

GET A MOVE ON WITH CARBON

Here's a renewed list of milestones of interest to companies – starting in the recent past and going on to the uncharted future.

December 2015	Task Force on Climate-related Financial Disclosures (TCFD) launched. It is headed by Michael Bloomberg, former Mayor of New York.
April 2016	The Paris Climate Agreement, which sets a global goal of limiting global warming to below 2°C, signed.
June 2017	Final Recommendations of Task Force on Climate-related Financial Disclosures released.
October 2018	IPCC Special Report on Global Warming of 1.5 °C.
May 2019	UK Parliament declares a Climate Emergency, Australian General Election returns a pro-coal government.
June 2019	UK sets national Net Zero Carbon by 2050 Target.
July 2019	UK Green Finance White Paper requires: "...all UK listed companies and large asset owners to disclose in line with the TCFD recommendations by 2022".
October 2019	TSBTi stops accepting targets with 2°C ambition.
January 2020	Larry Fink, head of BlackRock, world's largest asset manager, centres his annual letter to CEOs on the topic of climate change.
January 2020	Microsoft announces it will be carbon negative by 2030 and remove its historic emissions by 2050.
January 2020	UK supermarket Sainsbury's commits to being net-zero carbon by 2040 – criticising UK 2050 target as "not soon enough".
November 2020	US due to leave Paris Accord on Climate Change.
November 2020	COP26 UN Climate Conference in Glasgow.
Near Term Target 2022	UK government expects all listed companies to be reporting against TCFD.

Without doubt it is a massive flurry of activity. The pace is quickening. Companies (especially British ones) might reasonably ask: "What should we be doing to get into a good place?"

TAKING THE NEAR TERM 2022 MILESTONE, HERE ARE OUR THOUGHTS:

By 2022 many companies will have followed Microsoft and the rest by setting tough targets. Indeed, in setting targets that would have been though ludicrously ambitious even just a year ago.

The number of companies committing to a science-based target will have grown significantly.

All new targets will reflect a 1.5°C consistent target.

A vast extra range of corporate data will have been published. This will spawn league table-like assessments of corporate performance.

More and more companies will measure, report and set targets on their Scope 3 emissions.

Investors will integrate climate change data more fully into decision making.

We will be able to test all that out in two years' time. Unless you have:

- ✓ A full and enlightening map of your Scope 1, 2 and 3 emissions
- ✓ A convincing target(s) in line with a 1.5 degree world – reviewed annually at least
- ✓ Transparent reporting – including a response to TCFD
- ✓ A clear and engaging description of your approach to preventing climate change
- ✓ A link to executive compensation

You are likely to find yourself in trouble. Deep trouble.