

G7 Communique Emphasizes Climate-Related Financial Disclosures

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Following the meeting of G7 leaders in Cornwall, a joint communique was issued on June 13, 2021 concerning many issues of common interest, including climate change.

Significantly, the leaders of the G7--a group of advanced economies, including the United States, the United Kingdom, Canada, France, Germany, Italy, and Japan--all agreed that "mandatory climate-related financial disclosures" should be implemented. This statement, and policy, provides additional impetus to the current efforts of the SEC to promulgate new regulatory disclosures concerning climate change. Additionally, this communique highlighted the regulatory framework proposed by the Task Force on Climate-Related Financial Disclosures, which may indicate that the new regulatory disclosures contemplated by the SEC and other government agencies may echo those guidelines.

Perhaps most importantly, the United States has now made a commitment on the international stage to implement climate-related financial disclosures, and not just to domestic constituencies.

"We emphasise the need to green the global financial system so that financial decisions take climate considerations into account. 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, in line with domestic regulatory frameworks. We also look forward to the establishment of the Taskforce on Nature-related Financial Disclosures and its recommendations. These initiatives will help mobilise the trillions of dollars of private sector finance needed, and reinforce government policy to meet our net zero commitments."

 <https://www.whitehouse.gov/briefing-room/statements-releases/202>

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