

TCFD & Net Zero Plans – Minimising your legal risks 2022



Global adoption

UK requirements

Legal Issues

About us

Global adoption

The recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) has become the globally accepted reporting framework for climate-related disclosures.

The TCFD is a voluntary framework, however, many countries have begun a programme of putting it on a mandatory footing for certain sectors of their economies.

As part of TCFD reporting, companies are publishing parts of their Net Zero Transition Plans. However, some jurisdictions are making plans for mandatory publication of Net Zero Transition Plans too.



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The UK has a phased programme for mandatory TCFD reporting

Timing	Summary scope
1 January 2021	Premium listed companies
1 October 2021	Occupational pension schemes (£5billion+ assets), Authorised master trusts, Collective money purchase schemes
1 January 2022	FCA-regulated asset managers (£50billion+ AUM) and owners (£25billion+ AUM)
1 January 2022	Standard listed companies,
6 April 2022	AIM companies with 500+ employees, UK company and LLP groups (500+ employees and turnover of £500million+)
1 October 2022	Occupational pension schemes (£1billion+ assets)
1 January 2023	FCA-regulated asset managers and owners (£5billion+ AUM)
TBC (Likely 2024)	Occupational pension schemes (under £1billion assets)

Mandatory publication of Net Zero Transition Plans have been announced

Timing	Summary scope
TBC (Likely 2023)	Asset managers, regulated asset owners and UK-listed companies

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Scope

Understand the scope of your reporting obligation and how that fits with group reporting arrangements and any existing climate or ESG reporting which you may do on a voluntary basis or as part of investor requirements

Internal analysis

Advice to your board on how to comply with their legal directors' duties when overseeing TCFD analysis

Disclosures

Verification that your report meets legal requirements

Guidance on how to appropriately substantiate your green claims to avoid regulatory action against greenwashing

Review of your forward-looking statements and advice on the mitigation of legal risks involved in making them

Stakeholder engagement

Advice on shareholder "say on climate" vote

Guidance on how to limit the risks of climate change claims against the company or individual directors

Implementation

Legal issues arising out of workstreams to mitigate identified risks such as:

- Supply chain changes to reduce scope 3 emissions
- Improving sustainability of your buildings and infrastructure
- Low carbon transport
- Sustainability-linked finance

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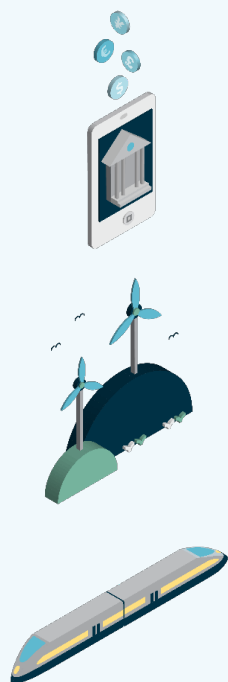


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Our experience

- Advised FTSE 100 financial services sector company on major corporate governance review and had oversight of ESG related sections of their annual report including TCFD reporting requirements
- Advised ESG investment fund manager on its reporting obligations under TCFD
- Advised global telecoms player on substantiation requirements in respect of its public announcements of its net zero commitments

Key contacts



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