

Task Force on Climate-Related Financial Disclosures

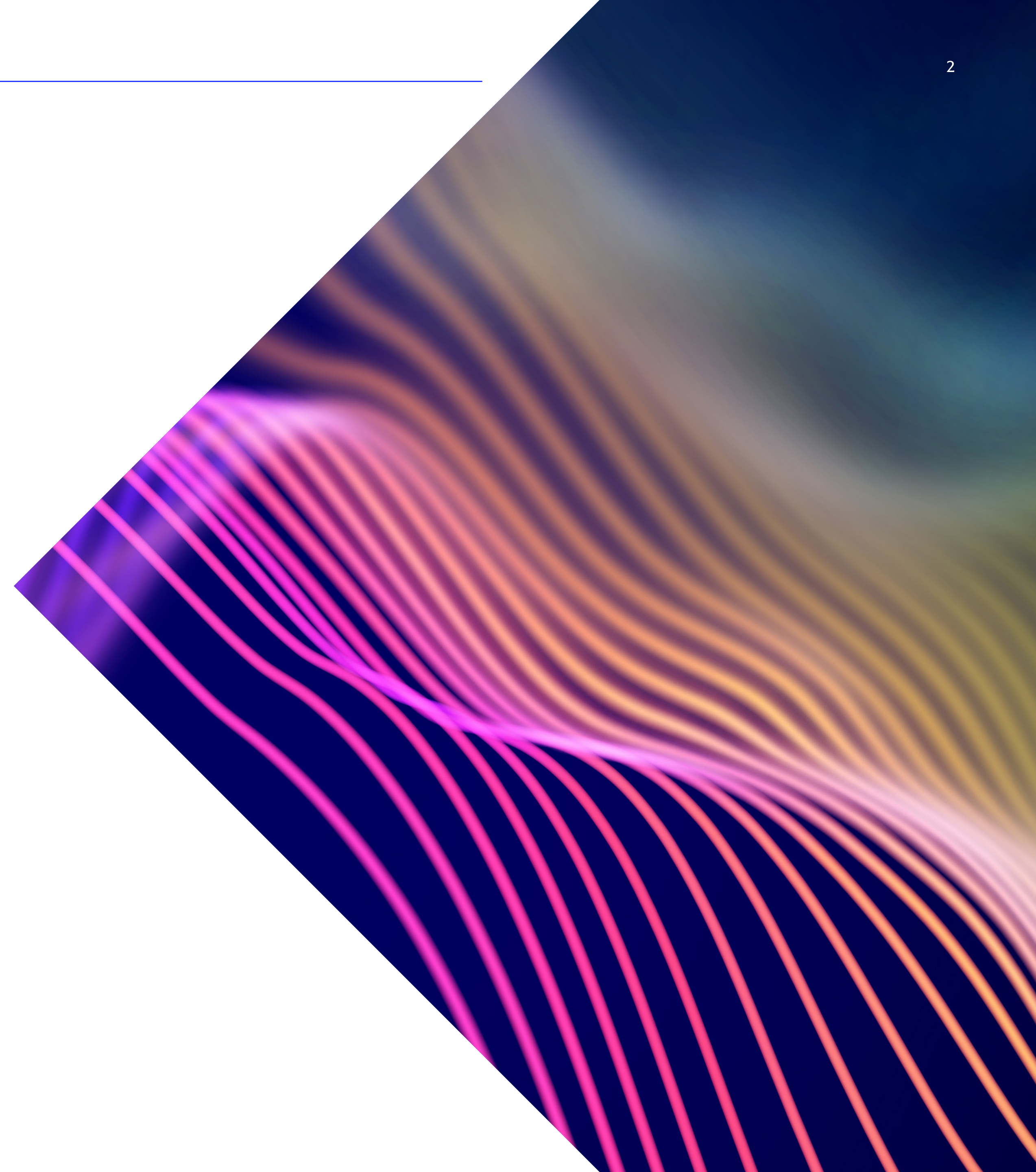
How LSEG integrates TCFD recommendations

The regulation

The Task Force on Climate-Related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) to develop recommendations for more effective climate-related disclosures that promote better-informed investment, credit and insurance underwriting decisions. The work of the TCFD enables stakeholders to understand carbon-related assets and exposure to carbon-related risks.

In 2017, the TCFD released climate-related financial disclosure recommendations designed to help companies provide better information to support informed capital allocation.

TCFD disclosure recommendations are structured around four core elements in which investors expressed interest and which represent how organisations operate:

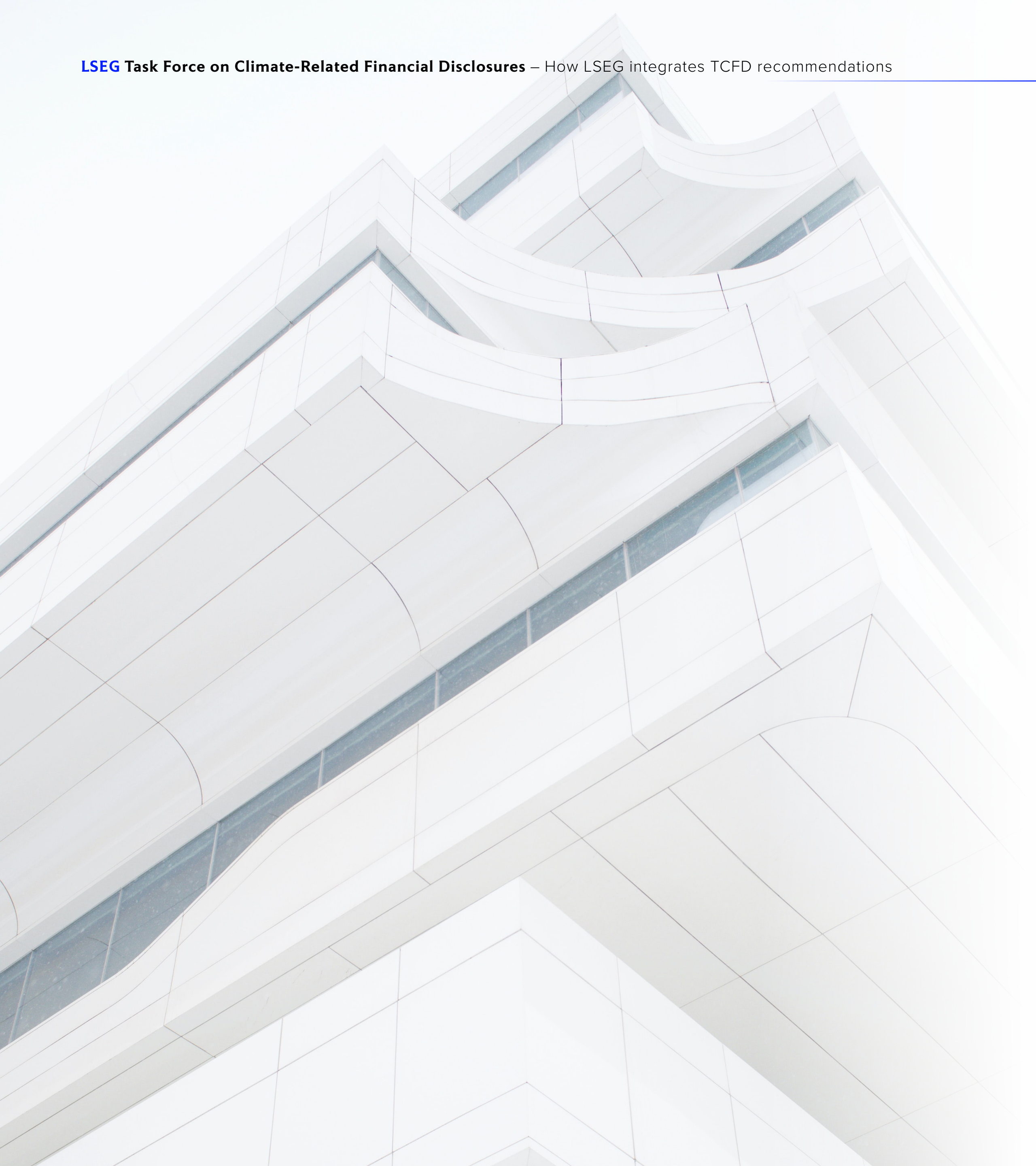


How can LSEG help investors adhere to TCFD?

At LSEG, we have mapped our climate-related data to ensure our methodologies and data measures are aligned to the TCFD’s recommendations.

Recommendations and supporting recommended disclosures

Governance	Strategy	Risk management	Metrics and targets
<p>Disclose the organisation’s governance around climate-related risks and opportunities.</p> <p>Recommended disclosures</p> <ul style="list-style-type: none"> – Describe the board’s oversight of climate-related risks and opportunities – Describe management’s role in assessing and managing climate-related risks and opportunities 	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning, where such information is material.</p> <p>Recommended disclosures</p> <ul style="list-style-type: none"> – Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term – Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning – Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario 	<p>Disclose how the organisation identifies, assesses and manages climate-related risks.</p> <p>Recommended disclosures</p> <ul style="list-style-type: none"> – Describe the organisation’s processes for identifying and assessing climate-related risks – Describe the organisation’s processes for managing climate-related risks – Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management 	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.</p> <p>Recommended disclosures</p> <ul style="list-style-type: none"> – Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes – Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks – Describe the targets the organisation has set to manage climate-related risks and opportunities and performance against targets



Recommendations and supporting recommended disclosure

Theme	Metrics count	LSEG count
Governance	2	2
Strategy	7	2
Risk management	4	1
Metrics and targets	34	26

Examples of LSEG ESG ratings indicators that are aligned with the TCFD’s recommendations

Pillar	Category	Title
Environmental	Emissions	Total GHG Emissions (Scope 1 + Scope 2)
Environmental	Emissions	Direct GHG Emissions Scope 1
Environmental	Emissions	Indirect GHG Emissions Scope 2
Environmental	Emissions	Indirect GHG Emissions Scope 3

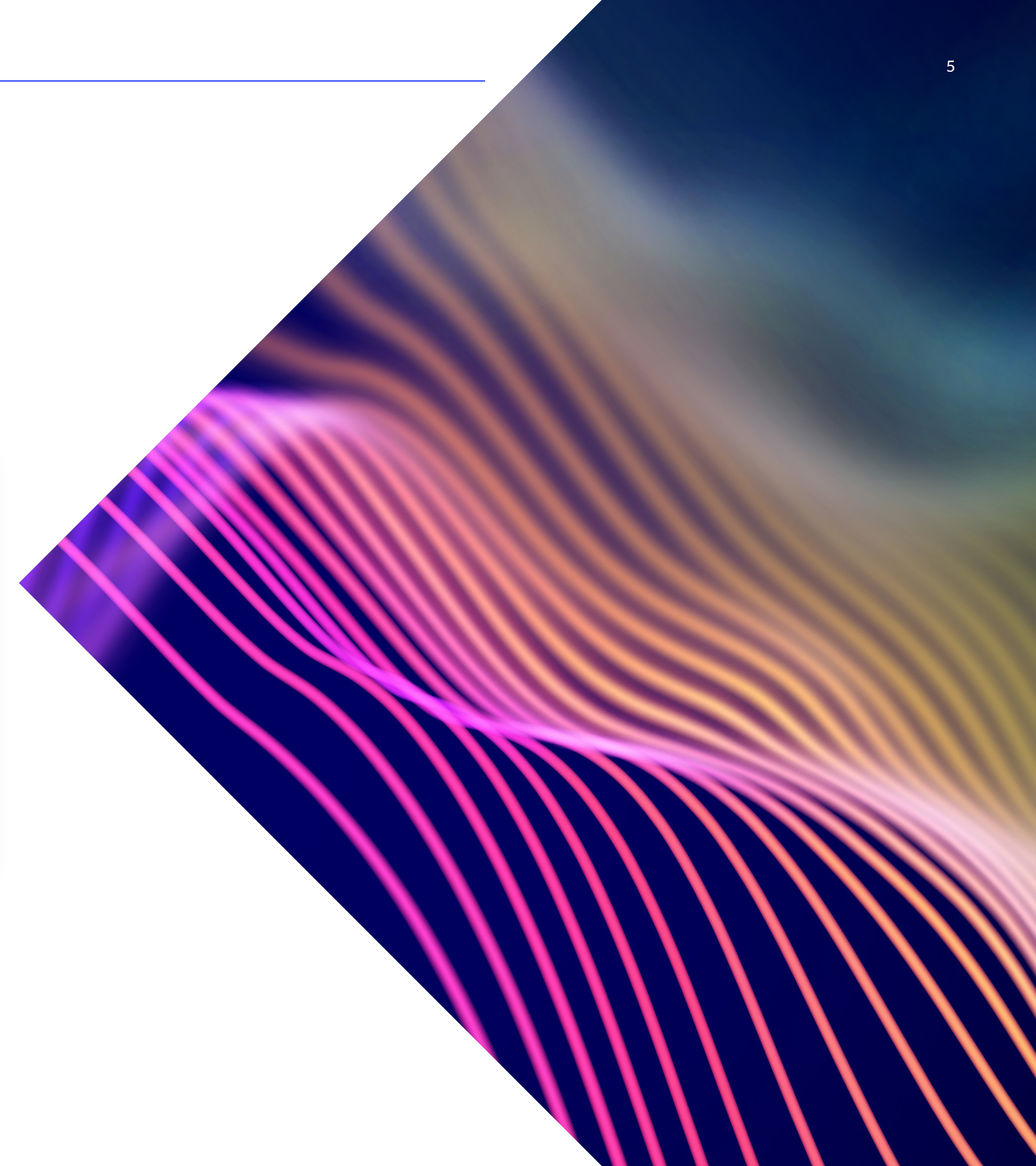
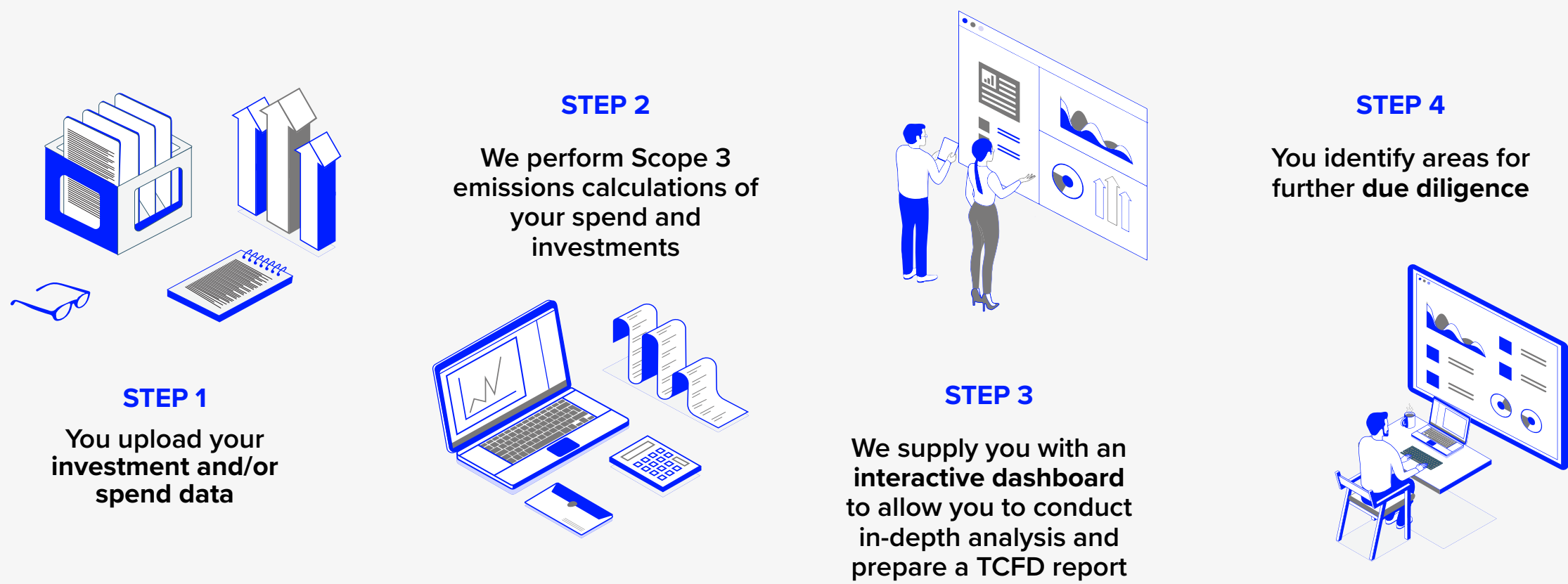
LSEG has robust coverage of climate change metrics.

Climate-related TCFD reporting

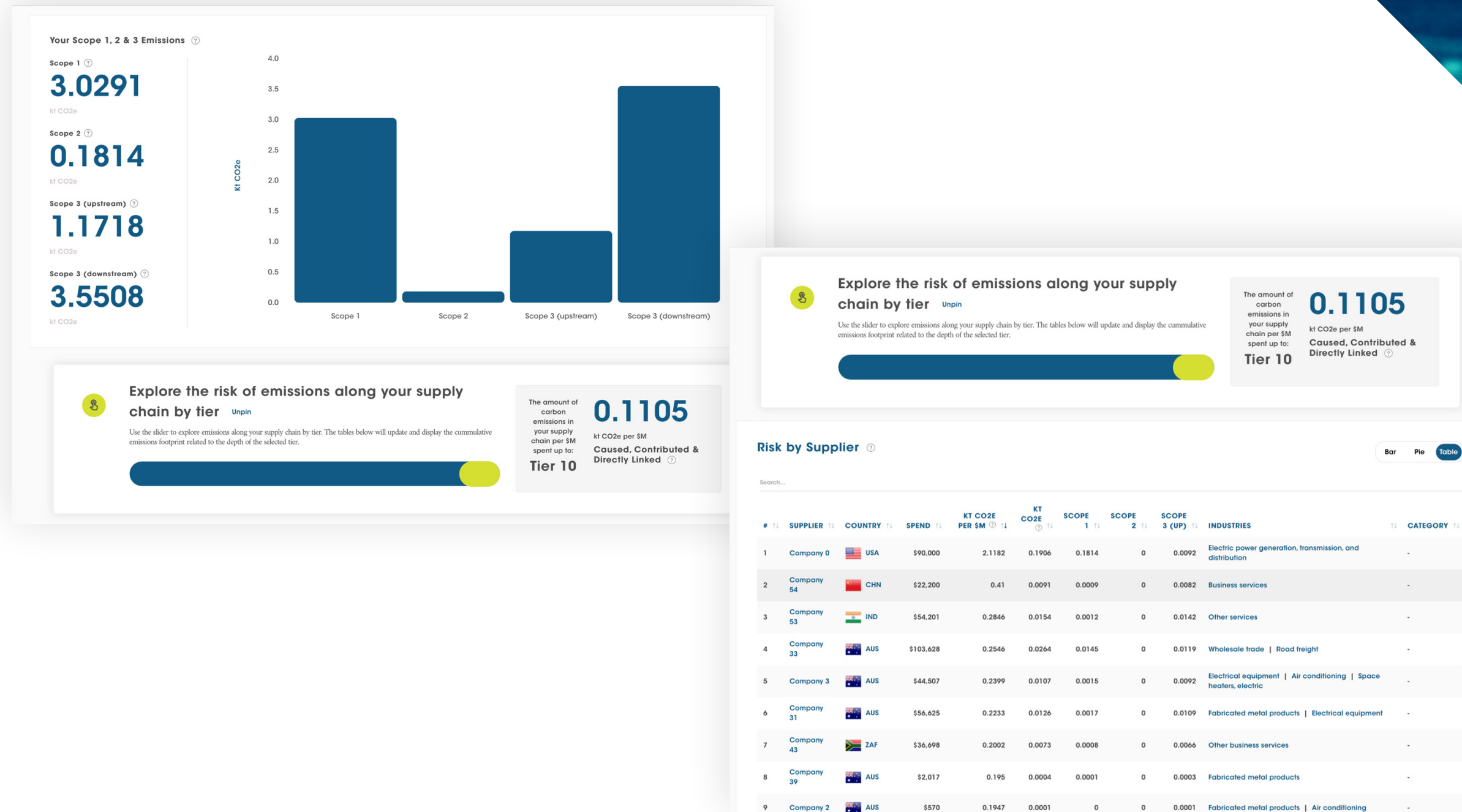
LSEG is a globally trusted provider of ESG data and solutions; furthermore we are closely involved in shaping and monitoring global sustainable action plans as well as the regulatory implications for the market.

We partnered with FairSupply to create a suite of TCFD climate reporting and calculating solutions to help you solve greenhouse gas calculation and reporting needs – for Scope 1, 2 and 3, both upstream and downstream.

How it works



Submit your data relating to the TCFD regulation for the opportunity to generate a report to publish or share with regulators:

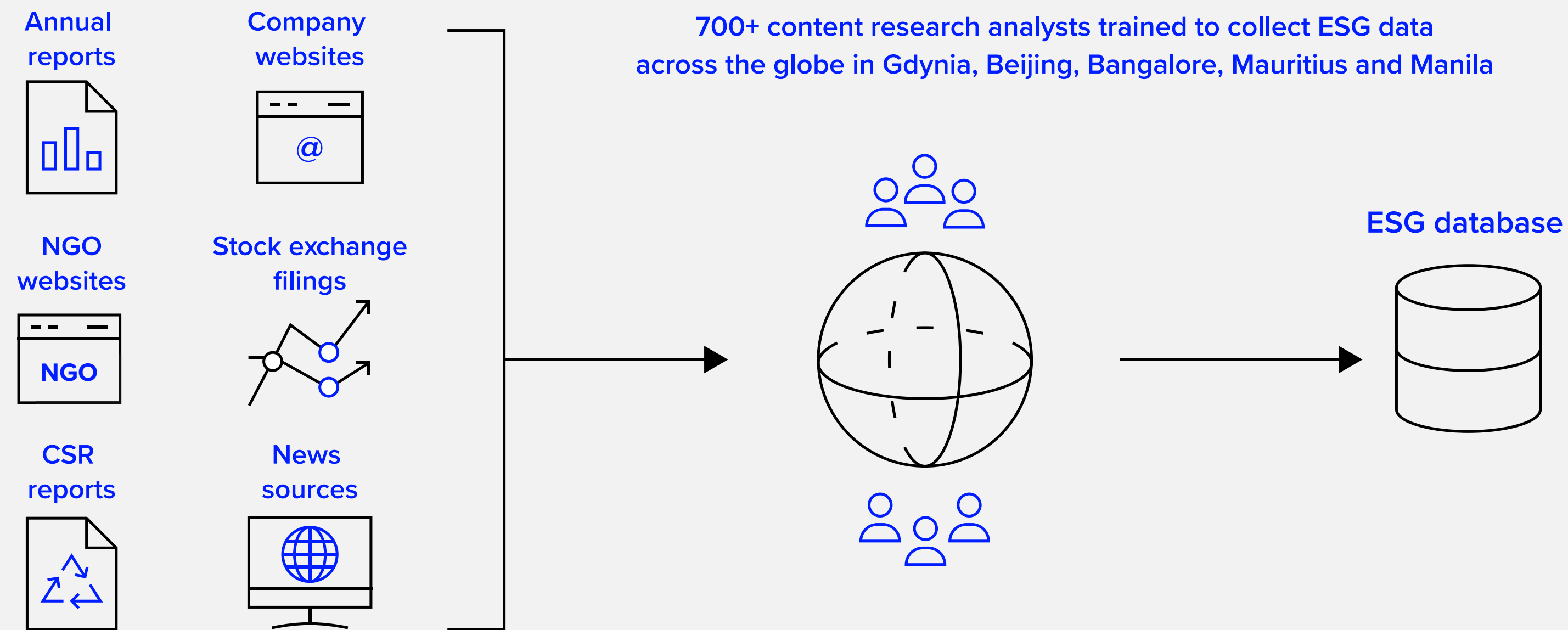


LSEG ESG content

With our standardised ESG data points, we strive to be the industry-standard database that reflects official company disclosure on ESG metrics.

LSEG’s ESG team comprises over 700 content research analysts trained to collect, audit and standardise ESG data. We have one of the largest ESG content collection operations in the world, with local language expertise, operating from different locations across the globe. We process numerous publicly available information sources to provide up-to-date, objective and comprehensive ESG data coverage.

Our analysts process over 800 measures manually within the ESG universe, putting each measure through a careful process of standardisation to ensure comparability across the full range. Our ESG offering also considers ESG news and controversies, which are updated on a continuous basis as and when events occur and are reported by global media. The database is updated continuously, in alignment with corporate reporting patterns, and data on products is refreshed every week.



Evolving regulation

LSEG is committed to evolving our ESG solutions and taxonomy to ensure we keep up with the regulatory environment and will assess new TCFD recommendations as they arise.

Discover more about how [LSEG supports you in the sustainable finance regulatory environment](#).

