



Helping you benefit from climate change reporting

This note explores the Task Force on Climate-Related Financial Disclosures (TCFD) framework, the regulatory requirements around climate change for corporate firms, the benefits of reporting and how we can help you maximise the opportunity for your organisation, clients and your workforce.



If we are to live in a world where projected warming is to be kept below 2°C, a significant commitment by governments, public and private organisations will be required.

To help meet this target, the UK Government has put in place a number of policies and regulations designed to reduce our impact on global warming. In particular, Rishi Sunak announced in November 2020 that the UK will become the first country in the world to make TCFD aligned disclosures fully mandatory across the economy by 2025.

The TCFD framework helps companies and investors measure, manage, and report their climate-related risk exposures and opportunities in a consistent way.



Regulations were introduced in 2021 that require all listed firms, large asset managers and owners and large private firms to produce TCFD reports from 2023. More detail on exactly who needs to do what and by when can be found in our informative video [here](#).

The Benefits of reporting

The Ukraine war, cost of living crisis and the departure of a very pro-climate action prime minister has meant that the political dialogue has moved on from climate change over the past 12 months. It is not yet certain that smaller firms will be required to report in 2025. However, the 2022 droughts is a clear reminder of the potential impacts of climate change and it is inevitable that Government focus will again turn to climate change. Therefore, there is an opportunity for firms to get ahead of the competition before reporting becomes mandatory for everyone.

A lot of firms, including Barnett Waddingham, have been reporting voluntarily under the TCFD framework for many years. Why have they done this? We think there are a number of key reasons.

Increasingly, employees want to work for firms that are forward-looking and committed to a sustainable future. By reporting commitments and demonstrating progress, employees will increase their trust in you and engagement levels will increase. It could equally be the difference between an individual joining or not, or between an existing employee staying or leaving.

We are also seeing much more focus on commitments and actions in corporate tender documents for large contracts and across all industry sectors. Being ahead of your competitors in taking action could be the difference in winning that next big contract.

It is also an important point for consumers – with buying decisions and choices being driven by environmental interests and conscious decisions being made, customers and market influence will drive the requirements.

In terms of timing, reporting on a voluntary basis also means you don't have to comply fully to the recommendations. It enables firms to work on and refine calculations and reporting on a piecemeal basis, rather than being hit with a large project to create everything from scratch when there is less flexibility.

Source: https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf



We are here to help with all aspects of your climate change reporting journey. Before you start preparing your climate change report, we think it's important to consider the objectives and desired outputs of your climate change strategy. Below is an overview of some of the activities we've been working on with clients.

When you are ready to start producing your reporting, we can help in many ways:



Sustainable futures

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Content review – We have produced a checklist of what we expect to see in a TCFD report, based on the TCFD recommendations and our experience of having reviewed 100s of voluntary reports. We can use this to inform or review content, benchmarking reports against others to ensure they meet your goals.



Content support – If gaps are identified, we can help work with you to fill these. Typical areas of support include running risk identification workshops, help with designing and undertaking scenario analysis, data analysis and crisis simulation exercises to demonstrate understanding of resilience.



Drafting and design – Our specialist communication consultancy, Drumroll, can help bring your messaging to life to ensure you achieve the benefits of reporting. For an example, please see our own [BW Sustainability report](#) based on the TCFD recommendations.



Please contact your Barnett Waddingham consultant if you would like to discuss any of the above topics in more detail. Alternatively get in touch via the following:

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