

TCFD Integrated Solution



WHY – Why this topic may be relevant to you

Increased reporting requirements are driven by regulations and stakeholder expectations:

Regulators (and investors, lenders, creditors) are increasingly requiring companies to incorporate climate considerations into their business processes and related disclosures. Relevant regulations include:

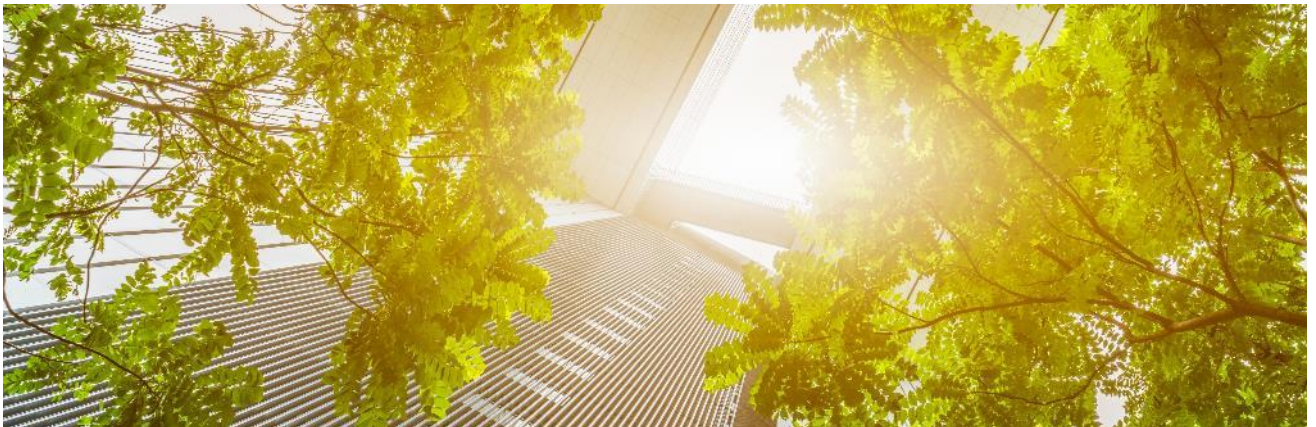
- **The Securities and Futures Commission (SFC):** [Circular to licensed corporations - Management and disclosure of climate-related risks by fund managers](#)
- **Hong Kong Monetary Authority (HKMA):** [Supervisory Policy Manual on Climate Risk Management \(GS-1\)](#)
- **Hong Kong Exchanges and Clearing Limited (HKEX):** [Environmental, Social and Governance Reporting Guide](#); [Guidance on Climate Disclosures](#); [Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework \(Proposal\)](#)
- **The Green and Sustainable Finance Cross-Agency Steering Group¹:** [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) ; [ISSB IFRS Sustainability Disclosure Standards](#)
- **U.S. Securities and Exchange Commission (SEC):** [Fact sheet – Enhancement and Standardization of Climate-Related Disclosures \(Proposal\)](#)

Climate risk is the risk of financial value impact as a result of climate change.

Climate risk is not just a regulatory issue but a board-level strategic issue – failure to take appropriate steps now is likely to leave an organisation exposed to material business risks.

Companies need to understand the interaction of the different driving forces to effectively define their response to the rising demand in this area.

Existing and emerging frameworks on climate risk management and disclosure globally are broadly similar, as they build on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, created by the Financial Stability Board (FSB) as commissioned by the G20.



¹ Established in May 2020, the Steering Group is co-chaired by the HKMA and the SFC. Members include the Environment Bureau, Financial Services and the Treasury Bureau, HKEX, the Insurance Authority and the Mandatory Provident Fund Schemes Authority.



WHAT – What the service is offering

The TCFD recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets.

Core elements of TCFD



Integrating climate-related considerations across all levels of governance, establishing a clear link between the business' long term growth and performance

Strengthening strategic resilience to climate change, embedding scenario planning approaches and climate-related considerations into all key decision making processes

Establishing robust climate risk identification and management procedures, and integrating them into existing risk management processes

Implementing and measuring more encompassing climate-related targets, moving beyond carbon emissions towards the overarching environmental performance of its entire operations

Adopting TCFD is not simply a reporting exercise. The intent of TCFD is to drive the right strategic behaviour by building climate risks and opportunities into risk management processes and strategic planning.

We provide bespoke services to help clients address TCFD recommendations, such as:



Assess and improve readiness for reporting



Map climate-related risks



Use scenario analysis to assess resilience



Inform business strategy



Adapt investment strategies



Manage and report on risks

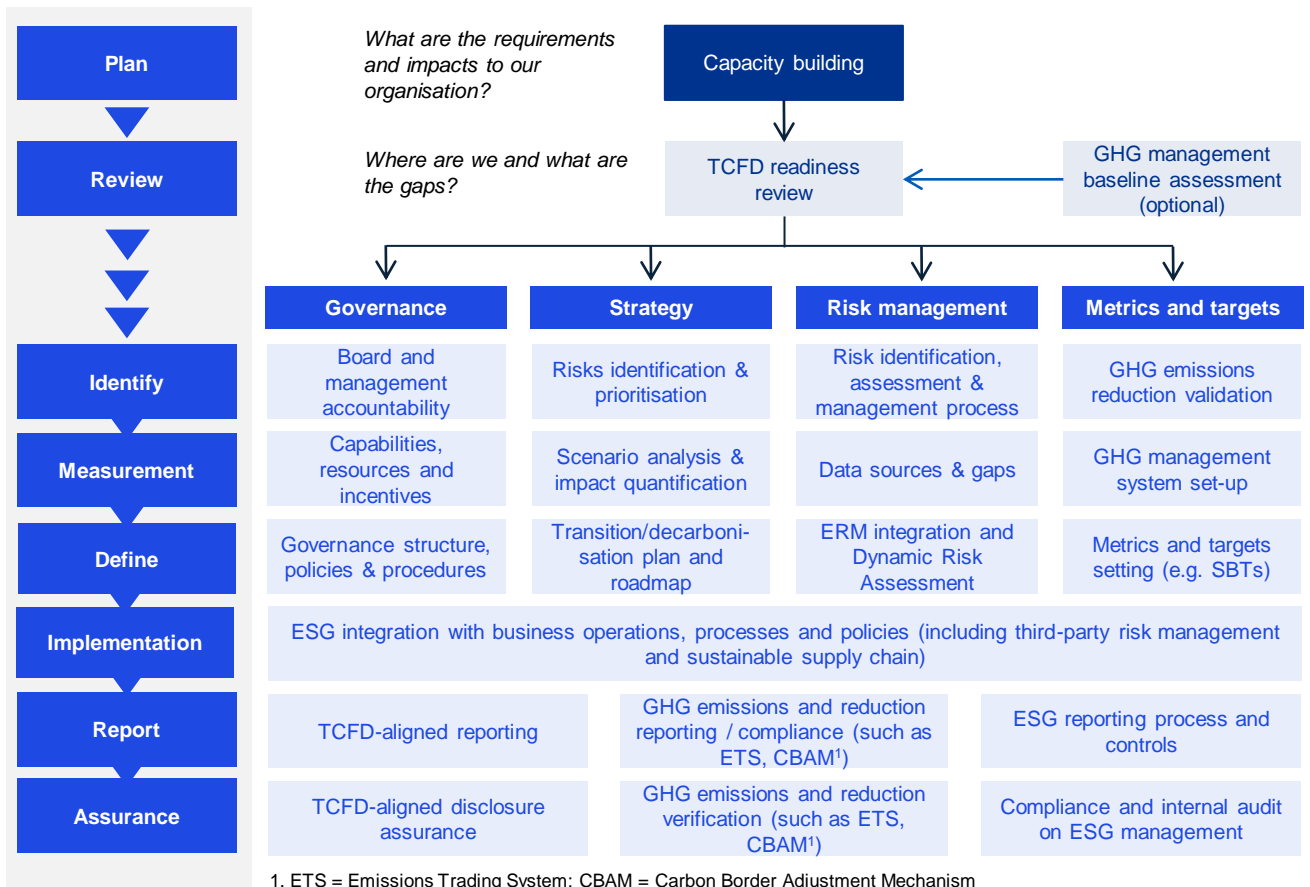




HOW – How we deliver the service

KPMG supports our clients' journey to implement the TCFD framework.

Through conducting a TCFD readiness review, we can evaluate the maturity of the company and the result will bring clarity where specific action is required and which specific strengths the company can play in a targeted way. We complete a review of current company processes and disclosures against TCFD requirements, best practice and peer activities, to identify key gaps and opportunities to improve.



KPMG brings together experts in risk consulting, strategy, climate change and greenhouse gas, technical accounting, reporting and assurance to provide a strategic, value-driven view of climate risk management and disclosure.



Contactus



Wei Lin
Partner
KPMG China
T: +8621 2212 3508
E: wei.lin@kpmg.com



Pat Woo
Partner
KPMG China
T: +852 3927 5674
E: pat.woo@kpmg.com



Patrick Chu
Partner
KPMG China
T: +8610 8508 5705
E: patrick.chu@kpmg.com



Irene Chu
Partner
KPMG China
T: +852 2978 8151
E: irene.chu@kpmg.com



Eddie Ng
Partner
KPMG China
T: +852 2143 8874
E: eddie.ng@kpmg.com



Daisy Shen
Partner
KPMG China
T: +8610 8508 5819
E: daisy.shen@kpmg.com



Jin Cao
Partner
KPMG China
T: +86755 2547 3390
E: jin.cao@kpmg.com



Gemini Yang
Partner
KPMG China
T: +852 3927 5731
E: gemini.yang@kpmg.com



Alva Lee
Partner
KPMG China
T: +852 2143 8764
E: alva.lee@kpmg.com



Richard Lin
Partner
KPMG China
T: +852 3927 5909
E: richard.lin@kpmg.com



Angus Choi
Partner,
KPMG China
T: +852 2847 5160
E: angus.choi@kpmg.com



Johnson Li
Partner
KPMG China
T: +8610 8508 5975
E: johnson.li@kpmg.com



Andrew Ji
Partner
KPMG China
T: +8610 8508 4430
E: andrew.ji@kpmg.com

kpmg.com/cn

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after thorough examination of the particular situation.

© 2023 KPMG Huazhen LLP, a People's Republic of China partnership, KPMG Advisory (China) Limited, a limited liability company in Chinese Mainland, KPMG, a Macau (SAR) partnership, and KPMG, a Hong Kong (SAR) partnership, are member firms of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.