

LISTING RULES (DISCLOSURE OF CLIMATE-RELATED FINANCIAL INFORMATION) INSTRUMENT 2020

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 96 (Obligations of issuers of listed securities);
 - (3) section 137A (The FCA’s general rules);
 - (4) section 137T (General supplementary powers); and
 - (5) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 21 December 2020.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Listing Rules sourcebook (LR) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Listing Rules (Disclosure of Climate-Related Financial Information) Instrument 2020.

By order of the Board
10 December 2020

Annex A

Amendments to the Glossary of definitions

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

<i>TCFD Annex</i>	the document entitled “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures” published in June 2017 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org .
<i>TCFD Final Report</i>	the report entitled “Recommendations of the Task Force on Climate-related Financial Disclosures” published in June 2017 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org .
<i>TCFD Guidance on Risk Management Integration and Disclosure</i>	the document entitled “Guidance on Risk Management Integration and Disclosure” published in October 2020 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org .
<i>TCFD Guidance on Scenario Analysis for Non-Financial Companies</i>	the document entitled “Guidance on Scenario Analysis for Non-Financial Companies” published in October 2020 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org .
<i>TCFD Recommendations and Recommended Disclosures</i>	the four recommendations and the eleven recommended disclosures set out in Figure 4 of Section C of the <i>TCFD Final Report</i> .
<i>TCFD Technical Supplement</i>	the technical supplement entitled “The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities” published in June 2017 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcfd.org .

Annex B

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

9 Continuing obligations

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9.8 Annual financial report

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Additional information

9.8.6 R In the case of a *listed company* incorporated in the *United Kingdom*, the following additional items must be included in its annual financial report:

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(6) a statement as to whether the *listed company* has:

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(b) ...

(iii) the *company's* reasons for non-compliance; ~~and~~

(7) a report to the shareholders by the Board which contains the information set out in *LR 9.8.8R*; and

(8) a statement setting out:

(a) whether the *listed company* has included in its annual financial report climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*;

(b) in cases where the *listed company* has:

(i) made climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, but has included some or all of these disclosures in a document other than the annual financial report:

(A) the recommendations and/or recommended disclosures for which it has included disclosures in that other document;

- (B) a description of that document and where it can be found; and
- (C) the reasons for including the relevant disclosures in that document and not in the annual financial report;
- (ii) not included climate-related financial disclosures consistent with all of the *TCFD Recommendations and Recommended Disclosures* in either its annual financial report or other document as referred to in (i):
 - (A) the recommendations and/or recommended disclosures for which it has not included such disclosures;
 - (B) the reasons for not including such disclosures; and
 - (C) any steps it is taking or plans to take in order to be able to make those disclosures in the future, and the timeframe within which it expects to be able to make those disclosures; and
- (c) where in its annual financial report or (where appropriate) other document the climate-related financial disclosures referred to in (a) can be found.

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- 9.8.6B G For the purposes of *LR 9.8.6R(8)*, in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should undertake a detailed assessment of those disclosures which takes into account:
- (1) Section C of the *TCFD Annex* entitled “Guidance for All Sectors”;
 - (2) (where appropriate) Section D of the *TCFD Annex* entitled “Supplemental Guidance for the Financial Sector”; and
 - (3) (where appropriate) Section E of the *TCFD Annex* entitled “Supplemental Guidance for Non-Financial Groups”.
- 9.8.6C G For the purposes of *LR 9.8.6R(8)*, in determining whether a *listed company’s* climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, the *FCA* considers that the following documents are relevant:
- (1) the *TCFD Final Report* and the *TCFD Annex*, to the extent not already referred to in *LR 9.8.6R(8)* and *LR 9.8.6BG*;
 - (2) the *TCFD Technical Supplement*;

- (3) the TCFD Guidance on Risk Management Integration and Disclosure; and
- (4) (where appropriate) the TCFD Guidance on Scenario Analysis for Non-Financial Companies.

9.8.6D G For the purposes of LR 9.8.6R(8), in determining whether climate-related financial disclosures are consistent with the TCFD Recommendations and Recommended Disclosures, a listed company should consider whether those disclosures provide sufficient detail to enable users to assess the listed company's exposure to and approach to addressing climate-related issues.

A listed company should carry out its own assessment to ascertain the appropriate level of detail to be included in its climate-related financial disclosures, taking into account factors such as:

- (1) the level of its exposure to climate-related risks and opportunities; and
- (2) the scope and objectives of its climate-related strategy,

noting that these factors may relate to the nature, size and complexity of the listed company's business.

9.8.6E G (1) For the purposes of LR 9.8.6R(8), the FCA would ordinarily expect a listed company to be able to make climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures, except where it faces transitional challenges in obtaining relevant data or embedding relevant modelling or analytical capabilities.

(2) In particular, the FCA would expect that a listed company should ordinarily be able to make disclosures consistent with:

- (a) the recommendation and recommended disclosures on governance in the TCFD Recommendations and Recommended Disclosures;
- (b) the recommendation and recommended disclosures on risk management in the TCFD Recommendations and Recommended Disclosures; and
- (c) recommended disclosures (a) and (b) set out under the recommendation on strategy in the TCFD Recommendations and Recommended Disclosures, to the extent that the listed company does not face the transitional challenges referred to in (1) in relation to such disclosures.

9.8.7 R An overseas company with a premium listing must include in its annual report and accounts the information in LR 9.8.6R(5), LR 9.8.6R(6), LR

9.8.6R(8) and *LR 9.8.8R*.

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15 Closed-Ended Investment Funds: Premium listing

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15.4 Continuing obligations

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Annual financial statement

15.4.29 R *A closed-ended investment fund* is not required to comply with *LR 9.8.4R(14)* and *LR 9.8.6R(8)*.

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16 Open-ended investment companies: Premium listing

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16.4 Requirements with continuing application

16.4.1 R *An open-ended investment company* must comply with:

- (1) *LR 9 (Continuing obligations)* except *LR 9.2.2AR* to *LR 9.2.2GR*, *LR 9.2.6BR*, *LR 9.2.6CR*, *LR 9.2.6DR*, *LR 9.2.6ER* to *LR 9.2.6HR*, *LR 9.2.15R*, *LR 9.2.20R*, *LR 9.2.21R*, *LR 9.2.23R*, *LR 9.2.24R*, *LR 9.2.25R*, *LR 9.3.11R* and *LR 9.8.4R(14)* and *LR 9.8.6R(8)*;

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Appendix 1 Relevant definitions

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

Appendix 1 Relevant definitions

App 1.1 Relevant definitions

<i>TCFD</i>	the document entitled “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures” published in June 2017 by the Task
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<i>Annex</i>	Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcf.org .
<i>TCFD Final Report</i>	the report entitled “Recommendations of the Task Force on Climate-related Financial Disclosures” published in June 2017 by the Task Force on Climate-related Financial Disclosures, available at: https://www.fsb-tcf.org .
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Insert the following new TR as TR 14A, after TR 14 (Transitional Provisions in relation to DTR 7.3 (Related party transactions)). The text is not underlined.

TR 14A Transitional Provisions in relation to climate-related financial disclosures under LR 9.8.6R(8)

(1)	(2) Material to which the transitional provision	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
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	applies				
1.	LR 9.8.6R(8)	R	LR 9.8.6R(8) applies in relation to a financial year of a <i>listed company</i> beginning on or after 1 January 2021.	From 21 December 2020	21 December 2020