

APPLICATION OF TEXT MINING TO THE ANALYSIS OF CLIMATE-RELATED DISCLOSURES.

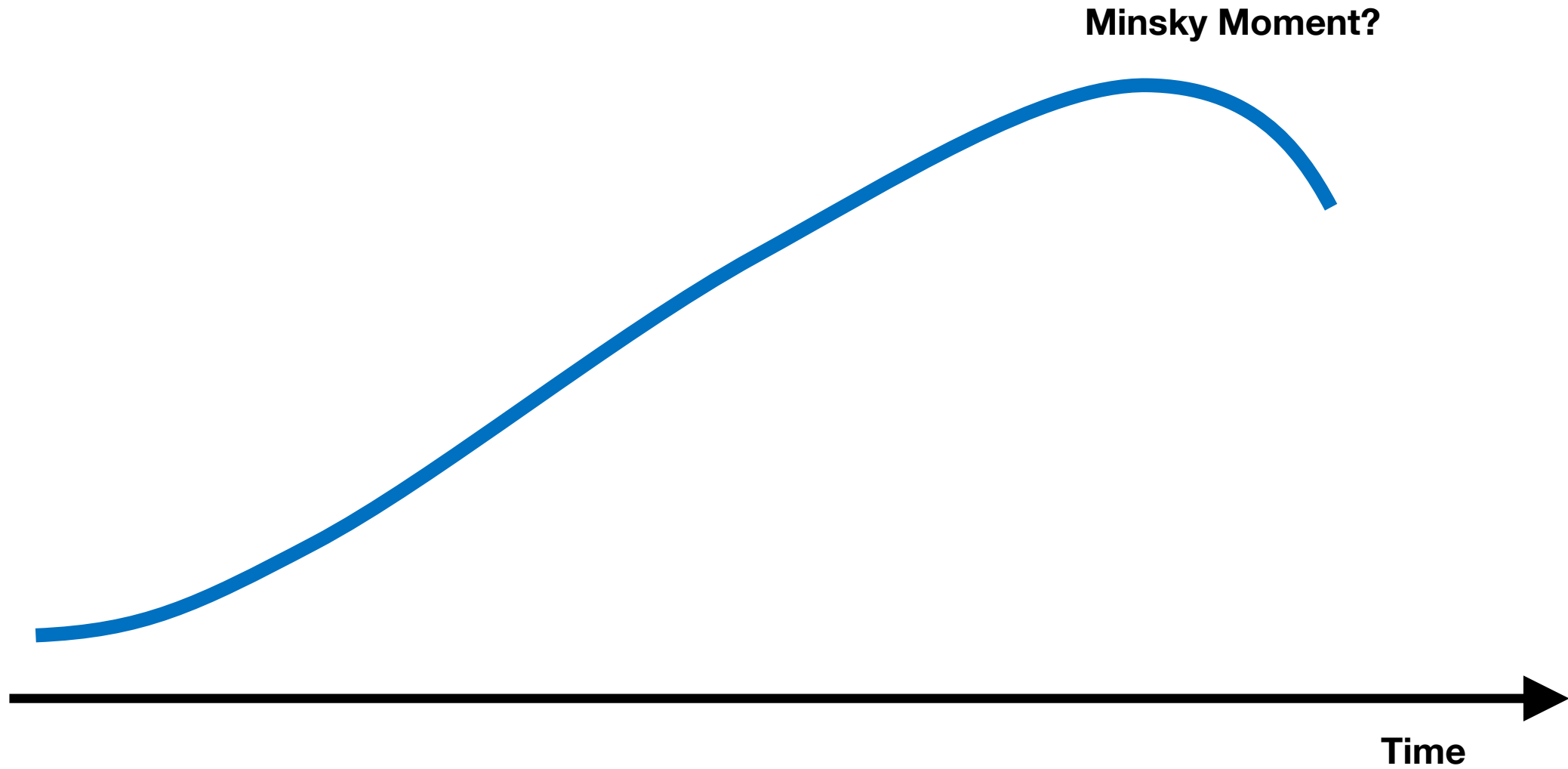
Ángel Iván Moreno and Teresa Caminero García

Banco de España
November 12, 2020

FINANCIAL INNOVATION DIVISION





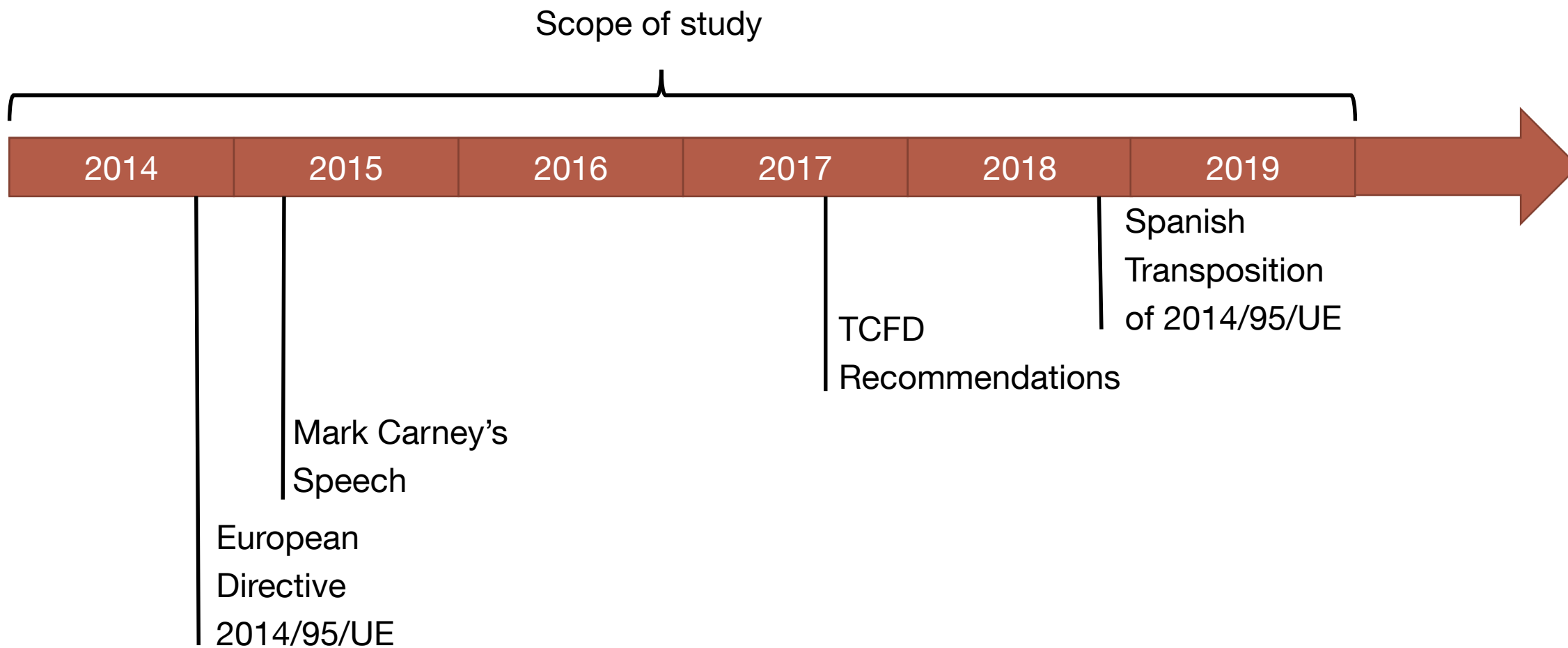


TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

“Better information – about the costs, opportunities and risks created by climate change – can promote timely responses.”

Mark Carney



2018 Status Report

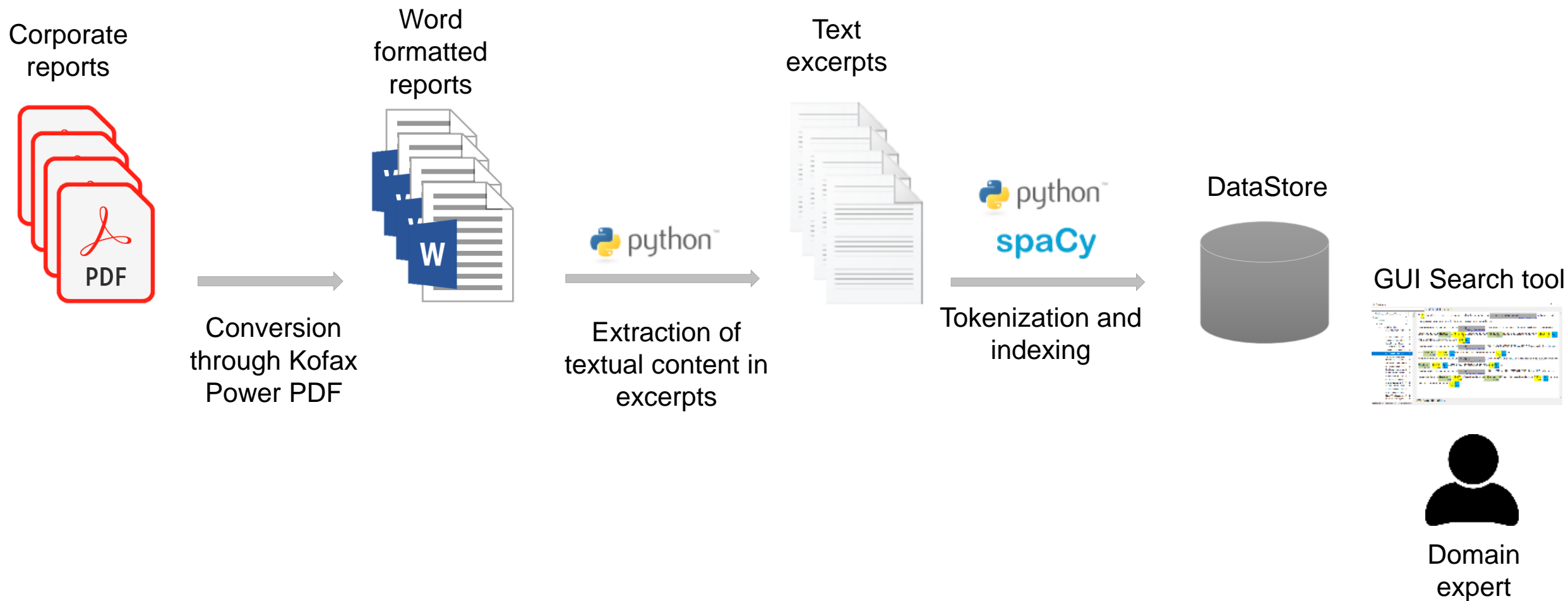
Task Force on Climate-Related Financial Disclosures: Status Report

The Task Force used a two-pronged approach to review companies' disclosures:

- **Artificial Intelligence Disclosure Review (AI Review).** The Task Force applied artificial intelligence (AI) technology to nearly 1,750 large companies' publicly available reports to

- Technique?
- English
- Mainly Annual Reports and ESG Reports

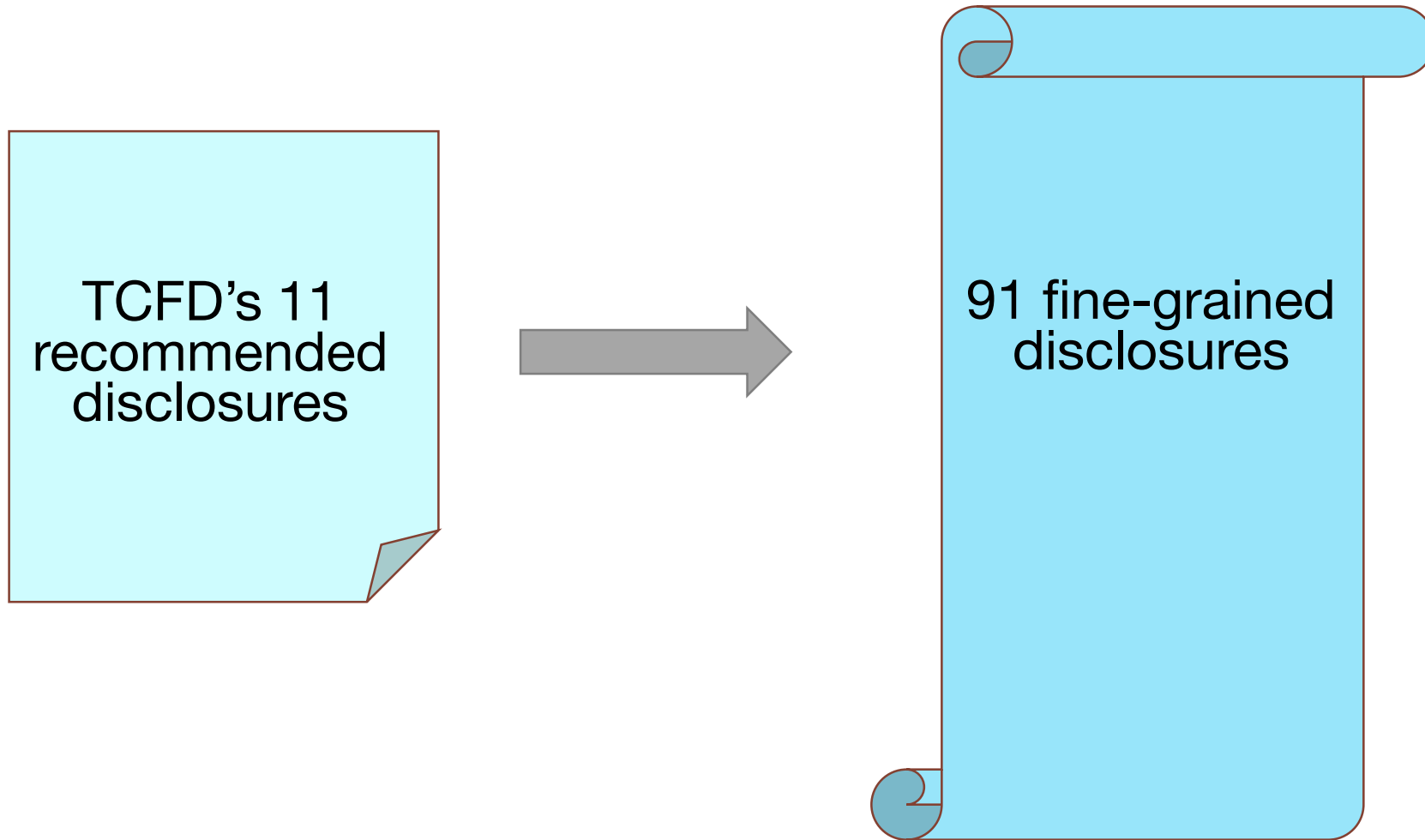
- Spanish
- Banks
 - Sector-specific (*Pillar 3*)
 - Country-specific (*Report on Remuneration of Directors*)
- Flexible and interpretable method



THE TCFD RECOMMENDATIONS

Distribution of the 11 recommended disclosures



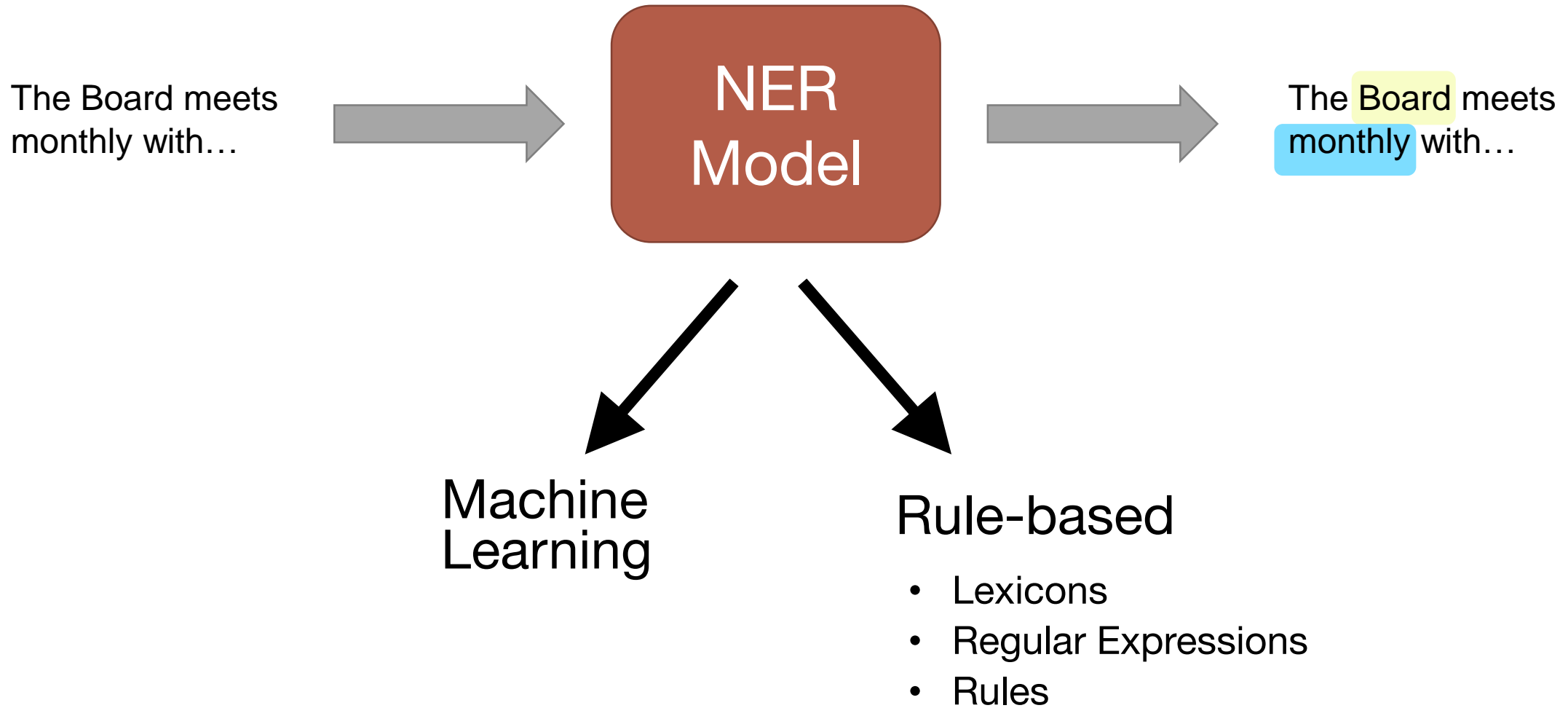


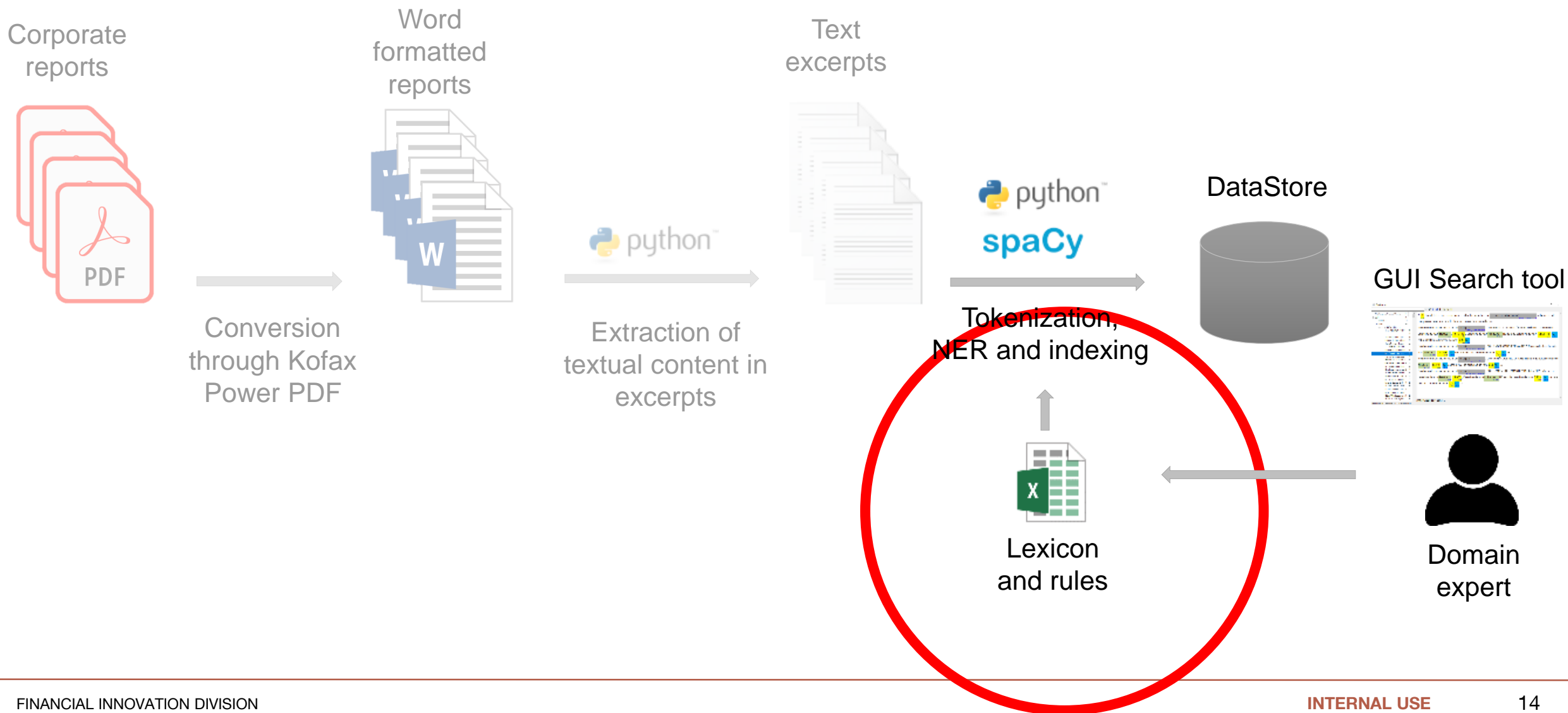
Governance

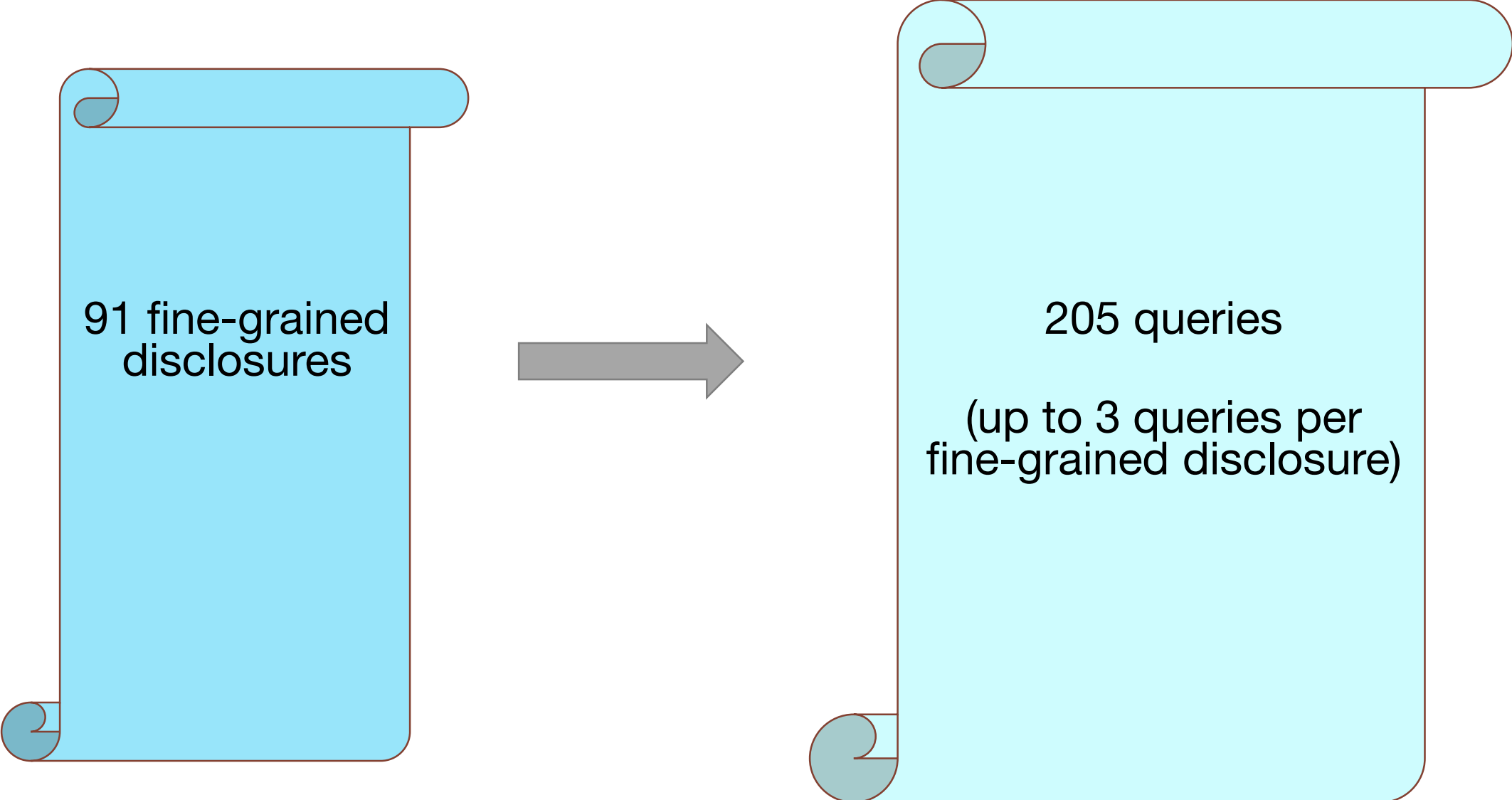
a) Describe the board's oversight on climate-related risks and opportunities



Describe the frequency of the board's meetings
with a sustainability committee







91 fine-grained
disclosures

The diagram illustrates a process flow. On the left, a light blue scroll icon contains the text '91 fine-grained disclosures'. A thick grey arrow points from this scroll to a larger light blue scroll icon on the right. The right scroll contains the text '205 queries' followed by '(up to 3 queries per fine-grained disclosure)'.



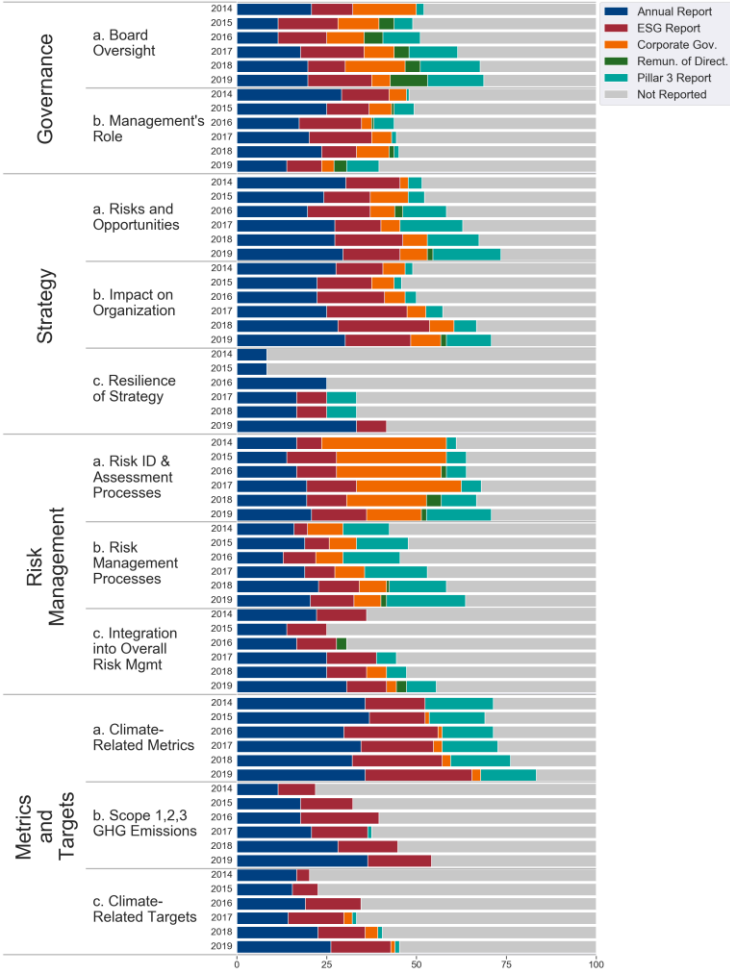
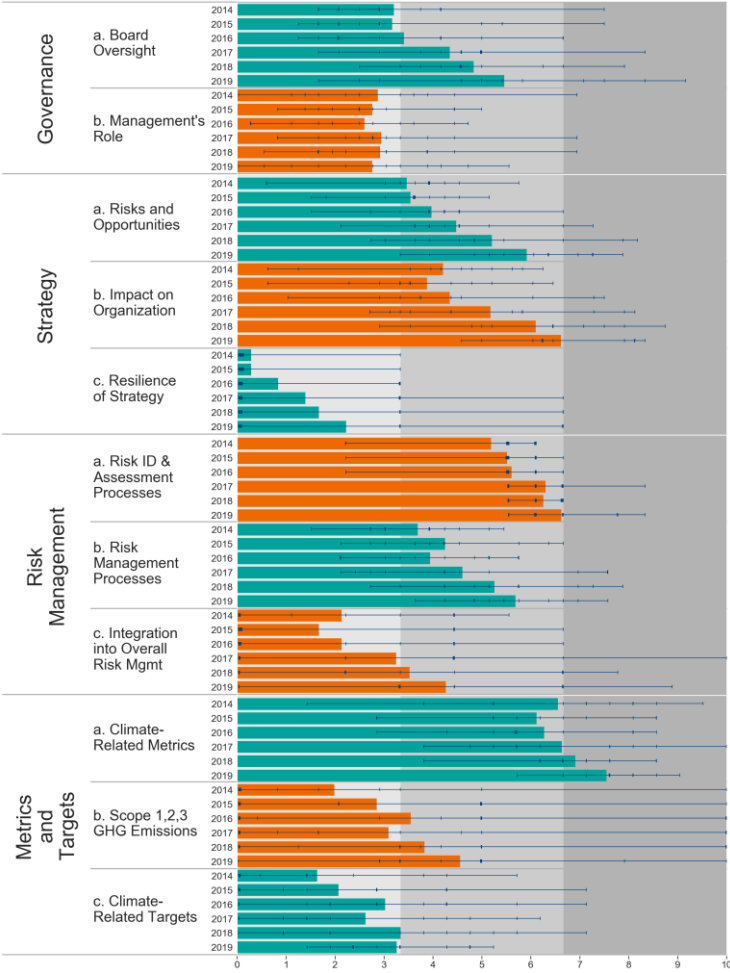
205 queries
(up to 3 queries per
fine-grained disclosure)

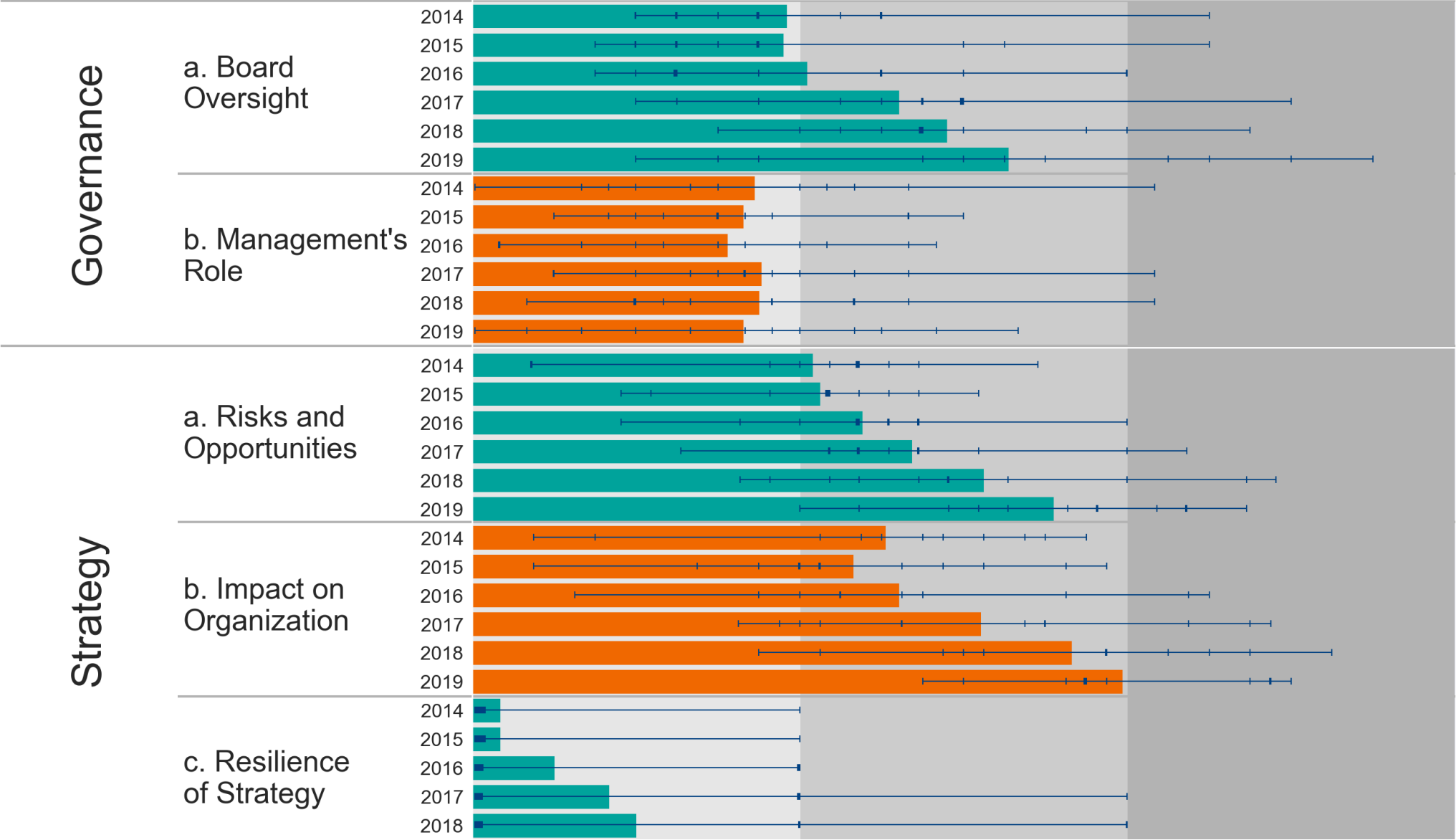
climate-change

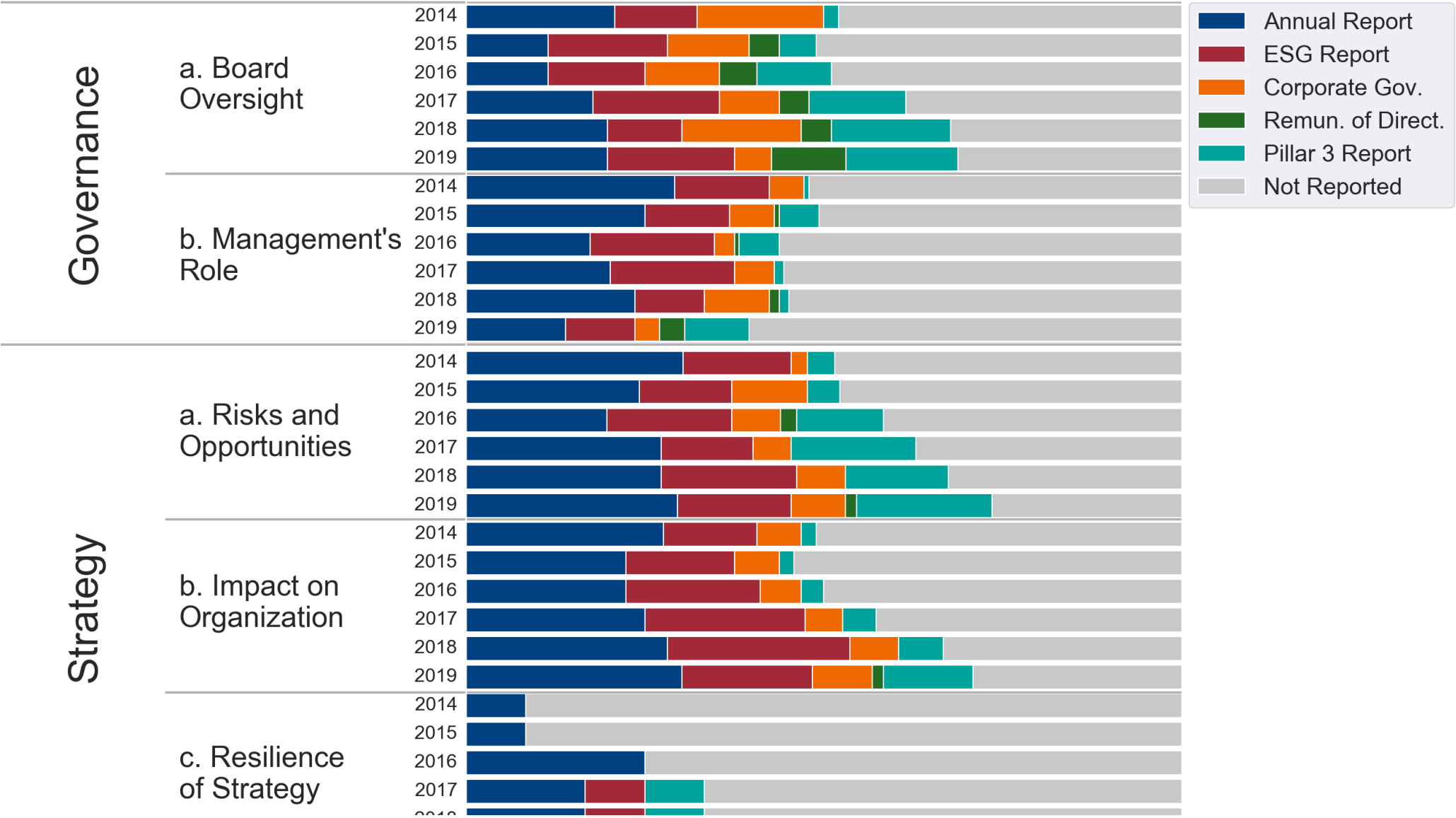


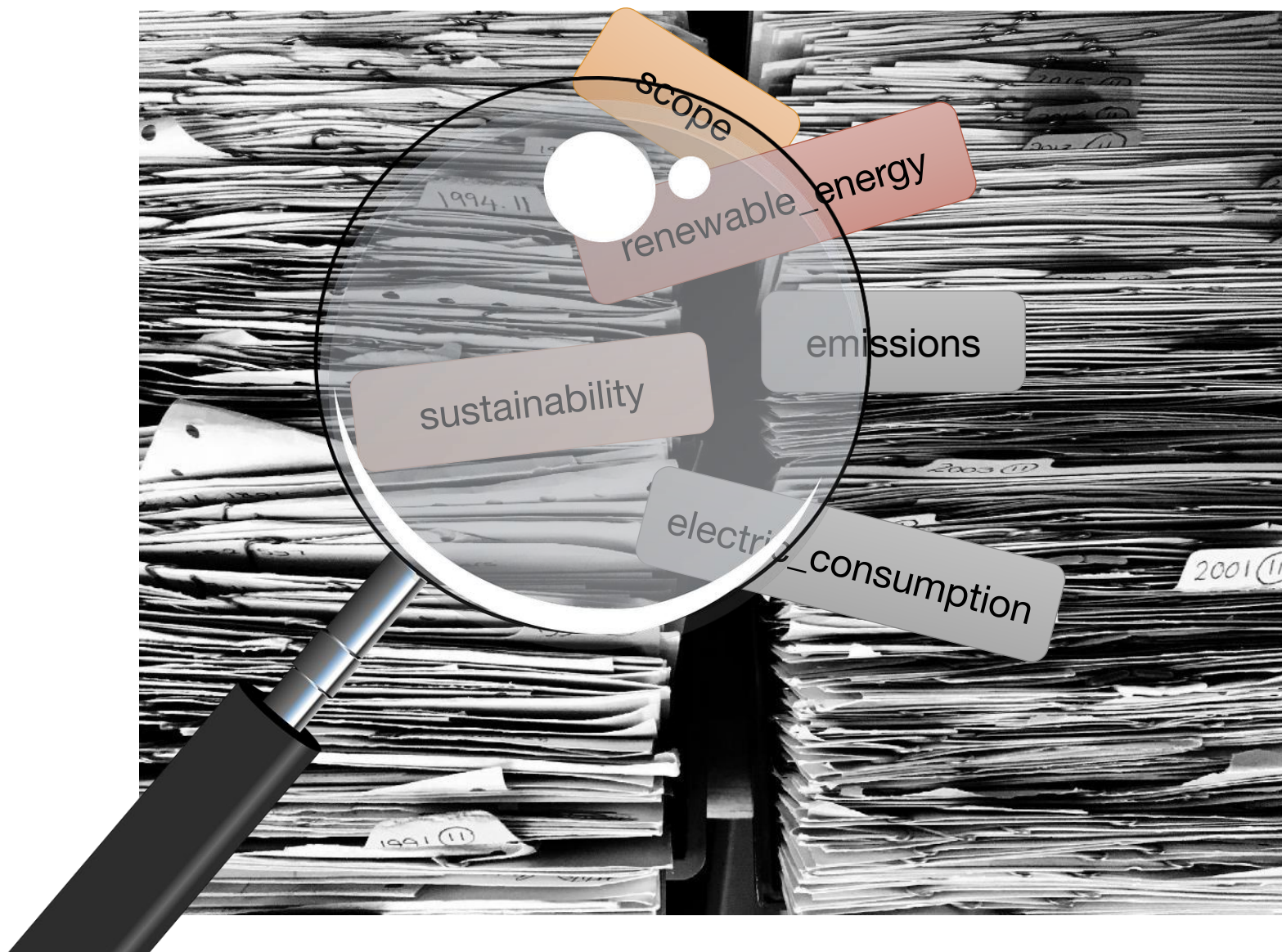
sustainability

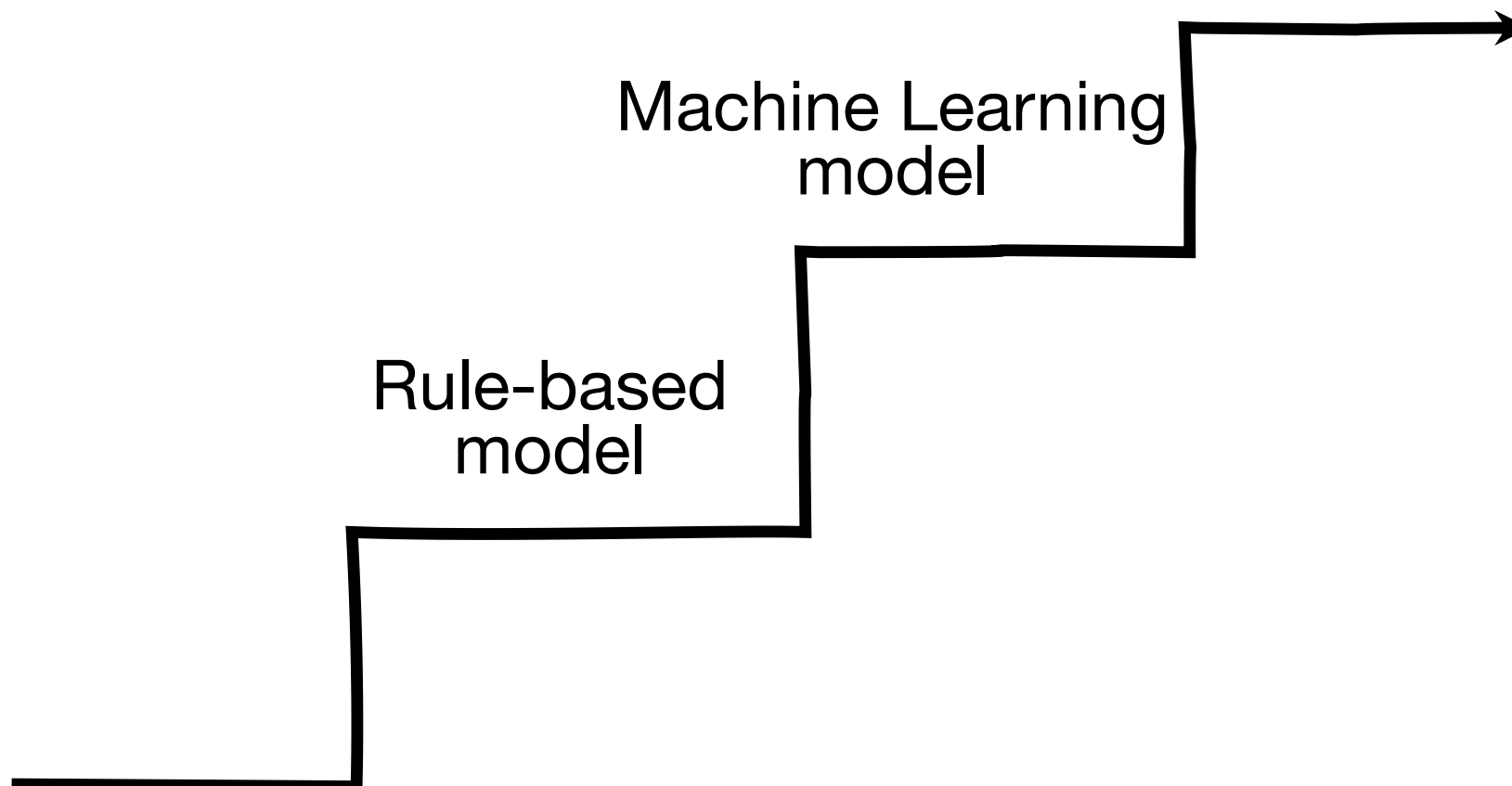


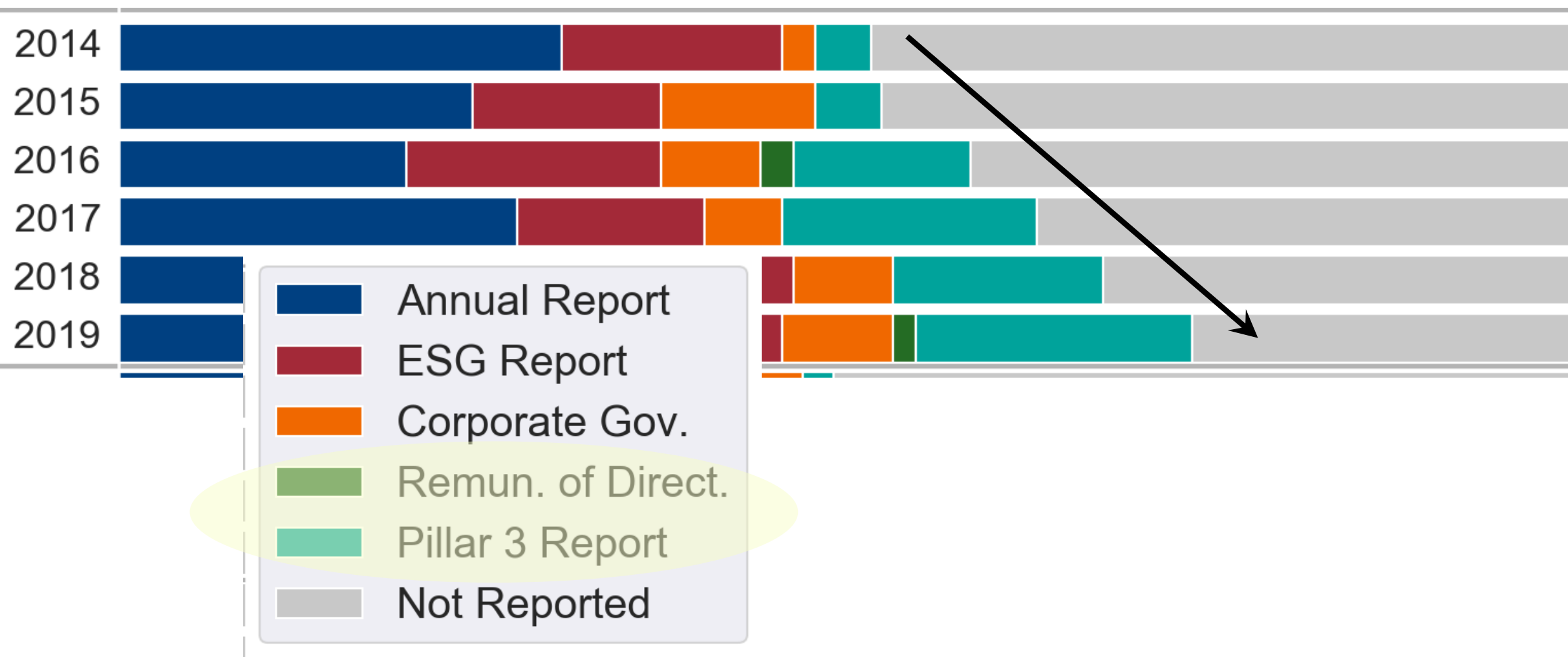












THANK YOU

