

Task Force on Climate-related Financial Disclosures (TCFD) reporting

Reporting on climate-related risks and opportunities

There is a growing support for TCFD's framework as it is being incorporated for climate-related disclosure rules globally, international standard setters like the International Financial Reporting Standards (IFRS) S1 and S2 requirements and the International Sustainability Standards Board (ISSB) framework or the regional requirements such as the EU's Corporate Sustainability Reporting Directive (CSRD) governed by the European Financial Reporting Advisory Group (EFRAG) or the SEC regulatory requirements in the US.

For companies planning to stay ahead of the regulatory curve, aligning with the TCFD will help with the upcoming climate-related regulatory disclosure requirements, including the data infrastructure necessary to continue to comply. Considering the global regulations vary in scope and approach, the common thread is the overlap they share with the TCFD. Especially for multinational companies with operations across multiple jurisdictions, the TCFD forms the basis for most regulatory requirements across multiple jurisdictions.

Key features of TCFD reporting framework:

- Adoptable by all companies and scalable to any level of maturity
- Included in financial filings and designed to solicit decision-useful information on financial impacts
- Encourages forward-looking information through scenario analysis
- Places greater focus on risks and opportunities related to the transition to a low carbon economy

About TCFD

Since its inception in 2015, the TCFD has emerged as the preferred reporting framework forming the basis for both voluntary and in some cases mandatory climate disclosures and climate regulations across the US, Europe, UK, and Asia. This reflects the heightened awareness of the urgent need to transition to a resilient, low carbon economy.

Today, stakeholders including investors, lenders, and insurers demand organizations quantify climate risks and opportunities, aligning with TCFD and report these findings in public financial filings. Structured into four pillars: governance, strategy, risk management, and metrics/targets; the TCFD's disclosure guidelines offer a roadmap for asset owners to integrate these guidelines into existing financial channels where deemed relevant and feasible.

Why BSI?

As sustainability has become more of a focus for companies to show their commitment to environmental conservation and energy efficiency, BSI can help clients to improve their impact on people, environments, and communities, positioning them to be more resilient, competitive, well-regarded, and successful.



How BSI Consulting can help



BSI works with organizations from various sectors, sizes, and levels of maturity to understand how physical climate hazards or drivers of economic low carbon transition affect outcomes that could impact their business. By leveraging best-in-class climate forecasting data and analytics, BSI can identify and evaluate future climate exposure and vulnerability of client's assets and operations. Ultimately, uncovering the financial impact of climate-related risks and opportunities and assisting clients with the development of a strategic management plan to actively mitigate those risks.

- **Climate risk analysis:** We identify and prioritize climate risks across your business portfolio and value chain, uncovering the financial impacts of physical and transition climate-related risks and opportunities on your organization's assets, resiliency, and business strategy. Through our Climate Risk Analysis and Vulnerability Assessment we provide risk scoring and ranking of asset-level physical risk related to climate variables as well as organizational-level transition risks related to the regulatory, policy, and economic transformation to reduce and eventually eliminate net GHG emissions.
- **Conduct scenario analysis:** We perform scenario analysis (based on IPCC latest temperature scenario's) helping organizations identify their exposure and vulnerability to physical and transition risks under various climate scenarios and over multiple future time horizons. The analysis gives our clients clear, qualitative, and quantitative insights to address areas of concern, identify opportunities for improvement, and implement mitigation strategies to proactively address climate-related risks.
- **Empower climate resilience:** Gain a competitive edge with BSI's tailored approach to capacity building, which includes developing targeted metrics and goals to effectively navigate and mitigate climate-related risks. Our expert guidance extends to strategic planning, investment decisions, and stakeholder engagement. By integrating TCFD-aligned reporting into CDP assessments, BSI enhances climate reporting, showcasing your commitment to robust climate risk management and driving continuous improvement.