

## Insights

# LONDON STOCK EXCHANGE GUIDE TO CLIMATE REPORTING

21 October 2021

## SUMMARY

Building on the work of the Task Force on Climate-Related Financial Disclosures (TCFD), the London Stock Exchange has created a practical guide to help listed and AIM companies effectively disclose and communicate their approach to climate change, their strategies and how they are managing associated risk and opportunity.

More than 2000 companies representing in excess of \$20 trillion in market capitalisation have announced their support for TCFD and there is widespread recognition for the need for clear, consistent and decision-useful information from companies on climate-related information.

## Background

There is an increasing demand for companies to disclose more precise details of their climate strategy and carbon emissions and regulators are consulting/amending their rules to provide for this in line with the Government's Green Finance Strategy and its roadmap towards mandatory climate-related disclosures.

Last year, the FCA introduced rules requiring UK and overseas commercial companies with a premium listing to make disclosures in line with TCFD on a 'comply or explain' basis for financial years beginning on or after 1 January 2021. In addition, the FCA proposes to extend climate-related disclosure rules to companies with a standard listing and to asset managers, life insurers and FCA regulated pension providers.

Building on these steps, BEIS consulted, earlier this year, on mandatory climate-related financial disclosures for large UK corporates including AIM companies with more than 500 employees. We await the outcome of this consultation but amending legislation should be made in 2021 which will apply for accounting periods beginning on or after 6 April 2022.

## LSE Guide

The guide to climate reporting is intended to support best practice and to educate companies on how they can implement the TCFD recommendations. It recommends a three-stage process to integrate and communicate climate-related information:

**Step 1** – disclosure diagnosis and context

**Step 2** – integration of climate-related risks and opportunities

**Step 3** – disclosure of climate-related practices and data

The guide has been published as part of the LSE's London climate transition offering – a new website designed to help organisations prepare their business for transition to low-carbon. The website contains training videos, access to the Climate Governance Score to help organisations assess where they are on the journey relative to industry peers and associated guidance.

[LSE Guide to climate reporting](#)

[LSE's London climate transition offering – new website](#)

## RELATED CAPABILITIES

- M&A & Corporate Finance
- UK Public Company
- Securities & Corporate Governance

## MEET THE TEAM



### Tessa Hastie

Co-Author, London

[tessa.hastie@bclplaw.com](mailto:tessa.hastie@bclplaw.com)

[+44 \(0\) 20 3400 4516](tel:+442034004516)

---

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be “Attorney Advertising” under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP’s principal office and Kathrine Dixon ([kathrine.dixon@bclplaw.com](mailto:kathrine.dixon@bclplaw.com)) as the responsible attorney.