

COMPLY OR EXPLAIN TO CLIMATE-RELATED REPORTING - A CROSS-INDUSTRY ROADMAP

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Legal Briefings

Climate reporting is a journey not a destination. But UK companies may be more prepared than they think.

The Financial Conduct Authority has introduced climate reporting on a comply or explain basis for premium and standard listed companies. Subject to parliamentary approval, the UK Government plans to introduce mandatory climate reporting for all UK publicly quoted companies, large private companies and limited liability partnerships.

The new regulations will require entities to disclose climate related financial information in line with the Task Force on Climate-related Financial Disclosures (TCFD). The G20 Financial Stability Board established the TCFD in 2015 to develop high-level principles for consistent, clear and efficient climate-related disclosures. The TCFD Recommendations set out a voluntary framework for the disclosure of climate-related financial risks for all corporate entities and have since been endorsed by over 1,000 organisations and multiple governments.

The TCFD deliberately did not develop detailed industry-specific standards or metrics for disclosure, instead publishing more detailed implementation guidance for different types of companies. This guidance includes cross-references to other existing standards that can be used as a tool for implementing the TCFD Recommendations.

TCFD REPORTING IN THE UK - A CLEAR DIRECTION OF TRAVEL?

These changes are not just aiming for a one-off regulatory change but reflect the next step in a gradual shift towards further consideration of a broader group of corporate stakeholders, greater corporate transparency and, progressively, embracing sustainability. TCFD, and other similar environmental, social and governance related disclosures, will become increasingly relevant over the next few years.

DOWNLOAD YOUR ROADMAP TO NAVIGATE THESE CHANGES

You may be more prepared than you think to comply with many of the new requirements. Our guides set out below, provide more detail and explain exactly what you need to do to comply.

[Mandatory climate-related reporting by UK listed companies – what you need to know](#)

[Mandatory climate-related reporting by UK private companies and LLPs – what you need to know](#)

WE ARE HERE TO HELP

If you have any concerns or queries in relation to your upcoming reporting obligations regarding climate-related and ESG specific disclosures do not hesitate to reach out to our regulatory specialists or your trusted Herbert Smith Freehills contact.

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KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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