

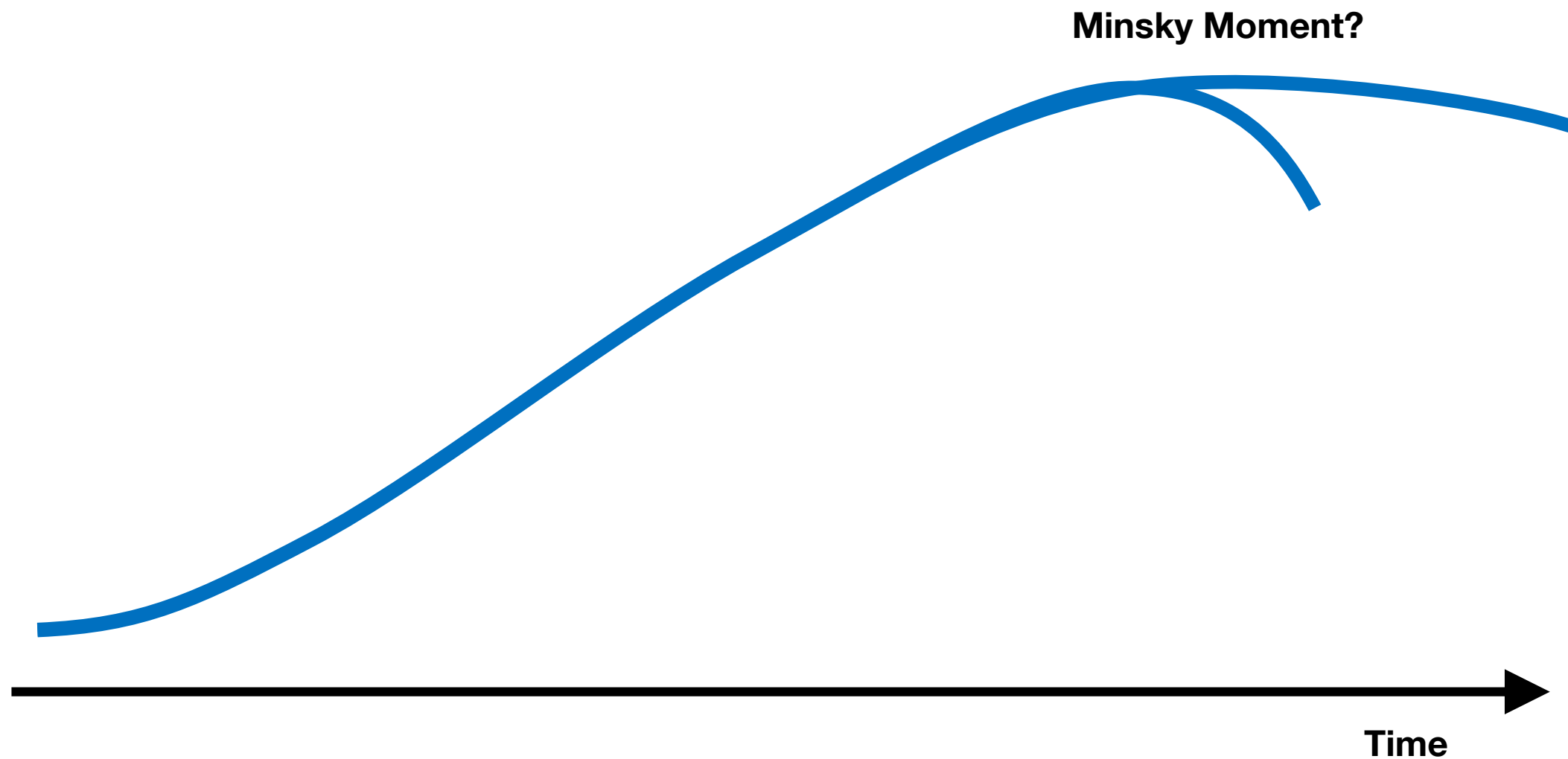
APPLICATION OF TEXT MINING TO THE ANALYSIS OF CLIMATE-RELATED DISCLOSURES.

Ángel Iván Moreno and Teresa Caminero García

Banco de España
June 2, 2021







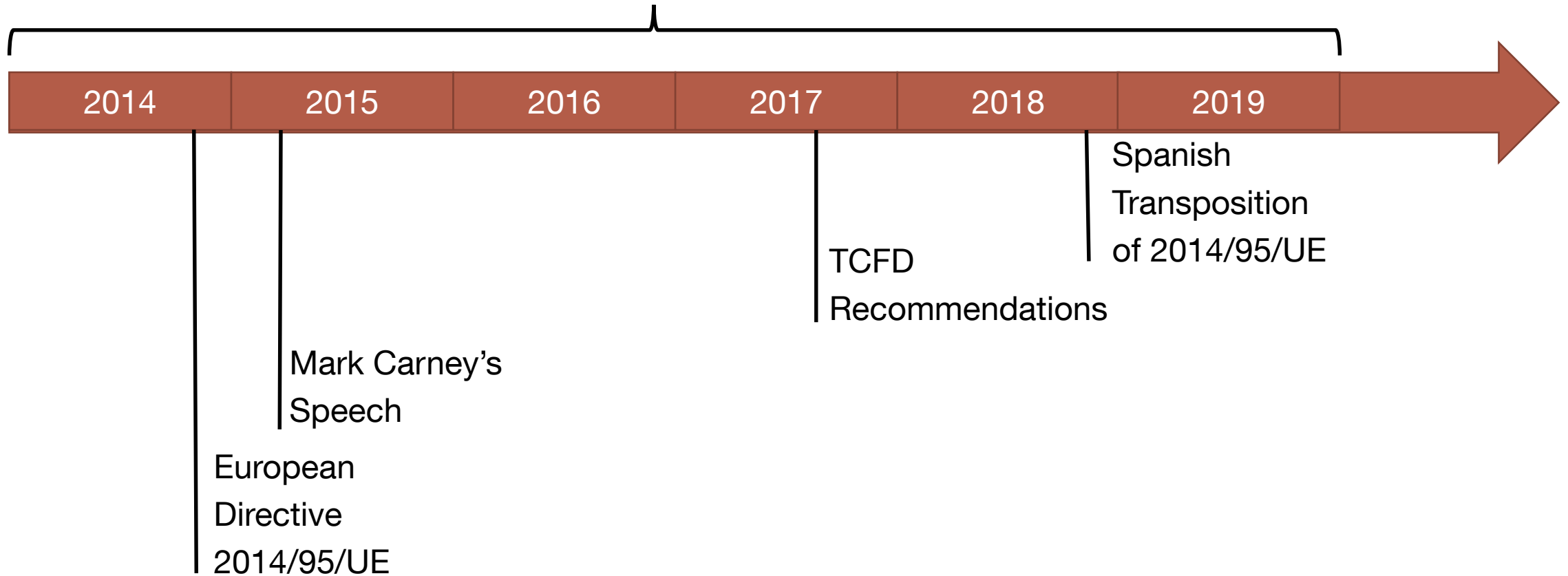
TCFD

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

Scope of study



2018 Status Report

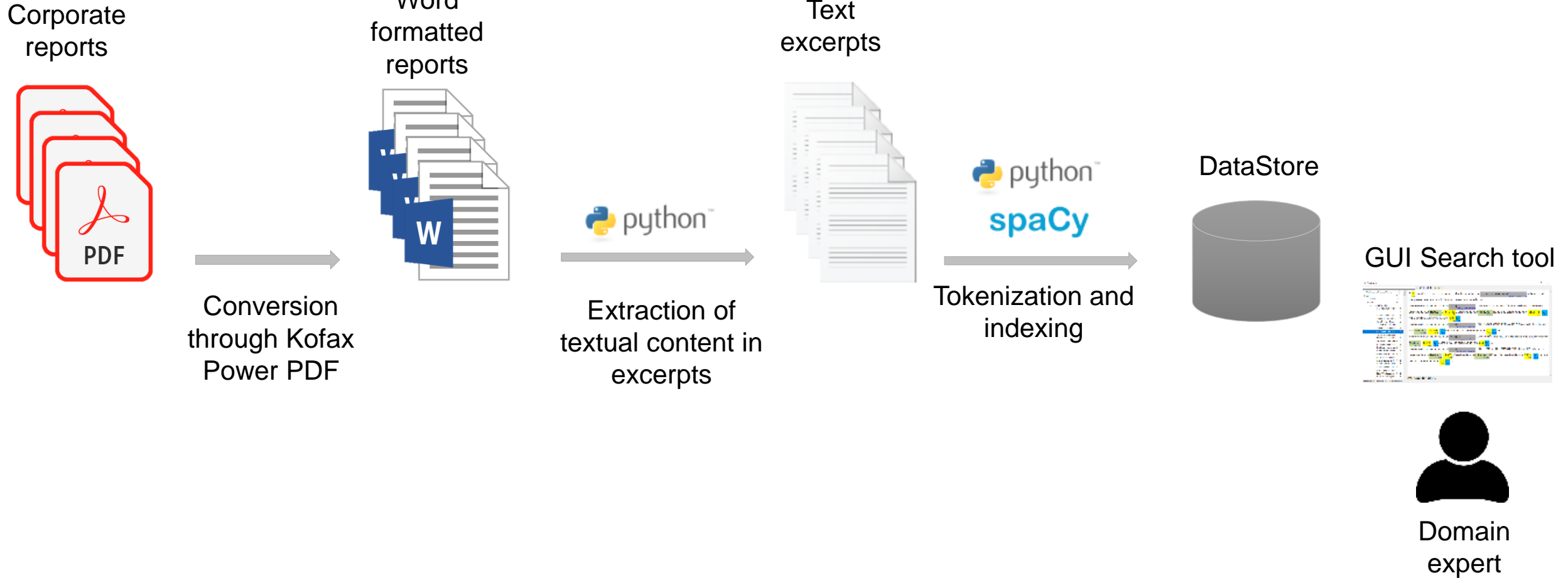
Task Force on
Climate-Related
Financial Disclosures:
Status Report

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

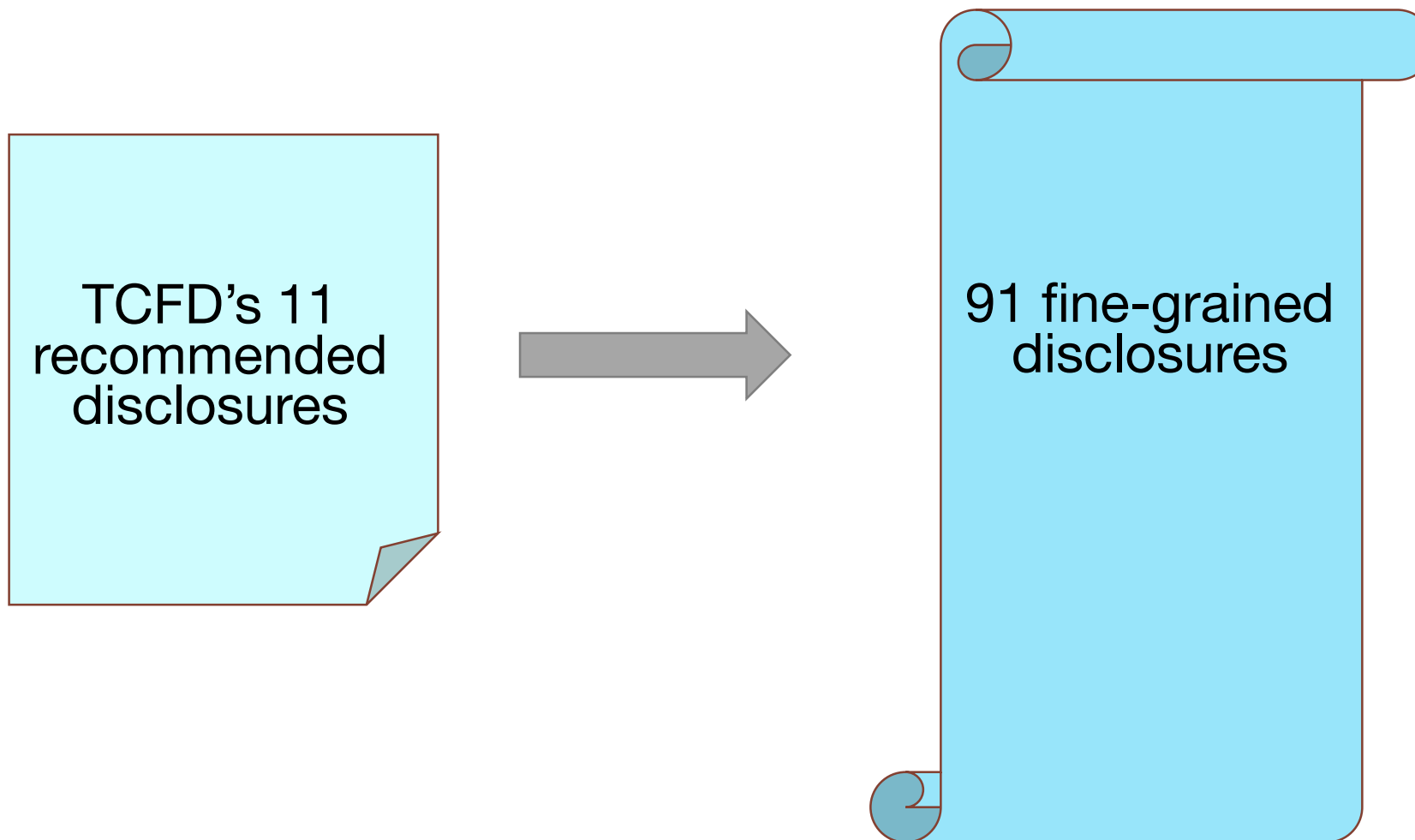
- Spanish
- Banks
 - Sector-specific (*Pillar 3*)
 - Country-specific (*Report on Remuneration of Directors*)
- Flexible and interpretable method



THE TCFD RECOMMENDATIONS

Distribution of the 11 recommended disclosures



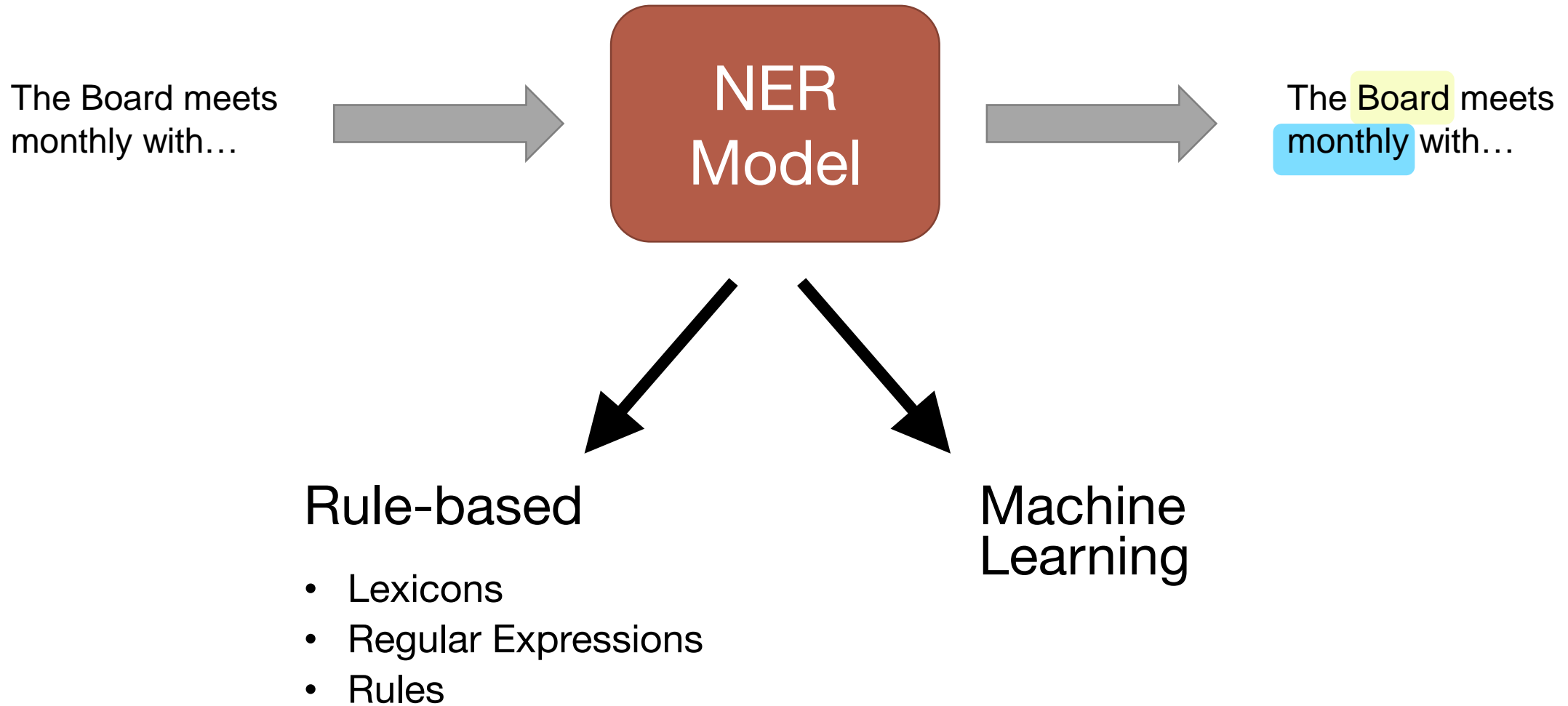


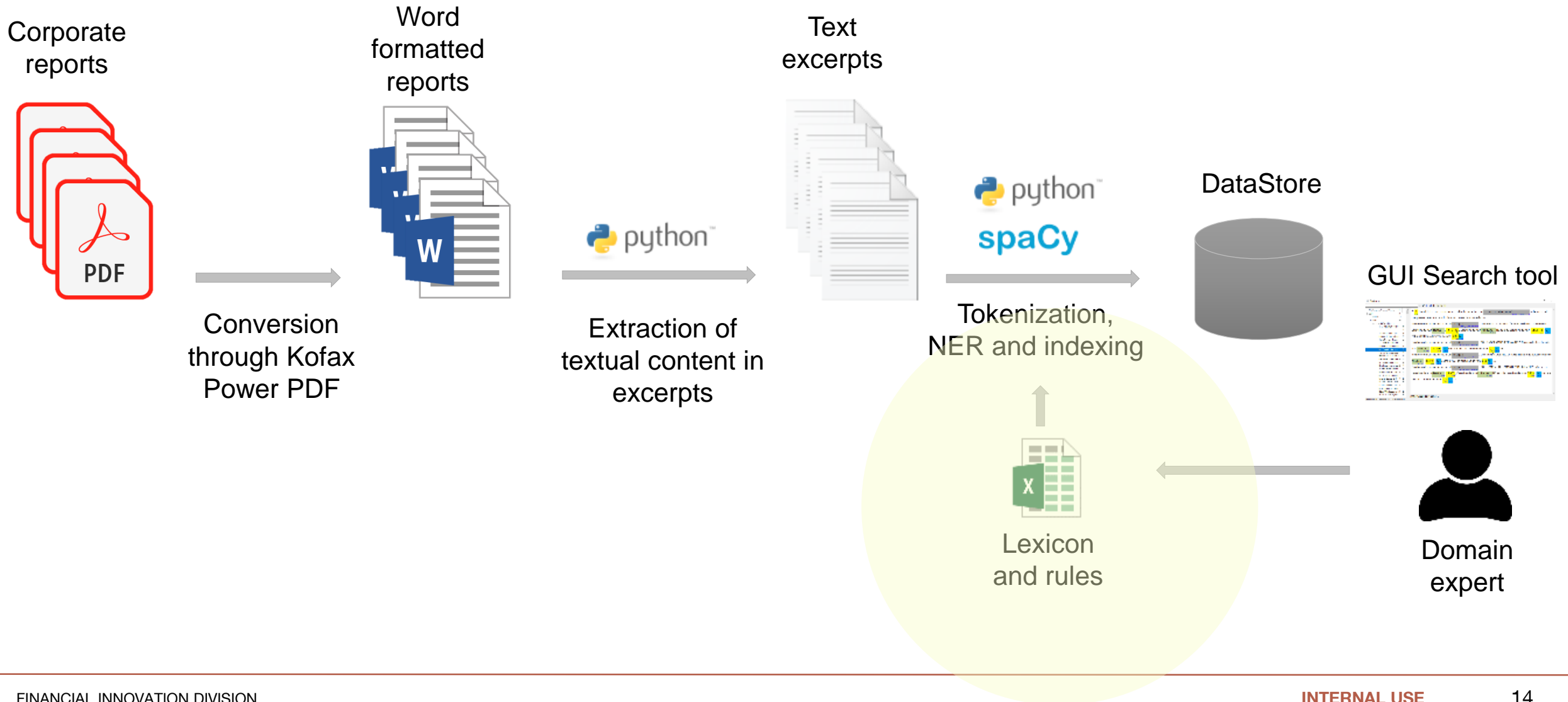
Governance

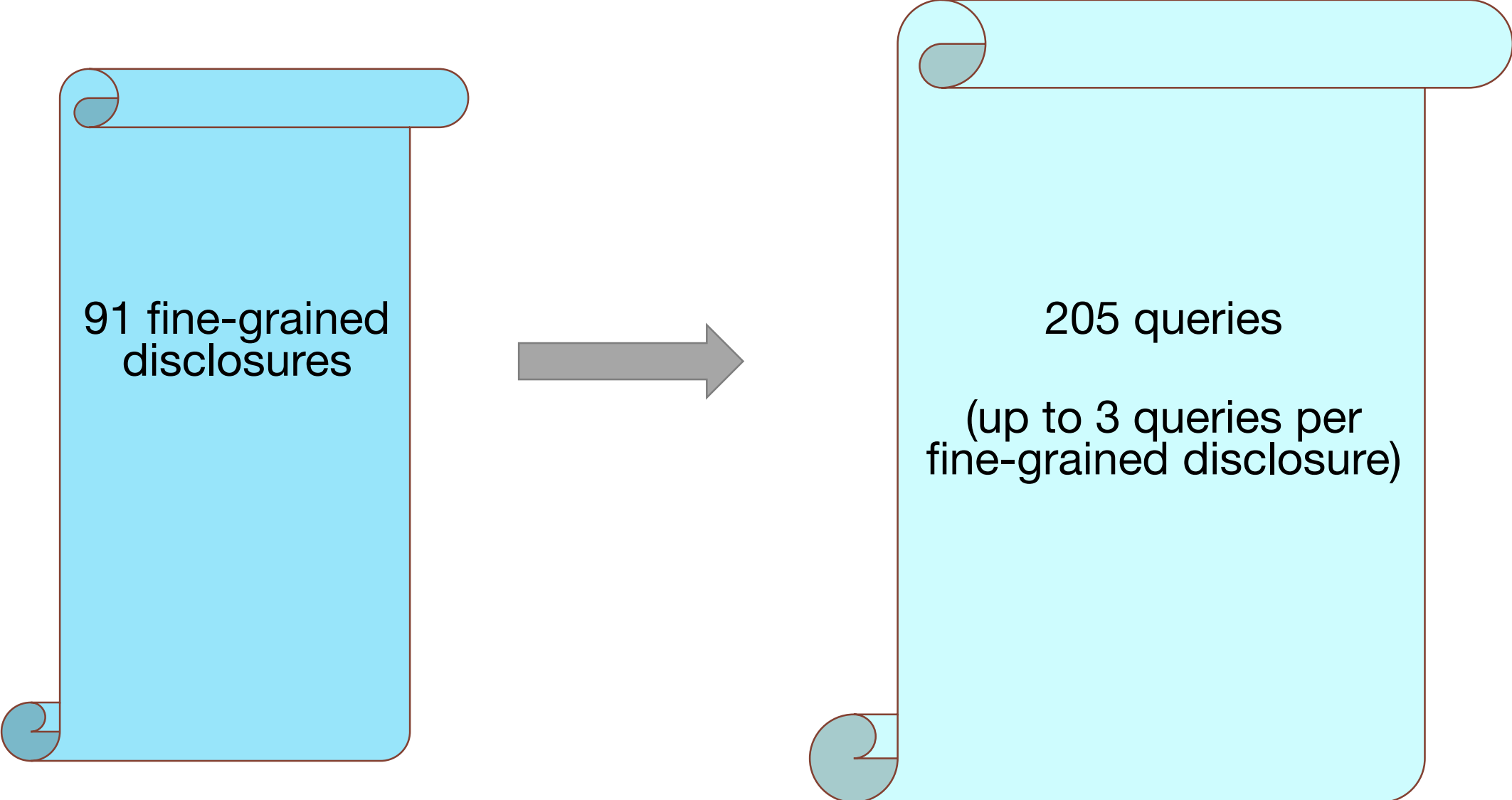
a) Describe the board's oversight on climate-related risks and opportunities



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







91 fine-grained disclosures

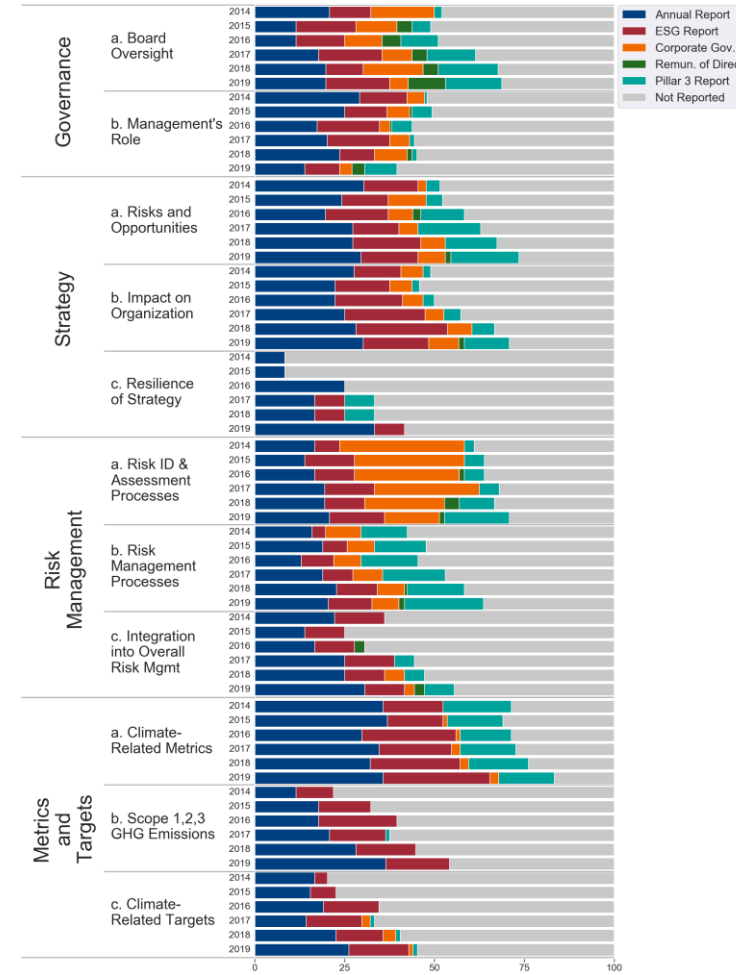
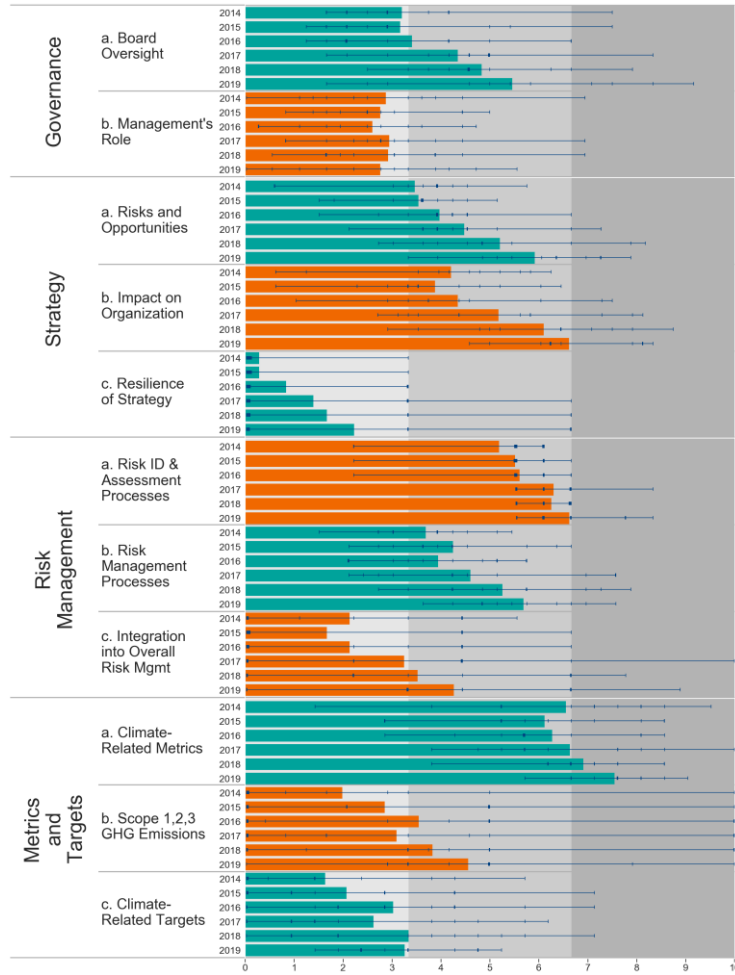
205 queries
(up to 3 queries per
fine-grained disclosure)

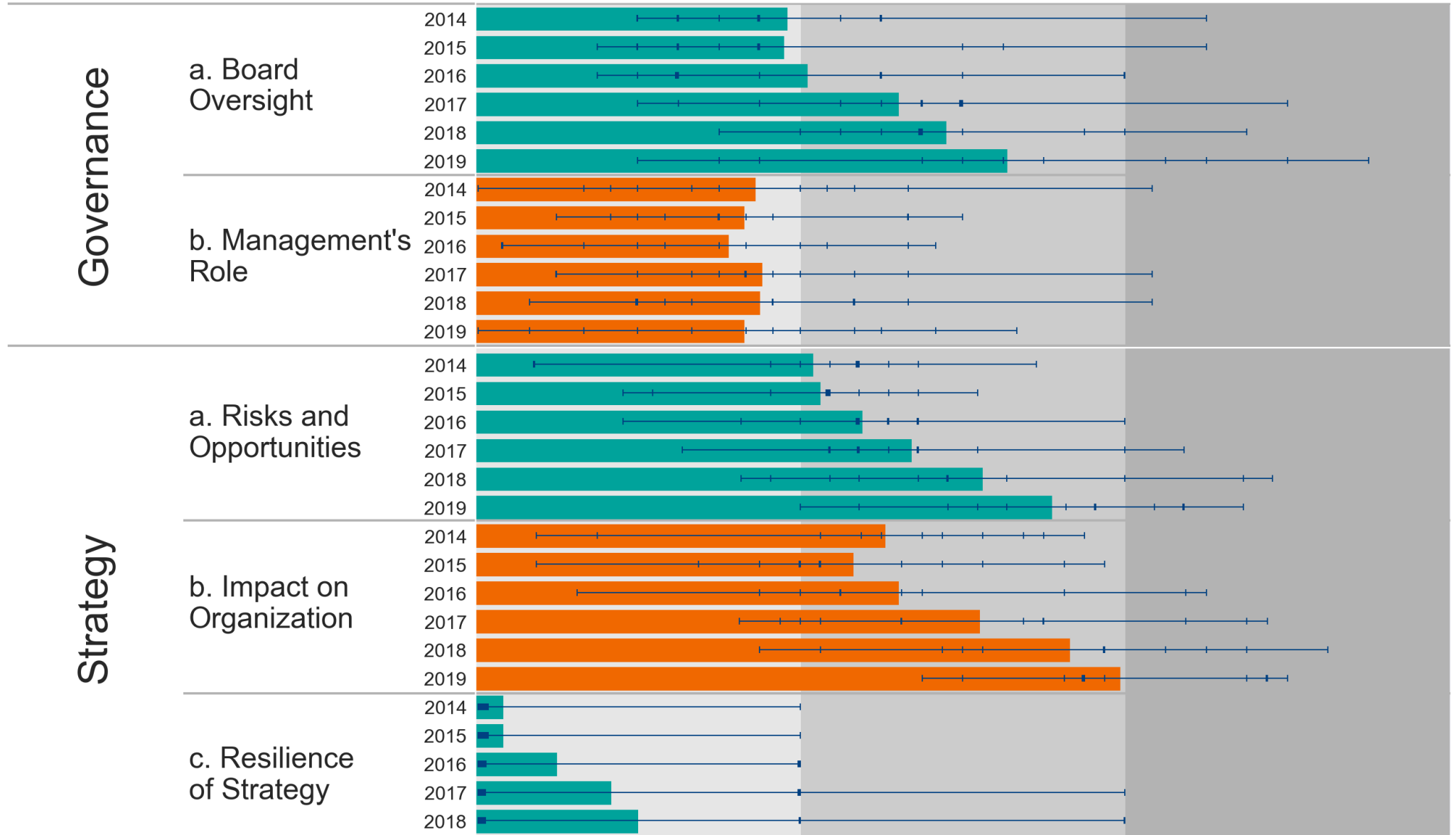
climate-change

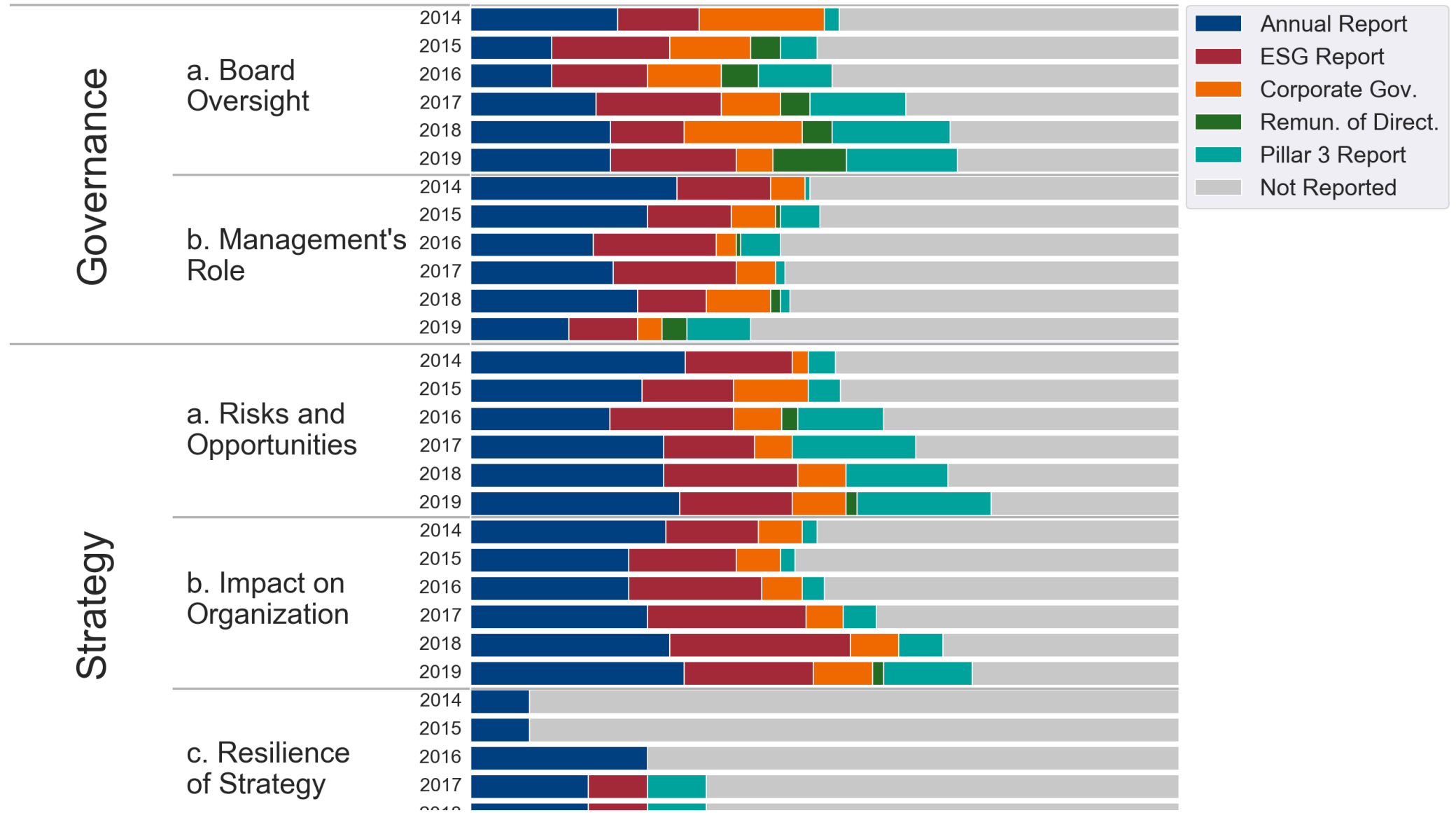


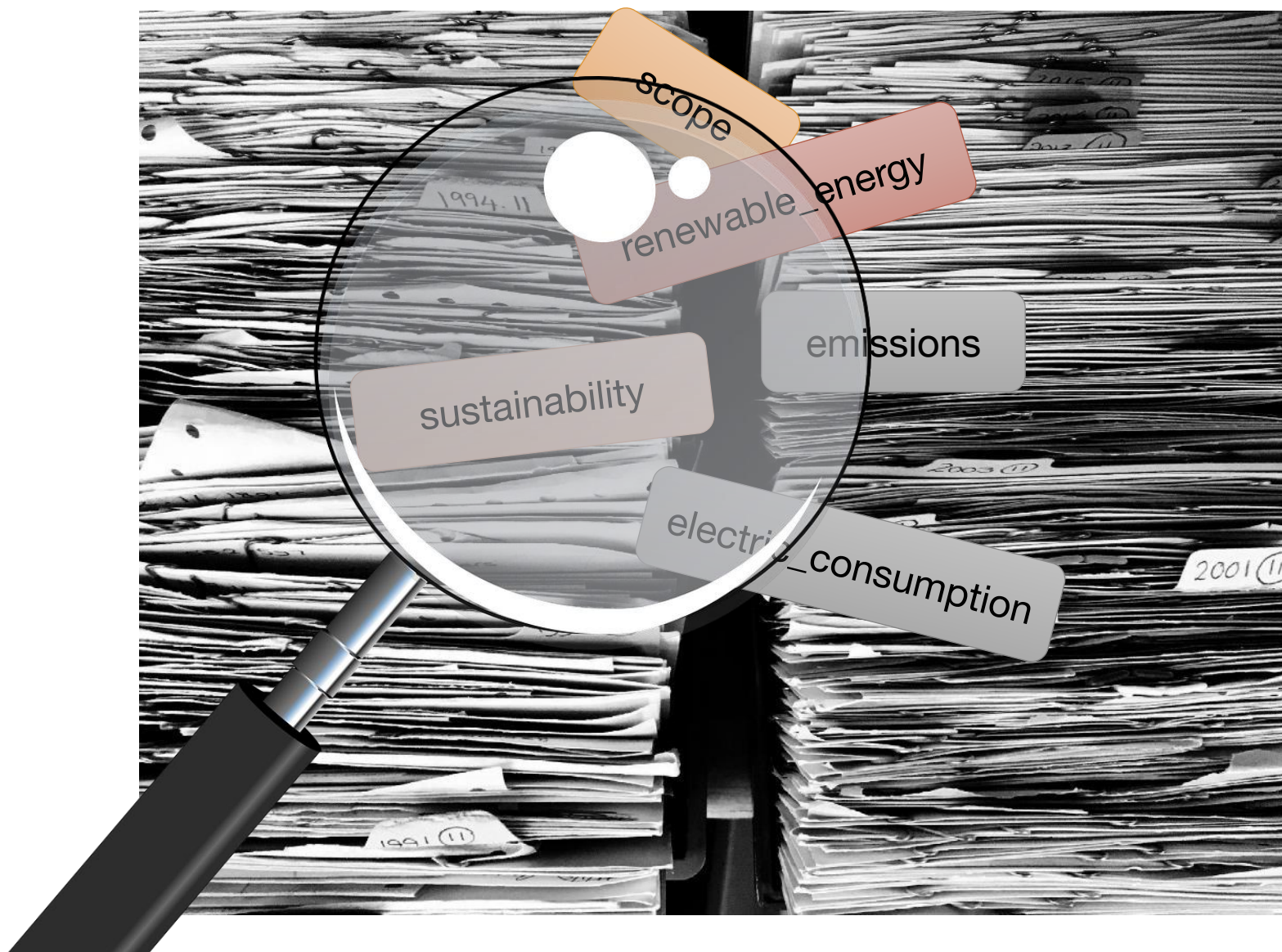
sustainability

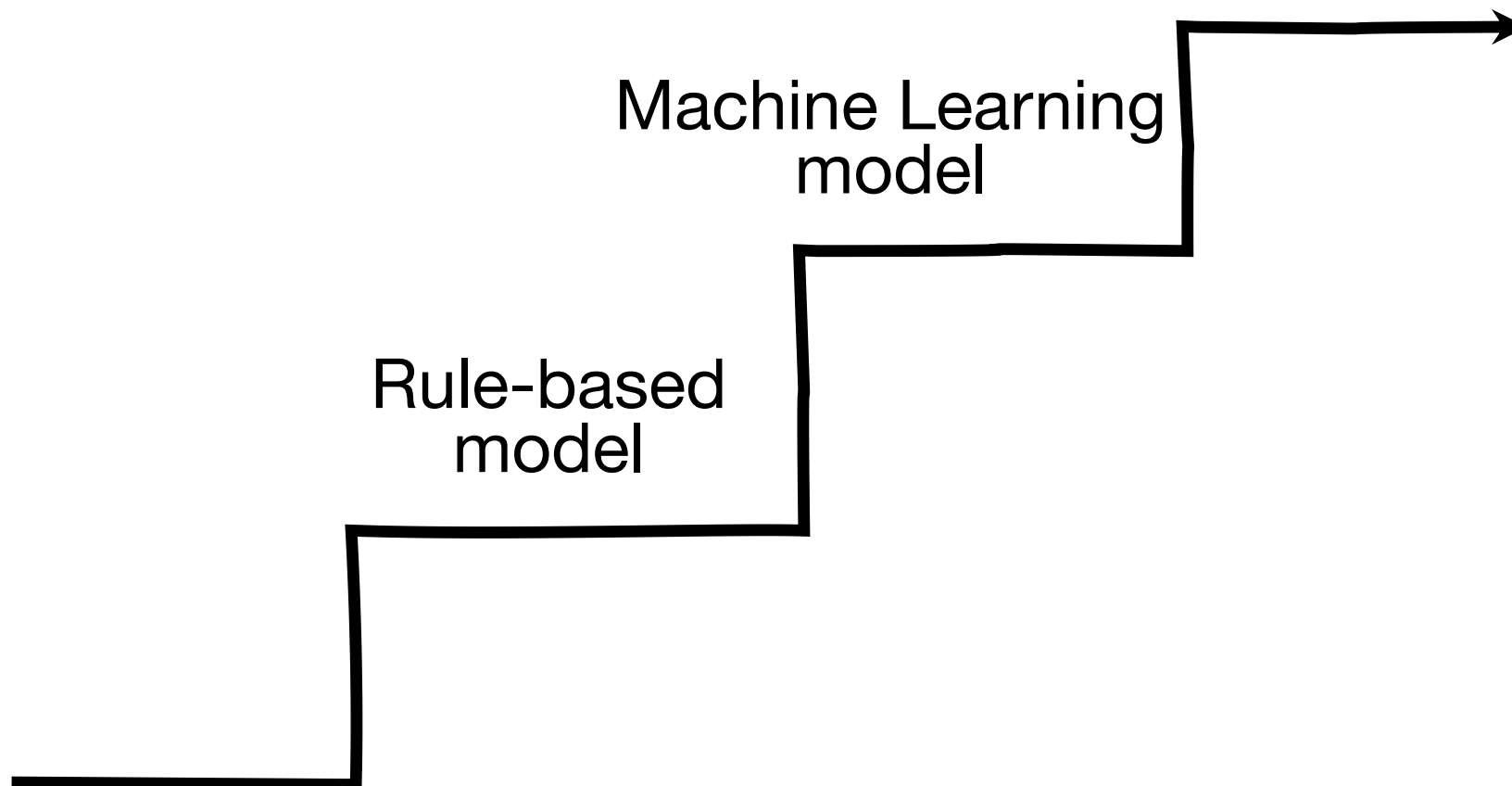














Legend:

- Annual Report
- ESG Report
- Corporate Gov.
- Remun. of Direct.
- Pillar 3 Report
- Not Reported

THANK YOU

