

N546: TCFD [Task Force on Climate-related Financial Disclosures] Oil and Gas Reporting

Instructor(s): Tanya Lloyd-Jones and Tom Dearing / Andrew Tasker

Format and Duration

Classroom - 1 Day

Virtual - 1 Session

Summary

Business Impact: The Oil and Gas Authority (OGA) UK, has clearly set an expectation in March 2021 that all UK operators and non-operators alike, should be reporting to Task Force on Climate-related Financial Disclosures (TCFD) standards by 2025. We anticipate that other international jurisdictions' O&G authorities will follow this 'gold standard' of reporting in the future.

Organisations signatory to the Principles for Responsible Investment (PRI) has made reporting on TCFD indicators for strategy and governance mandatory. As our industry transitions through the realities of a low-carbon economy, **staying ahead** of the **reporting and disclosures** curve, will help organisations **maintain access to funding**.

This interactive course will highlight the key steps to achieve TCFD compliance and keep your organisation's reporting on track.

Learning Outcomes

Participants will learn to:

1. Understand the TCFD process to integrate climate risk into your organisation's reporting and disclosure processes.
2. Account for the carbon risk of your business operations.
3. Apply principles for effective disclosure.
4. Develop a framework/phased approach for successful compliance.

Training Method

A classroom or virtual classroom course, comprising a mixture of lectures, discussion, and case studies.

Who Should Attend

Oil and Gas professionals with responsibility or interest in sustainability, governance, or carbon risk management.

Course Content

Why is this important?

Short discussion of the drivers behind this, including the increasing recognition of need to achieve Paris Agreement goal of reducing emission of greenhouse gases to limit further warming of the Earth to below 1.5° Celsius (1.5°C), relative to the pre-industrial period:

- Serious economic and social consequences
- Physical hazards (rising sea levels, increased occurrence of extremes of weather patterns, drought, floods, etc.)

Creditors and investors are increasingly demanding access to risk information that is consistent,

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comparable, reliable, and clear.

What are climate related risks and opportunities?

Review of how the Task Force has divided climate-related risks into two major categories and how this applies to the O&G sector:

1. Risks related to the transition to a lower-carbon economy
2. Risks related to the physical impacts of climate change

Efforts to mitigate and adapt to climate change also produce opportunities for organizations. Specifically for the O&G sector there are transition, reskilling, and asset reuse (hydrogen, CCS, offshore wind) opportunities.

What are financial impacts of climate change?

The long-term impact of climate change is unpredictable and complex. Consideration of how risks, including physical and transitional, may have impacts across the entire structure of a business. This might include revenues affected by shifting customer demands, or physical risks to assets and the implications of carbon pricing and compliance.

What do you need to do to start?

Review of the existing processes in your organization. This includes the risk management processes, governance structure (including audit and risk committees), and the tools you already use to help collect and report climate-related information.

Review other reporting frameworks, such as CDP, and how they apply.

Principles of effective disclosure

Outline of principles that can help achieve high-quality and decision-useful disclosures that enable users to understand the impact of climate change on organizations.

What is scenario analysis?

Discussion of the use of scenario analysis for assessing the potential business implications of climate-related risks and opportunities and in particular how it can apply to the O&G sector.

Oil and Gas specifics

Peer review: Independent, small to medium size operators – who's doing what?