

# Accounting research

with Dr Sanjay Banerjee

## Talking points

### Knowledge

1. What are the two types of climate risk?
2. What is climate disclosure?

### Comprehension

3. How does machine learning help with Sanjay's research?
4. Why would regulators be interested in Sanjay's research?

### Application

5. Consider a company that sells frozen meats. What sorts of climate risks might they be exposed to? Consider the whole supply chain and both physical and transition risks in your answer.
6. How could this frozen meats company mitigate or avoid the risks you have outlined?

### Analysis

7. Why do you think that companies with investments from the largest investors were more likely to make climate disclosures via CDP (previously the Carbon Disclosure Project) than corporate social responsibility reports?
8. Why do you think that larger companies are more likely to make voluntary climate disclosures?

### Evaluation

9. How do you think that accountants can judge how accurate or truthful companies are when it comes to their climate disclosures?
10. Based on the information in Sanjay's article and your own knowledge, to what extent do you think companies' climate disclosures should be voluntary or mandatory? Present a balanced argument.

## Activity

Imagine you are an accountant for a large company. You want to advise the directors of your company to begin climate disclosure.

Design a presentation that lays out why the company should start the process of climate disclosure and the routes it could take to do so.

Before diving in, take some time to look up accounting research into climate risk and climate disclosure, to supplement the information given in Sanjay's article.

As you design your presentation, think about:

- What factors are likely high priorities for your company?
- How can you best emphasise your key message(s)?
- How can you accessibly incorporate research findings and statistics into your presentation? Remember that company directors are not scientists.
- What persuasive techniques can you use to make your point?
- What specific steps can you recommend?
- How can you draw on your accounting expertise to help you?

Present to your class or a group of classmates, who take on the role of company directors. Encourage them to ask questions in role for you to address. What parts resonated with them the most? Were there any parts they did not understand? Do they raise any points you had not thought about? How could you incorporate this feedback if you were to give the presentation again?

## More resources

- You can find out more about the CDP and the charity's work here: [www.cdp.net/en](http://www.cdp.net/en)
- This video from CPA Canada explains the origins and recommendations of an important body called the Task Force on Climate-related Financial Disclosure, focusing on why climate disclosure is so important in a changing world: [www.youtube.com/watch?v=kEopo5G85Bs](https://www.youtube.com/watch?v=kEopo5G85Bs)
- This article presents an accessible overview of the climate risks facing businesses: [radiclebalance.com/resources/articles/understanding-climate-risk-and-its-impact-on-businesses](https://radiclebalance.com/resources/articles/understanding-climate-risk-and-its-impact-on-businesses)