

Q. It is imperative that current economy recovery efforts, both by the public and private sector along with governance processes are required to mainstream climate risks. Explain.

Ans. India - 43 companies have signed up for TFCO (Task Force for Climate Related Disclosures),

- 72% Indian signatories came up - 2020, 2021, however despite India's latest acknowledgement of climate risk to business, the following data seems dimly demotivating -
- ▶ 42 Indian companies together foresee 7.14 lakh crore at risk from climate change (Recent CDP report),
- ▶ Economic fallout of the global transition to a low-carbon economy is costly too; India lost \$80 billion dollars to climate related disasters in the last 20 years.

### • CHALLENGES AT HAND :-

Available Climate Data Supports :-

1. Increased magnitude, frequency of climate-linked events.
2. Affects agricultural productivity,
3. Impact on infrastructure assets and services,
4. Reduced productivity of labour force,
5. Supply-chain disruptions,

— All of them leading to financial losses in businesses.

### • INDIA'S RECOGNITION OF CLIMATE-LINKED EVENTS :-

— This has seen an upsurge due to the following factors -

- |                                    |                                |  |  |
|------------------------------------|--------------------------------|--|--|
| (1) Greater Board-level awareness. | (2) Growing Investor Pressure. | (3) Increasing climate impacts in general, | (4) Disruption of business community due to natural disasters. |
|------------------------------------|--------------------------------|--|--|

• However, concrete efforts are yet to be made:-

→ Focus should be shifted to addressing material risks to operations, value-chains, then to driving stewardship,

→ Greater appetite for action should be built, this can be made possible by a truce between climate & business space,

→ Ambitious companies must tap into 'global-efforts' for building frameworks for companies to assess & disclose the climate-risks,

→ Latest Business Responsibility and Sustainability Reporting (BRSR) guidelines require top-1000 companies by market

capitalisation to disclose their → energy usage,  
→ water usage,  
to report plans around Greenhouse gas emission reduction.

• Hereby, quantification of material risks and opportunities of a company's business should be done.

## • CONCLUSION :-

→ Strengthening the resilience of businesses today has become all-the-more important, specially against climate-related disasters. Recovery of current economy goes hand in hand with the mainstreaming and mitigation of climate-linked events. Hence, collective efforts should be taken to assess and build resilience to them.