financial sector	2	Go to Q1e
Non-Governmental Organization (NGO)	3	Go to Q2
Academia Industry	4	Go to Q2
Trade association (Financial) Industry	5	Go to Q1d
Trade association (Non-financial)	6	Go to Q1e
Other (please specify)	94	Go to Q2

Q1d [ONLY ASK IF CODE 1 OR 5 AT Q1c] Please select your primary industry from the list below:

Please select ONE only

Asset management	1
Banking	2
Credit rating agency	3
Insurance (underwriting)	4
Pension plans, endowments, foundations, and other asset owners	5
Stock exchange	6
Other (please specify)	7

~~Q1e [ONLY ASK IF CODE 2 OR 6 AT Q1c] Please select your primary industry from the list below.
Please select ONE only~~

Agriculture	1
Automobiles and components	2
Chemicals	3
Coal and consumable fuels	4
Construction materials	5
Consumer discretionary retailing	6
Containers and packaging	7
Food, beverage and tobacco	8
Healthcare	9
Industrials	10
Metals and mining	11
Oil and gas	12
Paper and forest products	13
Professional services	14
Real estate	15
Information technology	16
Telecommunication services	17
Transportation	18
Utilities	19
Other (please specify)	94

Q2 ASK ALL: Which of the following best describes your perspective on the TCFD recommendations?
Please select ONE only

User of climate-related financial disclosures	1
Preparer of climate-related financial disclosures	2
Both a user and preparer	3
Other (please specify)	94

All Sector Recommendations and Guidance

The Task Force structured its recommendations around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets (see page 16 of the TCFD report). The Task Force believes it is important to understand the financial and strategic implications associated with climate-related risks and opportunities on organizations as well as the governance and risk management context in which organizations operate.

IF CODE 2 OR 3 AT Q2 ASK Q3a, Q3b, Q3c AND Q3d OTHERWISE GO TO Q4

Q3a How useful are the Task Force's recommendations and guidance for all sectors in preparing disclosures about the potential financial impacts of climate-related risks and opportunities?

Please select ONE only

Very useful	5
Quite useful	4
Neither/nor	3
Not very useful	2
Not useful at all	1
Don't know	97

Q3b Please provide more detail on your response in the box below

Supplemental Guidance

Besides the fact that standardized climate reporting significantly enhances its consideration by the investment community, the Recommendations suggests open answer what probably will difficult comparability and will become an extensive report for investor to read. Would be better if the Recommendations could come with a standard matrix were the organization provides small and direct information regarding 3 year historical. And suggest to the organizations to describe any further information on the "Notes to Climate-Related Disclosure".
Recommendations to all sectors, including asset managers and owners, are also relevant to increase awareness about climate-related issues.

Q3c How useful is the Task Force's supplemental guidance for certain sectors in preparing disclosures about the potential financial impacts of climate-related risks and opportunities? Please see the TCFD Annex for supplemental guidance.

Please select ONE only

Very useful	5
Quite useful	4
Neither/nor	3
Not very useful	2
Not useful at all	1
Don't know	97
Not applicable	96

Q3d Please provide more detail on your response in the box below

It makes sense that different sectors have different reporting requirements regarding climate change risks and opportunities.

A sector specific guidance can be used as a reference to companies and investors to evaluate financial impacts, as the appropriate identification of climate risks and opportunities is crucial for a good evaluation. But again, we reinforce the idea to have a standard matrix with open notes.

Organizational Decision Making

IF CODE 1, 3 OR 94 AT Q2 ASK Q4a AND Q4b OTHERWISE GO TO Q5

Q4a If organizations disclose the recommended information (or information consistent with the Task Force's recommendations), how useful will that information be to your organization in making decisions (e.g., investment, lending, and insurance underwriting decisions)?

Please select ONE only

Very useful	5
Quite useful	4
Neither/nor	3
Not very useful	2
Not useful at all	1
Don't know	97

Q4b Please provide more detail on your response in the box below

Estimated financial impact of climate change risks and opportunities can have significant impact on asset prices.

A clear, transparent and reliable report will be useful to take decisions, but the companies also need to be prepared to respond to investors' demands and questions.

Additional Disclosures

IF CODE 1 OR 3 AT Q2 ASK Q5 OTHERWISE GO TO Q6

Q5 What other climate-related financial disclosures would you find useful that are not currently included in the Task Force's recommendations?

Governance: Companies should disclose about how they select board members and executives with adequate knowledge about climate-related issues. What skills are relevant to them, considering they will take decisions related to climate-related risks, opportunities and business strategies?

Strategy: Identification of risks and opportunities can also consider other materiality processes, for example, SASB.

Risk Management: What are the competences and skills of risk management team to identify and manage climate-related risks? Depending on the sector, the competences of risk management team could be complex and multi-disciplinary, it is important to disclose how the companies define criteria to select and prepare risk management professionals.

Scenario Analysis

Q6 ASK ALL: The Task Force recommends organizations describe how their strategies are likely to perform under various climate-related scenarios, including a 2°C scenario (see page 16 of the TCFD report). How useful is a description of potential performance across a range of scenarios to understanding climate-related impacts on an organization's businesses, strategy, and financial planning?

Please select ONE only

Very useful	5
Quite useful	4
Neither/nor	3
Not very useful	2
Not useful at all	1
Don't know	97

Q7 ASK ALL: Please elaborate on your response above. If you selected "Not very useful" or "Not useful at all" please indicate what would be more useful.

If the companies are considering a 2 c degree scenario, it is important that investors become aware of it. Scenario analysis is quite useful to identify different scenarios and risks related to each one. However, it is still very complex to identify different scenarios and the financial impacts, because most of climate-related issues are long-term issues.

For shorter-term issues, we think many companies are already considering them in their analysis, it is necessary to describe them and disclose appropriately.

Q8 ASK ALL: The Task Force recognizes that there are challenges around disclosing sufficient information to allow a better understanding of the robustness of an organization's strategy and financial plans under different plausible climate-related scenarios. Some challenges may arise from unfamiliarity with scenario methodologies and metrics, insufficient practice standards or cost. What do you view as effective measures to address potential challenges around conducting scenario analysis and disclosing the recommended information?

Please rank your top three most effective factors that apply.

Further work by industry trade groups and disclosure users on critical elements to be disclosed is needed to help overcome concerns that some information may be commercially sensitive	1
Reduce the cost of conducting and disclosing scenario analysis	2
Additional methodologies and tools should be developed for use by organizations to enable more effective scenario analysis	3
Allow a year or two to phase-in scenario analysis and related disclosures	4
Establish better practice standards around conducting and disclosing scenario analyses so that there are clearer rules of the road	5
We do not anticipate any difficulties	6
Other (please specify)	94
Not applicable	96

Q9 ASK ALL: Please provide more detail on your first choice in the box below

Climate change scenario analysis is a complex task. Making this information public will help investors oversee potential risks, but it may also subject disclosing companies to adverse data interpretation by the market.

Discussions by industry trade groups about scenarios analysis are necessary to improve awareness. Some stakeholders should be included in these discussions, such as academia and climate specialists, in order to evaluate scenarios assumptions and parameters.

Metrics and Targets

Q10a ASK ALL: The Task Force is recommending that organizations disclose the metrics they use to assess climate-related risks and opportunities in line with their strategy and risk management process. For certain sectors, the report provides some illustrative examples of metrics to help organizations consider the types of metrics they might want to consider. How useful are the illustrative examples of metrics and targets?

For illustrative examples see the following pages in the TCFD Annex

- Energy Group: pages 54-58
- Transportation Group: pages 66-70
- Materials and Buildings Group: pages 78-82
- Agriculture, Food, and Forest Products Group: pages 91-94

Please select ONE only

Very useful	5
Quite useful	4
Neither/nor	3
Not very useful	2
Not useful at all	1
Don't know	97

Q10b Please provide more detail on your response in the box below
Carbon-related Assets in the Financial Sector

The idea is great, but the companies should provide the monetary value of expenditures, for example. Not only say that will impact on expenditure.

IF CODE 1 OR 5 AT Q1c ASK Q11 OTHERWISE GO TO Q13

Q11 Part of the Task Force's remit is to develop climate-related disclosures that would enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector.

Beyond the metrics included in the Task Force's guidance, and supplemental guidance, what other metrics could be used to measure carbon-related assets in the financial sector?

Banks' exposure to agricultural credit might be an additional risk to some institutions.

The Task Force is recommending that organizations provide key metrics used to measure and manage climate-related risks and opportunities. For example, the Task Force recommends that asset owners (including insurance companies) and asset managers report normalized greenhouse gas emissions (GHG) associated with investments they hold (for each fund, product, and strategy) using available data (see Annex pages 35 and 41).

IF CODE 1 OR 5 AT Q1c ASK Q12 OTHERWISE GO TO Q13

Q12 Please describe your views on the feasibility of implementing the above recommendation

Although it seems feasible to implement such requirement, GHG portfolio disclosure might have a limited practical impact in the investment industry.

Greenhouse Gas Emissions (GHG) Associated with Investments

IF CODE 1 AT Q2 ASK Q13a AND 13b OTHERWISE GO TO Q14

Q13a How useful would the disclosure of GHG emissions associated with investments be for economic decision-making purposes (e.g., investing decisions)?

Please select ONE only

Very useful	5
Quite useful	4
Neither/nor	3
Not very useful	2
Not useful at all	1
Don't know	97

Q13b Please provide more detail on your response in the box below

Would be easier for portfolio managers to understand the risk and impact of his/her decision when the information of GHG emissions is associated with investments.

Remuneration

Q14 ASK ALL: Which types of organizations should describe how performance and remuneration take climate-related issues into consideration?

Please select ALL that apply

The Energy Group as recommended by the Task Force	1
Other non-financial sector organizations (please specify)	2
Financial sector organizations (please specify)	3
None	4

Adoption and Implementation

IF CODE 2 OR 3 AT Q2 ASK Q15-18 OTHERWISE GO TO Q19

Q15 What do you view as the potential difficulties to implementing the disclosures?

Please select ALL that apply

The information requested could be commercially sensitive	1
The time and cost of collecting the information	2
Climate-related disclosure is not part of our current regulatory requirements	3
Lack of experience with concepts and methodology	4
Multiple climate-related reporting frameworks currently exist	5
We do not anticipate any difficulties related to implementing the disclosures	6
General management	7
Other (please specify)	94

Q16 What, drivers if any, do you think would encourage you to adopt the recommendations?

Please select ALL that apply

Requests from investors to disclose	1	Go to Q17
Requests from clients or beneficiaries	2	
Reputational benefits and goodwill from adoption	3	
Inquiries or requests from debt or equity analysts	4	
Adoption by industry peers	5	
Other (please specify)	94	
None of the above	98	Go to Q18

Q17 What support or actions would be helpful to you in implementing the disclosures within the next two years?

Appropriate tools and methodology.

Q18 The Task Force's recommendations are focused on disclosure in financial filings; within what timeframe would your organization be willing to implement the recommendations in financial filings?
Please select ONE only

We already report these disclosures in financial filings	1
In the next one to two years	2
In three to five years	3
We do not intend to implement the recommendations	4
Do not know (please explain)	5

Additional Feedback

Q19 ASK ALL: What additional feedback you would like to provide the Task Force on the recommendations? Thank you for completing this consultation. Your contribution is very much appreciated. If the Taskforce or PwC can contact you to clarify any of your answers, please click here.

Climate-related financial impacts are still a very complex issue for investors. The TCFD recommendations will help companies and financial institutions to disclose their information properly. However, this is a dialogue process. If companies report, investors could ask and argue about it. Therefore, companies should also be prepared to respond; Board member and C-level should respond in a transparent way. Recommendations can also highlight the disclosure about competences and skills necessary to respond properly. Focus on clear methodology and wide spread tools may significantly enhance the initiative impact among the financial industry.