

# The Task Force on Climate-related Financial Disclosures (TCFD) recommendations

A guide on what the recommendations mean for your organization and how CDP can help you to adopt them

## Key facts and what you need to know

- ▼ They can be adopted by all organizations
- ▼ They endorse climate-related financial disclosures in mainstream financial filings
- ▼ They are designed to solicit decision-useful, forward-looking information on financial impacts
- ▼ They focus on risks and opportunities related to transition to a lower-carbon economy.

## The core elements of climate-related financial disclosures

<p>1</p> <p><b>Governance</b> Around climate related risks and opportunities; Board and senior management engagement.</p>	<p>2</p> <p><b>Strategy</b> On actual and potential impacts of climate-related risks and opportunities to the organization's business.</p>	<p>3</p> <p><b>Risk Management</b> The processes used to identify, assess and manage climate-related risks.</p>	<p>4</p> <p><b>Metrics and Targets</b> To assess and manage relevant climate-related risks and opportunities.</p>
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## From recommendations to adoption

### What will you need to address in the short term

#### Education of C-suite and stakeholders

Driving the required change into the heart of the organization by ensuring decision-makers are sufficiently informed on climate-related topics.

#### Scenario analysis

A sufficient range of scenarios covering; the Paris Agreement goals, Nationally Determined Contributions (NDCs) and business-as-usual temperature projections.

#### Responding to enhanced national climate policies

125 of the 194 signatories to the Paris Agreement have confirmed that they will implement it and will now deliver their NDCs. This will drive more ambitious climate policies across the world which will require a strategic response.

### What will you need to address in the long term

#### The creation of mandatory or regulatory requirements

The TCFD recommendations will accelerate existing trends towards mandatory corporate reporting requirements. Preparation and readiness to disclose will position leaders at the forefront, enabling the identification of risks and new opportunities.

#### Strategic integration of UN Sustainable Development Goals (SDGs)

The UN is calling on companies to join the 'circle of action' in not only helping to deliver the SDGs but also to publicly report on the impact of this activity.

## Working with us

# Using CDP's platform and CDSB's reporting framework can help your organization to achieve the TCFD's recommendations

We have been the catalyst for global disclosure for more than 15 years, representing 6000 companies and investors with \$100 trillion of assets under management. Successful disclosure relies on a whole cycle of requirements to ensure relevancy, consistency and comparability through high-quality data - our unique disclosure system provides organizations with:



### Structure

An important step towards alignment for voluntary initiatives to facilitate comparability among companies' disclosures.



### A streamlined template

Minimizing the duplication of efforts, providing a streamlined, coherent and comparable approach for companies' disclosure to investor.



### Disclosure of decision-useful information

A response to CDP will put the information required by the TCFD into a recognized, established system that can structure, analyze, compare and trace information in a transparent way. The CDSB Framework can then be used to put the most relevant information into mainstream reports and fulfil the aim of the recommendations.



### Preparation advice

CDP's system offers support to companies throughout the disclosure process - ensuring investors recognize time-sensitive information and boundaries.



### Highlighting what is important

The CDP platform and CDSB's reporting framework provide guidance on how to distil and present information in line with the TCFD recommendations in mainstream reports.



### Going further than the TCFD recommendations

We provide the infrastructure and experience for the disclosure cycle, helping to evolve disclosure to cope with changing issues, policies, science and evidence. Through CDP's leadership in measurements (SBT's, carbon pricing), assessments and feedback of disclosure we ensure performance tracking aligns a company's pathway with a below two-degree world.



### The future

In recognition of the changing disclosure landscape, CDP is enhancing its Reimagining Disclosure initiative with a sector focused approach, and aligning with the TCFD recommendations.

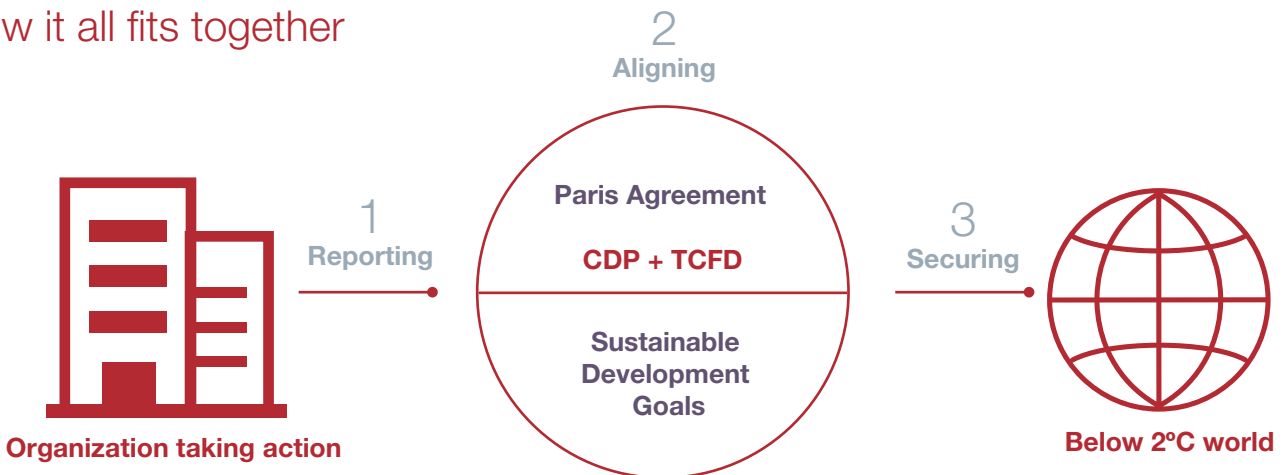


**CDP disclosures provide the best source of data for investors with in-depth data and analysis on climate and other environmental risks. The move to sector-based disclosure and reporting will enable investors to more easily compare environmental performance.**

Bruce Duguid, Director, EOS, Hermes Investment Management



## How it all fits together



### About CDP

CDP has been the catalyst for global disclosure for more than 15 years representing 6000 companies and investors with \$100 trillion of assets under management. CDP produces best in class data and insights to provide decision-making infrastructure to shift financial capital towards low-carbon investments, helping companies and investors transition towards the target of a below 2-degree world. Our colleagues at CDSB have spent 10 years creating decision-useful disclosure frameworks to advance and align the global mainstream corporate reporting model to equate natural capital with financial capital. Together we measure, structure and verify climate-related financial information for organizations and investors, using a recognized and fully tested platform and a best practice framework.