

# Climate Data Steering Committee Principals Meeting

September 19, 2023

This update summarizes a meeting of the Climate Data Steering Committee (CDSC or Committee) on September 19, 2023, held in New York City and virtually. CDSC meetings are held under Chatham House Rule.

## OPENING REMARKS

Opening remarks by the first speaker noted the remarkable progress made since French President Emmanuel Macron and UN Special Envoy on Climate Ambition and Solutions Michael R. Bloomberg announced the creation of the CDSC fifteen months prior. The speaker underscored the importance of climate transition-related data and its role in equipping a wide range of stakeholders with the information necessary to achieve net zero and avoid the most catastrophic effects of climate change. The speaker expressed gratitude to the technical team of the Net-Zero Data Public Utility (NZDPU or Utility) for their progress in developing the NZDPU proof of concept, and to the CDSC, for its leadership continuing to enable and encourage disclosure of high-quality, comparable climate data.

The speaker emphasized the need for individual and collective action and welcomed recently announced collaborations to bolster the development of the Utility, including collaborations with the [Swiss State Secretariat for International Finance \(SIF\)](#) and leading Swiss financial institutions, the [Monetary Authority of Singapore and Singapore Exchange](#), and [One Planet Sovereign Wealth Funds \(OP-SWF\)](#). In addition to these collaborations, the speaker thanked [CDP](#) for providing a foundational layer of data from several hundred companies to the NZDPU proof of concept to allow users to experience the initial set of features and functionality of the NZDPU. The speaker thanked CDSC Members for their feedback on key CDSC deliverables to be released alongside the proof of concept. A second speaker expressed that climate data must be available, accessible, and interoperable across different platforms, and welcomed the NZDPU proof of concept as a significant step toward achieving those goals. The speaker welcomed continued collaboration between the United Nations Framework Convention on Climate Change (UNFCCC) and CDSC to guide the NZDPU's development and eventual integration with the UNFCCC's Global Climate Action Portal (GCAP). The speaker shared their perspective that the NZDPU will bring needed transparency to private sector climate data and noted the importance of properly contextualizing disclosed data to showcase leading private sector actors in a way that celebrates leadership and encourages others to act. The speaker noted that COP28 can be a springboard to achieving this vision.

## NET-ZERO DATA PUBLIC UTILITY UPDATE

A speaker shared an update on the proof of concept and reiterated the vision for the future of the NZDPU as a global repository for all stakeholders to easily access a core set of private sector climate transition-related data in line with the recommendations of the CDSC. Another speaker provided a demonstration of the NZDPU proof of concept clickable prototype to present the features and functionality that will be contained in the proof of concept upon its release at COP28. The speaker noted that the NZDPU was developed and designed to meet many different use cases and serve the needs of users with varying levels of familiarity with climate transition-related data. The demonstration showed key user workflows, including the ability to view data at a single company level, the ability to aggregate and explore data across companies, and the resources and documentation available to help users access and understand the data. The speaker described the rationale behind design decisions within the user interface and described how the Utility will undergo an iterative development process as recommended by the CDSC.

## CDSC MEMBER DISCUSSION

Following the demonstration, CDSC Members shared their perspectives on the NZDPU proof-of-concept. They also provided perspectives on areas of focus for the Committee, including related initiatives their organizations are undertaking.

## KEY THEMES—MEMBER COMMENTS

- Members provided positive reactions to the demonstration of the proof of concept design, features, and functionality, expressing their support for this significant milestone and applauding the rapid and skillful development of the proof of concept. Several Members expressed appreciation for the design choices aimed at making the proof of concept easy to use and navigate for a wide range of users.
- **Data Coverage on the Utility:** Members welcomed the data field coverage included in the proof of concept, in particular the incorporation of Scope 3 GHG emissions, including financial institutions' financed emissions. Several Members noted a desire to drive broad coverage in terms of both data fields and private sector representation on the Utility over the coming years, with one Member noting that this would entail both increasing the number of companies represented on the Utility and asset classes covered over time. Another Member emphasized the importance of supporting data preparers in emerging markets with their reporting through capacity building efforts to increase disclosure from emerging markets companies over time.
- **Small and Medium-sized Enterprises (SMEs):** Several Members highlighted work underway within their organizations to support the needs of SMEs, such as capacity building efforts and fit-for-purpose voluntary standards, noting the importance of targeted support for SMEs to assist with their reporting of climate transition-related data. A Member noted the role of SMEs in supply chains, and that credible information from SMEs is essential for accurately measuring the greenhouse gas emissions of large companies. Another Member emphasized that the Utility should serve as a "hub" for climate transition-related data and not add to SMEs' reporting burden.

- **Transparency:** Members highlighted that the quality of data on the NZDPU is paramount, citing the need for transparency in both data sourcing and methodology and thus the importance of the data fields in the proof of concept that capture information to clearly explain sources of data. A Member noted that the Utility should continue to prioritize transparency as it develops, including making clear where data has been estimated and where data has been assured and verified for those who are concerned with the potential for “greenwashing.”
- **Accountability:** Several Members discussed how the transparency provided by the Utility could support accountability efforts for the private sector. It was noted that once the Utility provides high-quality, comparable data to all stakeholders in a transparent manner, it will be possible to recognize leaders while encouraging peer companies to report.
- **Interoperability:** Members recognized the criticality of interoperability and comparability of data on the Utility. Several Members indicated their support for the recent adoption and release of the IFRS and ESRS climate disclosure standards in June and July 2023, respectively, and a high degree of interoperability between them. Members expressed a desire to continue to focus on interoperability, including matters related to sectoral classification, emerging standards, and taxonomies.
- **Sectoral Classification:** Several Members noted how the use of various sectoral classification systems can introduce challenges to data comparability. They recommended further CDSC discussion on how additional sectoral classification systems will factor into future versions of the NZDPU. A participant noted a desire for mapping between NACE<sup>1</sup> and the Sustainable Industry Classification System (SICS).
- **Future Releases of the Utility:** Given the support for the proof of concept as a critical step toward the CDSC’s recommendations, several Members considered how its scope could expand in future releases noting a desire to incorporate transition plan metrics into a future version of the Utility, especially as more transition plan reporting expectations emerge. A Member highlighted the United States Treasury’s release of a [set of voluntary principles for net-zero financing and investment](#), which are aimed at promoting the consistency and credibility of net-zero transition plans. Another Member mentioned efforts to create a more granular approach to transition plans for financial institutions, including metrics and performance against transition plans.

<sup>1</sup> Derived from the “[Nomenclature statistique des activités économiques dans la Communauté européenne.](#)”