

# Climate Financial Risk Forum (CFRF)

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The CFRF aims to enhance the financial services industry's ability to manage climate-related risks and opportunities through strategic risk management.

The Climate Financial Risk Forum (CFRF) is a financial services industry forum established jointly by the FCA and the Prudential Regulation Authority (PRA) in 2019. It's comprised of senior representatives from across financial services.

The CFRF Steering Group provides oversight of CFRF Working Groups, which produce guidance, best practice, case studies and tools to help financial services firms identify, assess and respond to climate-related risks and opportunities.

The Working Groups are chaired by a CFRF Steering Group member and supported by an external secretariat. Industry participants are members, ensuring a broad range of firms is represented.

## CFRF guides

The CFRF publishes guides to help the financial sector develop its approach to climate-related financial risks and opportunities. Written by industry, for industry, these help develop effective practice.

While the FCA and PRA facilitate CFRF discussions, the views in these publications don't necessarily represent the views of the regulators and are not regulatory guidance.

## October CFRF 2024 guides

In October 2024, the CFRF published guides on 3 key areas of climate risk:

### Nature-related Risk: Handbook for Financial Institutions (PDF)

- **Aim of publication:** Provides an introduction for financial institutions to help frame nature as a risk, and discusses emerging practices in incorporating nature into financial risk management.
- **Industry need:** Increasing industry discussion and interest in nature-related risk.
- **Supporting documents:**
  - [Nature-related Risk: Technical Data Guidance for Financial Institutions \(PDF\)](#)
  - [Nature-related Risk: summary document \(PDF\)](#)

### Short-term Scenarios (PDF)

- **Aim of publication:** To discuss the various use cases of short-term scenarios for banks/asset managers/insurers to provide more guidance to firms.
- **Industry need:** Growing interest in and use of short-term scenarios.
- **Supporting documents:**
  - [Short-term Scenarios: summary document \(PDF\)](#)

### Mobilising Adaptation Finance to Build Resilience (PDF)

- **Aim of publication:** Provide guidance for the industry to assess physical risks they face and to facilitate increased levels of investment into climate adaptation to respond to those risks as an opportunity.
- **Industry need:** Challenges in understanding and pricing physical climate-related risks.
- **Supporting documents:**
  - [Mobilising Adaptation Finance to Build Resilience: summary document \(PDF\)](#)
  - [Adaptation user survey \(PDF\)](#)
  - [Adaptation case studies \(PDF\)](#)

## Previous CFRF guides

Theme	Title	Summary	Date
Scenario analysis	<a href="#">Learning from the 2021/22 Climate Biennial Exploratory Scenario (CBES) (PDF)</a>	Lessons from participants in the Bank of England's Climate Biennial Exploratory Scenario (CBES).	March 2023
Scenario analysis	<a href="#">Asset Management Guide (PDF)</a>	Latest thinking, as scenario analysis capability continues to mature across the asset management industry.	March 2023
Disclosure, data and metrics	<a href="#">The limitations of portfolio climate data</a>	Webinar covering on limitations of portfolio emissions data: Increased stakeholder interest, common pitfalls and possible approaches for assurance.	March 2023
Disclosure, data and metrics	<a href="#">Forward-looking portfolio climate metrics</a>	Forward-looking portfolio climate metrics: what are they, are they reliable and should we use them?	March 2023
Disclosure, data and metrics	<a href="#">Climate data coverage</a>	Webinar on the importance of investment portfolio coverage, barriers to improvement, approaches to disclosure.	March 2023
Disclosure, data and metrics	<a href="#">Supporting content for webinars (PDF)</a>	Additional information on topics covered in the 3 webinars recorded in March 2023	March 2023

Disclosure, data and metrics	<a href="#">Climate Disclosures Dashboard (PDF)</a>	Dashboard recommending metrics across 5 key disclosure categories – transition risk, physical risk, financed emissions and portfolio alignment, financing the transition and engagement. Tells users what metrics to disclose included and examples for producing these metrics. Metrics are 'Foundation', 'Stretch' and 'Advanced' so the Dashboard can benefit firms at different stages of their disclosure journey.	March 2023
Disclosure, data and metrics	<a href="#">Industry Frameworks and Metrics in Relation to Green &amp; Transition Finance (PDF)</a>	Reviews survey as well as publicly available information on frameworks and examples of products and transactions, to identify emerging, consistent approaches to Green and Transition Finance. For firms looking to adopt an internal / bespoke or external green or transition framework.	December 2022
Transition to net zero	<a href="#">Mobilising Investment into Climate Solutions: Phase 1 Report (PDF)</a>	Paper supporting financial institutions looking to finance reduced emissions in the real economy as part of a strategic and rounded approach to achieving net zero objectives, minimizing future risks and capturing the opportunities that the transition presents. Includes Framing Report with 3 sector-specific scoping notes: EV infrastructure, carbon capture and storage, CRE retrofitting.	December 2022
Transition to net zero	<a href="#">Disclosures: Managing Legal Risks (PDF)</a>	Paper providing clarity on legal expectations and implications of climate disclosures since October 2021. Important as firms issue their own disclosures, and as they assess disclosures of their clients/investees to engage with them on their progress and to make investment/financing decisions.	December 2022
Transition to net zero	<a href="#">A Carbon Budget Primer for Financial Institutions (PDF)</a>	Paper providing finance practitioners with a base-level understanding of the science behind the carbon budget, as well as its implications for financial institutions.	December 2022
Scenario analysis	<a href="#">Physical Risk Underwriting Guide (PDF)</a>	Consolidating information on the modelling of physical climate-related risks.	December 2022
Scenario analysis	<a href="#">Scenario Analysis Guide for Banks (PDF)</a>	Latest thinking as scenario analysis capability continues to mature in UK banking.	December 2022
Scenario analysis	<a href="#">Scenario Analysis in Financial Firms (PDF)</a>	Results of a deep dive on the maturity of fast-evolving climate scenario analysis practices in financial firms.	December 2022
Scenario analysis	<a href="#">Climate Litigation Risk Chapter (PDF)</a>	Shortlist of cases for underwriters.	December 2022
Scenario analysis	<a href="#">Data and tools providers spreadsheet (XLSX) Link is external</a>	Database with information about specific climate risk products with product types including: models, datasets, ratings, hazard maps, frameworks	December 2022
Risk management	<a href="#">Risk appetite statements (PDF)</a>	Practical advice on writing, implementing and maintaining an effective climate risk appetite statement.	October 2021
Risk management	<a href="#">Use cases (PDF)</a>	This guide contains use cases for: <ul style="list-style-type: none"> <li>Section 2: Insurers</li> <li>Section 3: Asset Managers</li> <li>Section 4: Retail Banking</li> <li>Section 5: Corporate Banking</li> </ul>	October 2021
Risk management	<a href="#">Climate risk training (PDF)</a>	Document offering practical advice on developing and implementing an effective climate risk training programme.	October 2021
Scenario analysis	<a href="#">Implementation guide (PDF)</a>	Practical guidance on how to use scenario analysis to assess climate-related financial risks to inform firms' strategy and business decisions.	October 2021
Disclosure	<a href="#">Case studies (PDF)</a>	Case studies from very different organisations, but cover common themes of broad interest to financial institutions looking to develop their climate risk approaches.	October 2021
Disclosure	<a href="#">Managing legal risk (PDF)</a>	Guide to managing legal risks associated with disclosure of climate-related data.	October 2021
Innovation	<a href="#">Commentary report (PDF)</a>	Explores opportunities with moving to a net-zero, resilient economy, including case studies of actions to expand financing into the real economy through increasing supply of finance and enabling on the demand side, actions to finance transition assets, and improved use of data and metrics.	October 2021
Innovation	<a href="#">Case study videos Link is external</a>	Highlights actionable innovation opportunities to mobilise financial capital and steward an economy-wide transition to meet climate targets. These videos show practical pilots and emerging and active innovation activities across the sector.	October 2021

## CFRF Steering Group membership

Forum member	Sector
PIMCO	Asset manager
Federated Hermes	Asset manager
Royal London Asset Management	Asset manager
Impax	Asset manager
Universities Superannuation Scheme	Asset owner
Railpen	Asset owner
Barclays	Bank
HSBC	Bank
JP Morgan	Bank
NatWest	Bank
Standard Chartered	Bank
Aviva	Insurance
Lloyd's of London	Insurance
Phoenix Group Holdings plc	Insurance
Rothesay	Insurance
Green Finance Institute	Other
London Stock Exchange Group	Other
Bloomberg	Other
UK Centre for Greening Finance and Investment	Other