

> Thursday, March 17<sup>th</sup>, 2022

13:30 - 15:00

On Zoom

**RESEARCH  
SEMINAR**



EMPOWERING CHANGEMAKERS FOR A BETTER SOCIETY

## **“TCFD and Climate Scenario Analysis: Current Practice and Disclosure Trends”**

**BY ROBERT CHARNOCK – Lloyds Banking Group Centre for Responsible Business, University of Birmingham**



### **ABSTRACT**

"Climate change is impacting societies across the world and is an inevitable part of our future. Its impacts are multifaceted and difficult to predict, driven by physical changes to the climate system, shifting policy landscapes, geopolitical issues, technological developments and growing public demand for action. Companies therefore face the challenge of remaining resilient as a climate-changed future unfolds. Scenario analysis has a long history in helping companies prepare for complex and uncertain futures. Recently, it has become a focal point for corporate responses to climate change and associated disclosures, with it playing a core role in the 2017 Recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD). The purpose of this report is to shed light on why and how companies get started with climate scenario analysis and highlight practical steps, challenges and best practice. Its findings are based on interviews with 44 individuals across 16 FTSE 100 and FTSE 250 companies, as well as a survey and disclosure analysis of that population. This is anticipated to be useful from a regulatory perspective beyond the FRC and for companies that are implementing climate scenario analysis."