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To whom it may concern,

Proposals to enhance climate-related disclosures by listed issuers and clarification of existing disclosure obligations

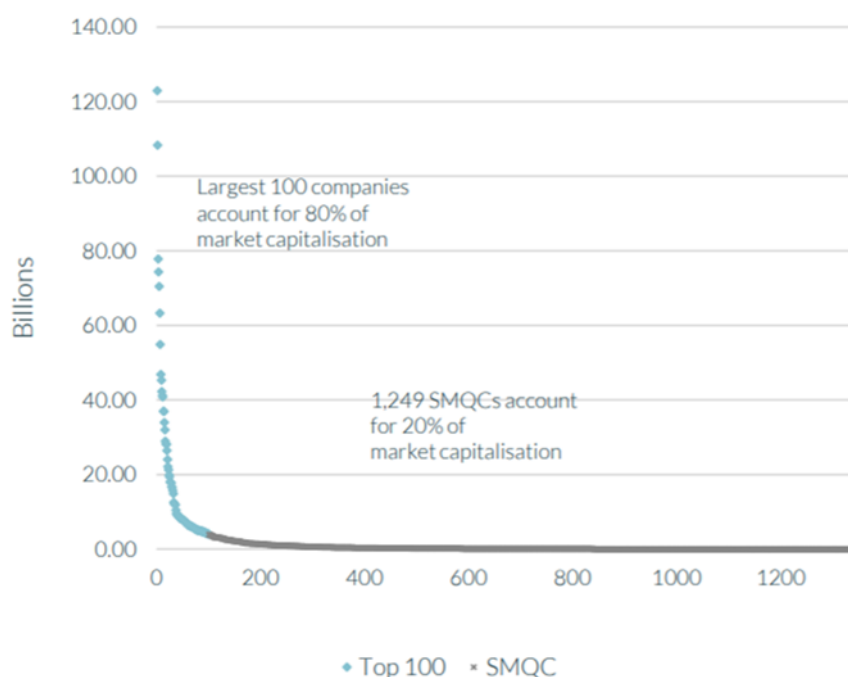
We welcome the opportunity to respond to your consultation on proposals to enhance climate-related disclosures by listed issuers and clarification of existing disclosure obligations.

Climate change will have a significant impact on companies, shareholders, stakeholders, and the UK economy as a whole. The QCA and its members are mindful of this, and support action on climate change.

However, we believe that the FCA should not adopt a one-size-fits-all approach. The disparities in size between the largest and smallest Premium list companies should be considered in order to ensure that smaller listed companies are not disproportionately impacted.

This chart shows all companies quoted on London Stock Exchange's Main Market and AIM by market capitalisation. It illustrates the huge disparities in size between the largest 100 companies and the remaining 1,249 small and mid-sized quoted companies (SMQCs):

Market capitalisation as at end-February 2019



Source: LSE, Hardman & Co, Quoted Companies Alliance

The FCA should ensure that the requirements are proportionate. That is, the extent to which a company is expected to make additional disclosures should be commensurate to size, complexity and available resources. The FCA must take into consideration the additional administrative burden and costs that providing enhanced disclosure requirements would have on smaller companies. Failing to bear this in mind could limit the growth of these companies, and, ultimately, result in companies delisting to seek less-burdensome means of gaining access to finance.

In so doing, we believe the FCA should establish a threshold level of companies where these proposals are mandatory. **We believe that, in the first instance, this should apply to companies within the FTSE 350 only, rather than all Premium listed companies.** It is these companies who are the most systemically significant and have a sufficient level of resources whereby the requirements do not become overly burdensome.

For companies below the FTSE 350, there should be a much lower level of disclosure expected. Smaller companies, who typically have fewer resources, should not be expected to make disclosures on detailed metrics. However, these companies should be encouraged, but not required, to start considering climate-related risks and opportunities and begin to make disclosures, where appropriate, on a voluntary basis.

Many of the small and mid-size quoted companies that operate outside of the FTSE 350 are keen to improve their disclosure on climate-related risk and opportunities so that they can accurately convey useful information to their stakeholders. That said, these companies do not necessarily have the capacity to adhere to requirements to issue disclosures on highly detailed and sophisticated metrics. It would be more appropriate to encourage these companies to begin to adopt certain practices.

For instance, the key focus for these companies should be on facilitating discussion at Board-level around climate-related risks and opportunities. These companies should then be encouraged to make some restricted narrative disclosures around the Strategy and Risk Management elements of the TCFD recommended disclosures. This should occur only when the company believes that it will provide useful and

necessary information for those who access their disclosures and when they have the capacity to do so, whereby it does not stymie their growth.

Then, once a sufficient amount of time has passed and a thorough assessment of the impact of the requirements on FTSE 350 companies has taken place, consideration could be given to extending the requirements to additional Premium list companies.

If you would like to discuss our response in more detail, we would be happy to attend a meeting.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'TW' followed by a stylized flourish.

Tim Ward
Chief Executive