MANIFEST CLIMATE

Five Ways Technology Can Improve Your Climate Disclosure

Introduction

Complying with climate reporting expectations is a challenge for many sustainability teams. As regulators tighten corporate climate reporting and risk management requirements, these often small and under-resourced teams will only have more to do in their limited working hours. Beyond mandatory disclosures, investor pressures to provide decision-useful climate information are weighing on companies and can be even more urgent.

In the past, organizations have largely overlooked software when it comes to helping with their climate disclosures. Many sustainability teams have developed suites of 'DIY' spreadsheets, while others have turned to external consultants for help.

As pressure from investors and regulators grows, the tools companies rely on to disclose climate risk and climate management need to evolve accordingly. The right technology can radically transform the roles and results of even the smallest sustainability teams. To meet disclosure demands adequately and on tight budgets, companies have a third, best-of-both-worlds option — leveraging technology to help them optimize and accelerate the implementation of their climate strategies.

Manifest Climate's white paper explores the climate disclosure pressures that sustainability teams face and presents best practice use cases for leveraging technology in the climate reporting space.

Problem #1

Complying with reporting mandates and frameworks can be time–consuming and expensive

Companies are spending an average of USD$533,000 per year on climate reporting. However, many investors still think ESG reports are missing the mark, noting a lack of supporting evidence, real-time information, forward-looking disclosures that matter for long-term value creation, and a focus on important material issues. Complying with reporting requirements takes significant time and resources, drawing team members' energy and attention away from high-value activities — like climate risk planning and strategy.

Even within large corporations, sustainability teams are typically small and under-resourced. They're also already struggling under the onus of reporting requirements that will only intensify as new regulations — particularly the US Securities and Exchange Commission's new climate disclosure rule — come into play. So, how can smaller sustainability companies keep up?

Solution

Technology can ease the climate reporting burden and reduce the amount of resources it takes to analyze alignment with particular frameworks. Artificial intelligence-based (AI-based) technology can rapidly comb through public ESG and climate reports, providing almost instantaneous insights into how well-aligned your disclosures are with global frameworks and regulatory requirements.
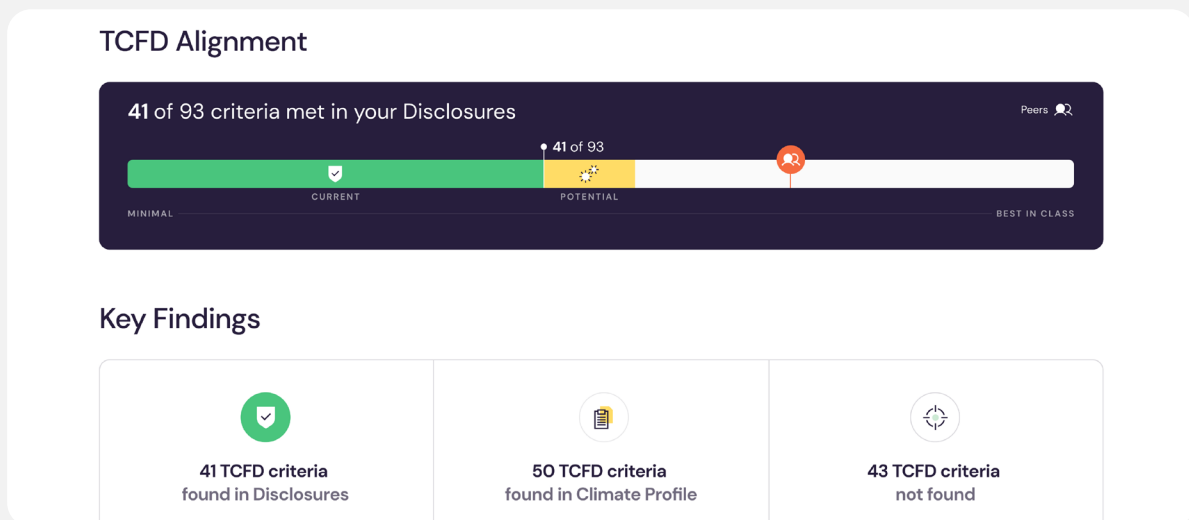
"As a climate consultant, I often assessed companies' alignment with climate frameworks," explains Adam Rochwerg, Manifest Climate's Head of Climate Solutions, Operations. "I would assess against 40 data points, and the process would take several weeks. Now, we have technology that can assess alignment against some 700 points in a matter of hours." It's not just a single framework assessment, either. Using technology gives companies the power to assess their alignment with multiple frameworks in just as little time.

Digital tools don't only get the job done faster and cheaper. The depth and breadth of data that software can surface revolutionizes climate assessments and gives companies a clear picture of how they measure up against global standards, industry peers, and climate leaders for the first time. Technology can provide these deep insights and analyses in days, allowing sustainability teams to spend less time on gathering data and more time on action.

Manifest Climate makes disclosure assessment faster, cheaper, and deeper

Our Workspace module evaluates the alignment of your climate disclosures and management across global standards and frameworks. This includes the world-leading climate reporting framework — the Task Force on Climate-related Financial Disclosures (TCFD) — and the International Sustainability Standards Board's incoming climate reporting standards. Our software also helps companies comply with disclosure rules in the US, Canada, and UK. You'll uncover gaps and opportunities, identify next best steps supported by expert recommendations, and get a data-driven action plan to keep internal and external stakeholders informed and aligned.

TCFD Alignment

41 of 93 criteria met in your Disclosures   Peers 🔍

41 of 93

CURRENT   POTENTIAL

MINIMAL   BEST IN CLASS

Key Findings

✅	📋	◎
41 TCFD criteria found in Disclosures	**50 TCFD criteria** found in Climate Profile	**43 TCFD criteria** not found

Companies are unsure how to benchmark their progress next to industry peers and climate leaders

Benchmarking is a critical exercise when it comes to building corporate climate maturity. Comparing your organization's climate performance with industry peers is crucial for determining material risk factors, evaluating alignment with reporting frameworks, and strengthening internal climate risk management.

But benchmarking can be incredibly time- and resource-intensive. Companies that do this themselves bear the cost internally — through full-time employees conducting manual reviews — or externally — through climate and sustainability consultants. Businesses may also purchase industry benchmarking data, which can cost hundreds of thousands of dollars. "For most issuers, benchmarking data is just too expensive," Manifest Climate's Head of Product Ryan Meyers says.

Solution

AI-based tools that help organizations evaluate their disclosure alignment in hours can also benchmark companies' reporting against industry peers and competitors in a fraction of the time that it takes human reviewers.

"You're able to understand very quickly how you compare against any number of peers, competitors, or best practice examples," Rochwerg explains. "So, it facilitates an advanced level of understanding." The process saves much-needed time and allows team members to focus on the benchmarking results, rather than the process itself. With faster access to relevant insights, sustainability teams can take informed action on climate risk management and disclosure more quickly.

At the same time, technology can broaden the scope of an organization's benchmarking. For example, the TCFD framework is industry agnostic, meaning any sector or industry can model best practice examples from it. "If you are doing this manually, scanning for best practice, you would never think to look anywhere beyond your peers," Jeremy Greven, Manifest Climate's Co-Founder and President, told Capital Monitor, an online publication focused on sustainability in capital markets. "That seriously limits your scope. Our belief is that you can learn from those who have gone before you. We surface best practices from across all companies reporting publicly, providing clear examples of what good climate governance and strategy look like when it comes to transition, laying out what you need to know and how you should be getting there."

Track peer progress on climate with Manifest Climate

Our Tracker module allows sustainability teams to track and benchmark their companies' climate-related actions and disclosures against industry peers and cross-sectoral climate leaders. Build a custom view that shows organizations relevant to your business. With hundreds of data points per company, your team gets a consolidated, fully traceable view of what others are doing — from climate disclosure and management, to scenario analysis, transition planning, metrics and targets, and more.

| Company	Industry	Board Update Freq	Board Resp for Climate	Highest Role with Climate Resp	Climate & Brd Remun
Berry Global	Manufacturing	Not indicated	Yes	Not indicated	No
BHP	Mining	At least once	Ye		No
Bridge Investment Group	Financial Services	Not indicated	Yes	C-suite	No
British Land Company	REIT	Adhoc only	Yes	C-suite	No
Brookfield Asset Management	Asset Management	At least once	Yes	Sr mgmt reporting to Brd	No

SOURCE(S):
Annual Report, 2022
Page 62

Problem #3

Companies need meaningful data to help them form an effective climate strategy and action plan

With so much data to gather and sort through in so little time, sustainability teams often find it difficult to surface relevant information on climate and risk management. Without meaningful data, it is difficult to keep key stakeholders informed and develop effective strategies.

The absence of meaningful climate data in public disclosures and ESG reports is becoming increasingly obvious. Whether it's credible strategies for climate risk management or detailed long-term plans, many investors feel that they don't receive adequate amounts of climate data from corporate disclosures. This makes it difficult to adequately price risk and make investment decisions, which also limits companies' abilities to move forward on climate.
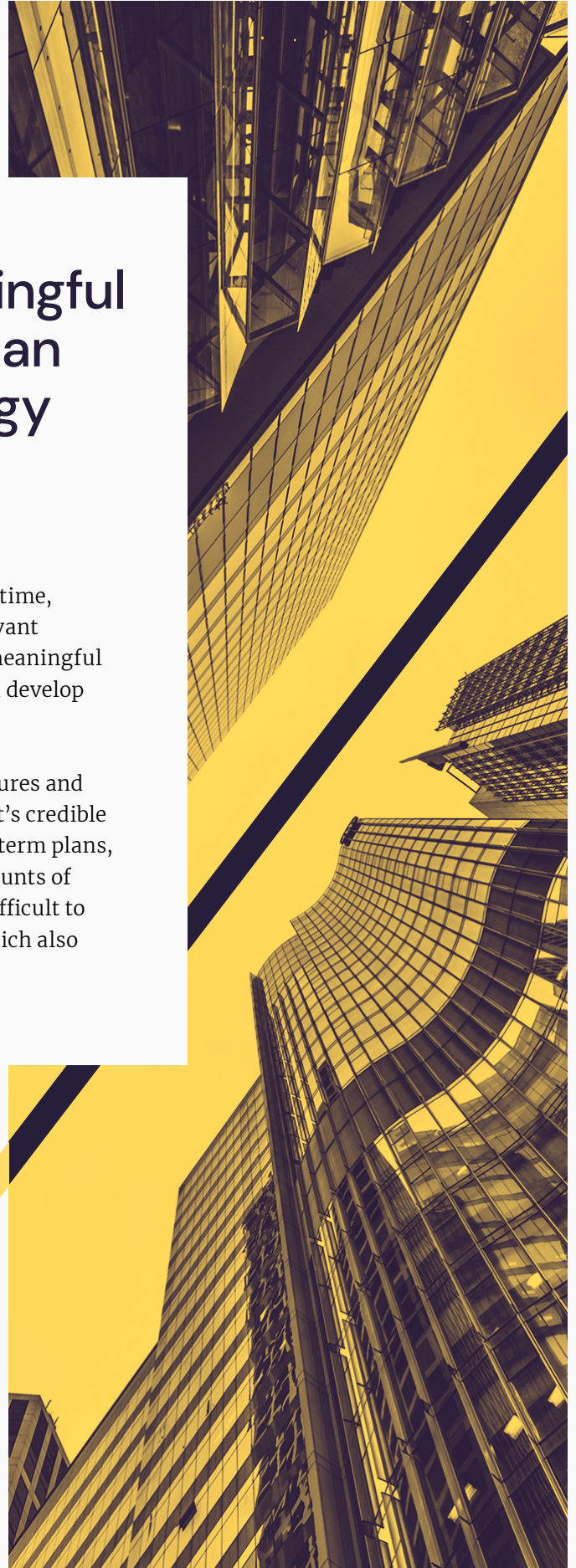
Solution

Access to robust data is the starting point for effective climate risk management and sustainability strategies. "Access to climate capabilities and insights needs to be massively scaled up and the only way of achieving that is through technology," says Greven. "Technology is so much faster and it can deliver a level of detail you can't get elsewhere. It's also organized in a way that's easy to digest."

Ultimately, the amount of data that technology provides in such a short time makes it an asset to any sustainability team. Technology can provide recommendations for improving alignment with climate disclosure frameworks. These can include granular suggestions for providing decision-useful information to investors, as well as analyses that identify the extent to which decision-useful insights are present in public disclosures. Using AI-based software, sustainability teams can quickly identify relevant data and seek out the kind of information that investors are looking for.

However, after a disclosure review, many organizations don't know where to turn. "When you layer in investor pressure, regulatory pressure, and your organization's strategic objectives, you quickly see that there's no one-size-fits-all approach to the climate transition," says Meyers.

The more climate data available, the more granular next step recommendations can become. "We can identify organizations that look like yours and map the pathways they've taken. That way, climate strategies can be crafted not just subjectively, but objectively based on data from other organizations whose parameters mirror your own," says Meyers. Without technology, the data simply isn't there to make informed decisions on climate.

Manifest Climate identifies meaningful climate data

Our Workspace module identifies decision-useful information in your public disclosures and provides data-driven recommendations for improvement through our Climate Actions feature.

Companies can't keep up with the slew of changing requirements, standards, and frameworks

In a regulatory landscape that's shifting almost daily, under-resourced sustainability teams are struggling to keep up with global and local changes, as well as to distinguish between what's news and what's noise. Staying abreast of regulatory updates and relevant international headlines can take hours out of team members' days. Even then, it's easy to miss important developments and hard to filter relevant ones amid the firehose of climate news.

"It's difficult for sustainability teams to keep track of changes to disclosure guidance, regulations, and frameworks," says Rochwerg. "This is especially the case in smaller organizations without much capital, but it also applies to bigger organizations. It's hard to keep up to date with the level of detail required in disclosures: the bigger a company, the more complex the climate risk profile."

Solution

Technology built on AI and machine learning can be useful when it comes to filtering through large quantities of climate-related news and regulations. Traditionally, it could take hours out of a team member's day to stay abreast of what's happening. With the proper software, relevant information can be curated by industry and topic and delivered daily, allowing team members to digest everything they need to know in just a few minutes.

With less time spent researching climate updates, teams can devote more of their working hours to higher-value tasks, such as strategy and implementation, improving the organization's climate maturity.
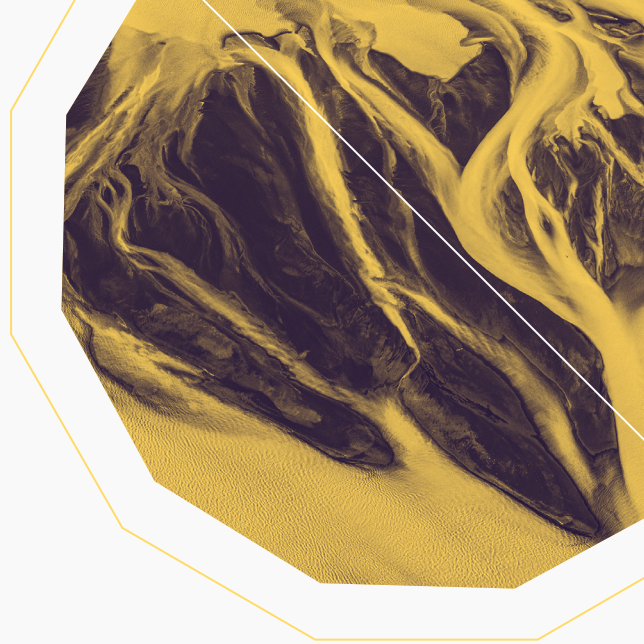
Stay up-to-date with Manifest Climate

Our Trends module delivers business-relevant climate news to your inbox regularly. Our in-house climate experts provide clear insights and takeaways on how climate updates will affect your business. This will help your organization make better decisions and understand its position in the low-carbon transition.

Companies are unsure how to scale climate competence among their internal teams

Climate efforts and insights must be scaled up in scope and speed in order to successfully transition to a net-zero economy. Sustainability professionals are in high demand, and the need for experienced talent is apparent. The solution for many companies has been external consultants, but this has its limits. "There aren't enough climate experts on the planet for every company to hire a consultant for their transition," says Meyers.

Because climate and sustainability affect all parts of an organization, many companies are trying to up-skill existing team members from various departments. Still, this exercise is often easier in theory than in practice. "Climate competence is crucial," says Rochwerg. "All the data in the world is only useful if people know what to do with it."

Solution

Technology might not be the first thing to come to mind when organizations consider building climate competence, but it is a highly effective tool for sustainability teams. "A big part of building climate competence is understanding gaps, particularly around good climate governance," Rochwerg says. "Digital tools can identify those specific gaps and offer accountability moving forward."

Beyond gap analysis, scaling climate competence means the right information needs to end up in the right places. Climate data should also be reviewed by sustainability professionals and analysts, but it must ultimately make its way to a company's board of directors. "Understanding climate data is important, but it's also important that this data doesn't become siloed," says Rochwerg. Climate is not a standalone concern. Rather, it affects every part of a company, meaning relevant data needs to be disseminated across an organization and integrated into company-wide enterprise risk management. It's also important that data makes its way to the decision-makers at the top of an organization. "If I can show the board that their top five peers are tying board-level remuneration to climate risk, that's an important insight — and it's driven by technology," Rochwerg adds.

A centralized dashboard that allows for multi-user access offers sustainability teams a straightforward way to include other departments on climate insights. With all climate data stored in a single platform, your organization can begin to develop institutional continuity around climate knowledge.

Another benefit that climate software can offer is through learning and resource materials. "Our team creates data-driven learning materials, courses, insights and updates, and specific modules where team members can get climate training," says Rochwerg. Information is supported by best practice, up-to-date data and is offered asynchronously to fit busy team schedules.

Scale climate competence with Manifest Climate

Our Resources module helps organizations build climate competence and address knowledge gaps — among board members and frontline teams — with a catalog of tools and resources. Access a library of original Manifest Climate and third-party content, organize resources relevant to your climate priorities, and improve decision-making through our scalable climate education.

How consultants can leverage climate disclosure technology

"Consultants can use tools like Manifest Climate as inputs for the services they provide their clients," explains Rochwerg. Technology offers sophisticated assessment, analysis, and benchmarking, and consultants can quickly leverage these results to move clients along on the 'next steps' of their climate journeys. For the private sector to make real strides on climate risk management, strong collaboration is needed in the climate services ecosystem — between technology providers, consultants, and their clients.

"We produce insights which can dramatically accelerate how fast you get to those moments of deep clarity," says Greven. "But no matter how smart computers get, it's ultimately you, your board, your management team, who must strategize and execute." Technology is an asset — not a replacement — to internal sustainability professionals and external consultants. The sooner we can leverage technology, the faster we can build climate resilience across industries.

Technology is the key to big wins for small teams

For many sustainability teams, technology can make the difference between barely keeping up with disclosure demands and achieving significant progress on climate goals. With the ability to assess disclosure alignment quickly, benchmark against peers, surface meaningful climate insights, keep teams up-to-date on relevant developments, and scale climate competence, technology is a crucial investment for organizations that are serious about climate risk management.

But beyond alignment with disclosure frameworks, technology opens new possibilities. Sustainability teams might have previously spent half their year assessing alignment with frameworks. With technology, they can now spend far more time improving alignment, building organizational climate maturity, and moving the entire company forward on its climate commitments.

Investing in technology is not just an exercise in compliance. It can transform your climate risk management and create new climate-related opportunities. "The shoe still hasn't quite dropped in the C-suite regarding the magnitude of transformation that needs to be undertaken," says Greven. Soon, leadership will "turn to technology in order to acquire the insights and speed necessary to successfully navigate a climate-adjusted future." In the meantime, teams that leverage the benefits of technology can get a serious head start in their industries.

About
Manifest Climate

Manifest Climate is the leading Climate Risk Planning software that supports your company's climate champions and other sustainability team members in improving and accelerating its climate strategy. We are the world's best at assessing climate disclosures, and we represent a single source of truth to guide your organization for the long term.

Our software helps companies identify their climate-related risks and opportunities, align their disclosures with global reporting frameworks and requirements, and provides competitive benchmarks, as well as a clear climate roadmap. We also support climate champions and ESG teams as they build internal climate expertise through our extensive and up-to-date news, insights, and resources.

With Manifest Climate, your company can save up to 75% of manual time and effort and up to 50% in costs. Our software helps your business develop and document institutional climate knowledge without siloing expertise within departments, on hard drives, or in individual employees' inboxes. Ultimately, our single source of truth allows organizations to ensure institutional continuity around climate expertise and finally make meaningful progress toward climate targets.

Ready to learn more?

Book a free demo

Contact Us

Toronto | London | New York

+1 (877) 762–6433
hello@manifestclimate.com
manifestclimate.com