



## Call for Participants in new Lab project: reporting on risks, uncertainties and scenarios

The Lab is inviting investors and companies to participate in a new project on corporate disclosures on risks, uncertainties and scenarios.

### The context for the project

Investors and other stakeholders are increasingly looking for information from companies about how they will evolve, adapt and respond to changes in the external business environment. The risks and uncertainties that could impact a company's business model, strategy and viability will vary over the short, medium and longer term. Given the significant reassessment many companies are making to their longer-term business model and strategy, risk, uncertainty and scenario reporting is likely to become even more important.

How companies consider and report on business model, strategy, the reporting of risk, uncertainties and scenarios, viability and resilience, and the drivers of value is, necessarily, interconnected. We expect to address all of these topics in due course as part of our previously announced Horizons project, but given the current level of uncertainty in the business environment this project will focus on the reporting of risks, uncertainties and scenarios and consider what users want from these disclosures.

The scope of the project will develop, considering the contribution from those that participate. However, it is likely to:

- explore whether and how companies' risk identification, risk management and scenario planning processes are evolving and how this is impacting reporting and disclosure.
- determine whether the time horizons utilised in scenario planning have changed.
- consider how companies communicate uncertainty in their disclosures.
- discuss which areas of reporting are most challenging for companies.
- explore examples of risks and related disclosures where investor focus has been heightened by the current pandemic (for example, supply chain risk, existential risk/viability of business model).
- analyse how investors use this information in their decision-making process and identify whether reporting meets investor needs;
- discuss what types of disclosures would be most useful in interim reports; and
- highlight best practice in current company reporting.

### Participation

We invite investors and companies to communicate their interest in participating by emailing [FinancialReportingLab@frc.org.uk](mailto:FinancialReportingLab@frc.org.uk). However, we welcome views from other interested parties. We expect to publish a range of outputs across 2021.

The opportunities for participation are expected to consist of virtual individual meetings of an hour and round table meetings of 1.5 hours. Participants will be kept updated on the progress of the project throughout and are given an opportunity to comment on drafts.

If you would like to find out what it is like to participate in a Lab project, you can watch a short [video](#). Further information on the Lab, including its published reports, can be found [here](#).