

# Disclosure of climate risk crucial for sustainable financial system - EU expert group

*Posted on 31 January 2018*

Companies should disclose climate change risks, an expert group on sustainable finance recommends in a ground-breaking report.

*31 January 2018 - Brussels, Belgium*

Companies and financial institutions should disclose climate change risks, and investors and regulators should be required to consider sustainability, a European Commission expert group on sustainable finance recommends in a ground-breaking report.

WWF welcomes the report's recommendations: climate disclosure is crucial to get a true picture of the possible consequences of an investment, and making investors and banks take sustainability into account means risks will have to be assessed and reduced. It will also help green opportunities be harnessed.

The report from the 'High-Level Expert Group' - which was set up by the Commission in 2016 to provide advice on making Europe's financial systems more sustainable - also says the EU should put in place green bond standards and green labels - this will ensure only truly sustainable sectors can qualify as 'green' investments.

The aim of the Expert Group's report is to provide input to the European Commission's Sustainable Finance Action Plan, expected on 7 March.

**Pascal Canfin, Director of WWF France and member of the High-Level Expert Group** commented:

"We are delighted to present this new report - the most ambitious on sustainable finance ever! Its recommendations integrate both climate risk and 'natural capital', and should make a real difference at European level. We hope that the European Commission will now include these key recommendations in its action plan."

**Andrea Kohl, CEO of WWF European Policy Office** added:

"The EU can become a global leader on sustainable finance. To ensure it does, the European Commission must implement all the report's recommendations that make an integrated whole: from mandatory climate disclosure, to measures making sustainability central to the way investors and banks think and act."

**Margaret Kuhlowl, Lead of the WWF International Finance Practice** said:

"If this report is fully implemented, the EU will set a new standard on green finance. We hope to see others follow suit rapidly, to help ensure that global financial flows increasingly support a more sustainable planet."

The most crucial recommendations in the report for WWF are:

- EU mandatory climate reporting for financial institutions as from 2020. At the global level the IOSCO - the global standard setter for stock exchanges - should recommend climate reporting;
- Integration of sustainability into investor “duties” - that is, their legal obligations towards their clients/members;
- A requirement to ask all retail clients for their sustainability preferences when they look for a savings product;
- European standards for green bonds, building on an EU green taxonomy - a classification system of green sectors;
- To assess and disclose the climate impact of indices used for financial products (FTSE 100, MSCI World, Stoxx Europe 600, etc).

[Read the High-Level Expert Group report](#)

**More information:**

The EU ‘High-Level Expert Group’ (HLEG) on sustainable finance was set up by the European Commission with a one-year mandate to make recommendations on how to set up a sustainable financial system. This final report represents the end of its mandate.

**Contact:**

Sebastien Godinot  
Economist  
WWF European Policy Office  
[sgodinot@wwf.eu](mailto:sgodinot@wwf.eu)  
Tel: +32 2 740 09 20

Sarah Azau  
Senior Communications Officer  
WWF European Policy Office  
[sazau@wwf.eu](mailto:sazau@wwf.eu)  
Tel: +32 473 573 137

Evanston skyline  
© Coldwell Banker Evanston / Noel Seidenberg

## RELATED LINKS

- [High-level Expert Group on sustainable finance - final report](#)
- [More on WWF's work on sustainable finance and economies](#)